

Russian Central Bank: clarifications on constituent documents in terms of opening and using a bank account

As it is well known, one of the key conditions for opening a bank account is to submit a legal entity's constituent documents (subclause b clause 4.1. of the Central Bank Instruction № 28-I dated 14.09.2006 (the Instruction). However, both legal entities (clients) and credit organizations have been often confronted with a question: what are the requirements for copies of constituent documents which are submitted to a bank while opening an account? To clarify this situation, the Central Bank presented its position in Letter № 011-31-1/3482 "On submitting copies of constituent documents while opening an account" dated 13.07.2010 (the Letter).

To open a bank account, there are two options of certifying the Charter for submission:

- The Charter is certified by the client himself and is submitted to a bank where a bank employee authenticates that the copy is in conformity with the original (subclause 1.11.1 of the Instruction);
- The Charter is certified by a bank employee on condition that a copy corresponds with the original (subclause 1.11.2. of the Instruction).

Therefore, as the Central Bank pointed out in its Letter, a bank account can be opened only if there is an original Charter, thus implying that it is impossible to authenticate a document without having its original.

With regards to widespread practice under which corporate clients often prefer to provide a bank with notary certified copies made from the copies previously certified by a tax body Central Bank has clarified as follows. Such a practice "copies from copies" is inconsistent with the Instruction. Thus, in order to avoid problems in banking relations, it is necessary to submit only that copy of the Charter, which is certified by the tax inspection where the registration record of a client is kept. Otherwise, submission of the notarized copy, made from the copy issued by the tax inspection, may result in refusal to open an account with all that it implies.