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The procedure for approval of interested party transactions has been clarified

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On November 15, 2019, amendments to the Federal law "on joint stock companies" and the Federal law "on limited liability companies" came into force, regulating the new procedure for approving interested party transactions.

To date, a controlled entity of a person interested in a transaction has not been recognized as interested in the relevant transaction if the percentage of votes it could directly or indirectly dispose of in the Supreme governing body was less than 50.

As a result of the changes, shareholders and members of LLC controlled by persons interested in the transaction will not be able to vote for its approval.

Thus, the decision on consent to a transaction in which there is an interest is adopted by the General meeting of shareholders by a majority of votes of shareholders-owners of voting shares participating in the meeting and not interested in the transaction or controlled by persons interested in its execution (paragraph 4 of article 83 of the Federal law of 26.12.95 No. 208-FZ "on joint stock companies"). A similar provision is provided for members of LLC (paragraph 4 of article 45 of the Federal law of 08.02.98 No. 14-FZ "on limited liability companies").

It should be noted that a similar norm was previously fixed by The resolution of the Plenum of the armed forces of the Russian Federation of 26.06.2018 No. 27. However, this explanation applies only to those controlled entities that are organizations. Now all persons under the control of the authorities will be removed.

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