represents one class B share.

(4)

ADSs issuable upon deposit of class B shares registered hereby are registered under a separate registration statement on Form F-6 (Registration No. 333-188006). Each ADS

(3)

In accordance with Rule 456(b) and Rule 457(r), the registrant is deferring payment of all of the registration fee.

class B shares represented by ADSs registered hereunder will not exceed $403,358,827.

(2)

Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act. The aggregate public offering price of the

(1)

Includes the offering price of class B shares represented by ADSs that may be sold upon exercise of the underwriters’ option to purchase additional shares.

par value per share(4)

$

$403,358,827

$

American depositary shares, each representing one Class B shares of €0.0005

Securities to be Registered

Registered

Per Share

Offering Price(1)(2)

Registration Fee(3)

Title of each Class of

to be

Offering Price

Aggregate

Amount of

Amount

Maximum

Maximum

Proposed

Proposed

CALCULATION OF REGISTRATION FEE

securities pursuant to Rule 413(b) under the Securities Act, check the following box. 

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of

pursuant to Rule 462(e) under the Securities Act, check the following box. 

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission

number of the earlier effective registration statement for the same offering. 

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement

registration statement number of the earlier effective registration statement for the same offering. 

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act

following box. 

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. 

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

Telephone: +44 20 7519 7026

Facsimile: +44 20 7532 1001

London, England E14 5DS

Telephone: +44 20 7532 1000

Facsimile: +7 495 787 3001

40 Bank Street, Canary Wharf

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5 Old Broad Street

125009 Moscow

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White & Case LLP

4 Romanov Pereulok

Michael Zeidel

Colin J. Diamond

White & Case LLC

Pranav Trivedi

Joshua G. Kiernan

Darina Lozovsky

Copies to:

(Name, address and telephone number of agent for service)

Tel: +1 212 750 6474

New York, New York 10017

400 Madison Avenue, 4th Floor

Law Debenture Corporate Services Inc.

(Address and telephone number of Registrant’s principal executive offices)

The Russian Federation

Moscow, 117648

Severnoe Chertanovo Microdistrict, 1A, building 1

incorporation or organization)

Identification No.)

(State or other jurisdiction of

(I.R.S. Employer

Cyprus

Not Applicable

(Exact name of Registrant as specified in its charter)

QIWI PLC

THE SECURITIES ACT OF 1933

Under

REGISTRATION STATEMENT

FORM F-3

Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION

UNITED STATES

Registration No. 333-

As filed with the Securities and Exchange Commission on June 9, 2014

Table of Contents

Prospectus dated , 2014

William Blair

Aton

Credit Suisse

VTB Capital

The underwriters expect to deliver the ADSs to purchasers on or about , 2014

securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these

shareholders at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus.

The underwriters have an option to purchase up to an additional 299,000 ADSs from the Company and 897,000 ADSs from the selling

(1)

See “Underwriting” for a description of the compensation payable to the underwriters.

Proceeds to QIWI and selling shareholders

$

$

Underwriting discounts and commissions(1)

$

$

Public offering price

$

$

Per ADS

Total

for the year ended December 31, 2013 to read about factors you should consider before buying our ADSs.

Investing in the ADSs involves risks. See “Risk Factors” beginning on page 7 of this prospectus and in our Annual Report on Form 20-F

Stock Exchange,” or MICEX, under the symbol “QIWI.” The last reported sale price on Nasdaq on June 6, 2014 was $43.99 per ADS.

Our ADSs, are listed on the Nasdaq Global Select Market, or Nasdaq, and are admitted to trading on Closed Joint Stock Company “MICEX

are offering 5,980,000 ADSs. Each ADS represents one class B share of QIWI plc and is evidenced by American depositary receipts, or ADRs.

QIWI plc (“QIWI”, “we”, or “us”) is offering 1,993,330 American depositary shares, or ADSs, and selling shareholders named in this prospectus

Representing 7,973,330 Class B Shares

7,973,330 American Depositary Shares

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION, DATED JUNE 9, 2014

soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

complete and may be changed. This preliminary prospectus is not an offer to sell these securities, and the selling shareholders are not

The information in this preliminary prospectus relates to an effective registration statement under the Securities Act of 1933, but is not

Table of Contents

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

 62

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

 61

WHERE YOU CAN FIND ADDITIONAL INFORMATION

 60

EXPERTS

 60

LEGAL MATTERS

 60

EXPENSES

 47

TAXATION

 48

UNDERWRITING

 40

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

 32

DESCRIPTION OF SHARE CAPITAL

 21

MARKET FOR AMERICAN DEPOSITARY SHARES AND DIVIDEND POLICY

 19

SELLING SHAREHOLDERS

 18

USE OF PROCEEDS

 17

CAPITALIZATION

 16

RISK FACTORS

7

THE OFFERING

5

OUR BUSINESS

3

SUMMARY

3

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

1

ABOUT THIS PROSPECTUS

1

TABLE OF CONTENTS

Table of Contents

1

•

developments in, or changes, to the laws, regulation and governmental policies governing our business and industry.

•

projected revenue, profits, earnings and other estimate financial information; and

•

competition in our industry;

•

our ability to grow our advertising revenue and other value added services;

•

our ability to continue to develop new technologies and upgrade our existing technologies;

•

our future business development, results of operations and financial condition;

•

our future business development new and attractive products and services;

•

our ability to continue to develop new and attractive products and services;

•

the expected growth of Visa Qiwi Wallet and alternative methods of payment;

•

our ability to maintain our relationships with our merchants and agents;

•

our ability to grow our payment volumes;

•

our goals and strategies;

uncertainties. These forward-looking statements include statements relating to:

forward-looking statements, including discussions of strategy, plans, objectives, goals and future events or performance, involve risks and

terms like “estimates,” “projects,” “anticipates,” “expects,” “intends,” “believes,” “will,” “may,” “should” or the negative of these terms. All

Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts and can often be identified by the use of

Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the

This prospectus and the documents incorporated by reference herein contain “forward-looking statements,” as this phrase is defined in

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

subsidiaries.

In this prospectus, the terms “Qiwi”, “we”, “us”, “our” and “Company” refer to QIWI plc and, unless the context requires otherwise, its

where, the offer or sale thereof is not permitted.

Neither we nor the selling shareholders nor the underwriters are making an offer to sell the ADSs in any manner in which, or in any jurisdiction

operations and prospects may have changed since any such date. Information contained on our website does not constitute part of this prospectus.

as of its date or the date which is specified in those documents. Our business, financial condition, capital levels, cash flows, liquidity, results of

information in this prospectus, any such free writing prospectus and the documents incorporated by reference herein and therein is accurate only

information. If any person provides you with different or additional information, you should not rely on it. You should assume that the

behalf. Neither we, nor the selling shareholders, nor the underwriters have authorized anyone to provide you with additional or different

only on the information contained or incorporated by reference in this prospectus and any related free writing prospectus prepared by or on our

included in our Annual Report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference herein. You should rely

information under the heading “Risk Factors” set forth on page 7 of this prospectus and the information under the heading “Risk Factors”

“Incorporation of Certain Information by Reference” before you make a decision to invest in the ADSs. In particular, you should review the

You should read this prospectus and the additional information described under the headings “Where You Can Find More Information” and

ABOUT THIS PROSPECTUS

Table of Contents

2

forward-looking statements, whether as a result of new information, future events or otherwise.

that projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these

forward-looking statements included in documents incorporated herein by reference are made only as of the date thereof. We cannot assure you

used will in fact be the case. The forward-looking statements included in this prospectus are made only as of the date of this prospectus, and

or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions

future results. Under no circumstances should the inclusion of such forward-looking statements in this prospectus be regarded as a representation

to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our

These factors and the other risk factors described above under “Risk Factors” are not necessarily all of the factors that could cause actual results

Table of Contents

3

party manufacturers using our proprietary specifications and are then purchased by

We have deployed our network of kiosks and terminals using a proprietary agent model. Under this model, our kiosks are assembled by third

more consumers, generate more sales and get paid faster and more easily.

network operators, or MNOs, online retailers, financial institutions and utilities, to accept payments via our network, enabling them to attract

to make payments and purchases at any time. Our services also allow merchants in Russia and other markets, including leading mobile

cash or funded from a variety of other sources, such as a bank account, credit card, direct payroll deposit or money transfer, that can be used

transactions. Alternatively, consumers can create an online account, or virtual wallet, with Qiwi where they can store money, deposited from

transaction and, since they are primarily funded with cash, consumers do not have to undergo a lengthy registration process to execute most

trust associated with the Qiwi brand. The payments processed on our network are typically very small with a limit of RUB15,000 per

Our platform provides simple and intuitive user interfaces, convenient access and best-in-class services combined with the reputation and

money to a friend or relative.

bills, add minutes to their mobile phones, purchase transportation and tickets, shop online or at a retail store, buy digital services or send

funds to a virtual wallet, a variety of Visa-branded prepaid cards or any merchant in our network quickly and securely—for example, to pay

kiosks and terminals, virtual wallets and payment services that enable consumers to deposit cash, convert it into a digital form and remit the

developed economies. We help consumers and merchants connect more efficiently in these markets by providing an integrated network of

while the penetration of electronic payment services, such as credit and debit cards and point of sale terminals, significantly lags behind more

for goods and services in physical, online and mobile environments. Russia remains a cash-dominated society for retail consumer payments,

We operate in and target markets and consumer segments that are largely cash-based and lack convenient alternatives for consumers to pay

enabled us to generate strong growth and profitability.

believe that our leading market position, proprietary network and complementary services provide us with competitive advantages that have

of transactions we process annually allow us to collect and analyze valuable data, which we monetize by providing value added services. We

volume across our business. Our extensive network of interactive Qiwi kiosks also enables us to provide advertising services, and the billions

virtual payment services provides differentiated convenience to our consumers and creates a strong network effect that drives payment

goods and services across physical or online environments interchangeably. We believe the complementary combination of our physical and

our network at least once a month. Our consumers can use cash, stored value and other electronic payment methods to order and pay for

terminals, and enabled merchants to accept over RUB49 billion cash and electronic payments monthly from over 70 million consumers using

payment services across physical, online and mobile channels. We have deployed over 15.5 million virtual wallets, over 167,000 kiosks and

We are a leading provider of next generation payment services in Russia and the CIS. We have an integrated proprietary network that enables

OUR BUSINESS

appropriate for you.

Private Issuer on Form 6-K filed on June 9, 2014 and incorporated by reference herein to determine whether an investment in the ADSs is

December 31, 2013 and our financial statements and the accompanying notes contained in our Annual Report and in our Reports of Foreign

should carefully consider the sections entitled “Risk Factors” in this prospectus and our Annual Report on Form 20-F for the year ended

prospectus, as well as the information incorporated by reference herein, before deciding whether to invest in the ADSs. In particular, you

the information that you need to consider in making your investment decision to purchase the ADSs. You should carefully read this entire

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus and may not contain all

SUMMARY

Table of Contents

4

Business Centre, 2nd Floor, Office 203, 1087, Nicosia, Cyprus. Our telephone number at this address is +357-22-653390.

Our telephone number at this address is +7 (495) 783 59 59. Our registered office in Cyprus is located at 12-14 Kennedy Ave., Kennedy

Our principal executive offices are located at Severnoe Chertanovo Microdistrict, 1A, building 1, Moscow, 117648, the Russian Federation.

public limited company on February 25, 2013.

name for our businesses. We changed our name to Qiwi Limited on September 13, 2010, and subsequently to Qiwi plc upon converting to a

outstanding share capital following the acquisitions. In April 2008, we launched the Qiwi brand, which gradually became the marketing

Qiwi Wallet (now QIWI International Processing Services (QIPS) LLC) in exchange for newly issued shares, which represented 35% of our

CJSC Unified Instant Payments System, or OSMP, which was established in 2004. We acquired, among other entities, CJSC e-port and LLC

Our company was incorporated in Cyprus under the name of OE Investments Limited on February 26, 2007 as a new holding company for

CJSC QIWI was incorporated in Russia in January 2004.

acquired Qiwi Bank in September 2010 from a group of our shareholders. QIPS LLC was incorporated in Russia in December 2006, and

Our primary subsidiaries are CJSC Qiwi Bank, or Qiwi Bank, QIPS LLC, CJSC QIWI and LLC QIWI Payment Services Provider. We

manage and update our services and realize significant operating leverage with growth in volumes.

network, along with the proprietary nature of our technology platform, differentiate us from our competitors and allow us to effectively

analytics and security technologies to create a fast, highly reliable, secure and redundant system. We believe that the breadth and reach of our

We run our network and process our transactions using a proprietary, advanced technology platform that leverages the latest virtualization,

Brazil (equity associate), Moldova, Romania, Jordan (equity associate) and the United States.

payments through their computers or mobile devices. While at an early stage, we have also begun to expand our operations into Belarus,

addition, we distribute our payment services through our virtual Visa Qiwi Wallet product, which enables consumers to access and make

terminals in all of the major urban centers, as well as many small and rural towns that lack large bank branches and infrastructure. In

approximately 160 million consumers. They can be found next to convenience stores, in train stations, post offices, retail stores or airport

system. In Russia and Kazakhstan, our brand is very well-known and our kiosks and terminals provide unique physical access for

terminal once our proprietary software is installed on it, which allows the agent to process consumer payments to merchants through our

the fee rates paid by consumers. In addition, an agent-owned point of sale terminal, computer, laptop or mobile phone can serve as a Qiwi

over 7,600 agents who are responsible for placing, operating and servicing the kiosks in high-traffic, convenient retail locations and setting

Table of Contents

5

purposes, which

6, 2014). We intend to use the net proceeds from the sale of ADSs for general corporate

price of $43.99 per ADS (the closing price of our ADSs as reported on Nasdaq on June

purchase additional shares is exercised in full based on an assumed public offering

sale of the ADSs will be $84.0 million, or $96.8 million if the underwriters’ option to

commissions and estimated net offering expenses payable by us) we receive from the

We estimate that the net proceeds (after deducting underwriting discounts and

shareholders.

Use of Proceeds

We will not receive any proceeds from the sale of any ADSs sold by the selling

“Description of Share Capital.”

shares outstanding. For a description of class A shares and class B shares, see

class A shares constitutes less than 10% of the aggregate number of class A and class B

class B shares under certain circumstances including when the aggregate number of

any circumstance. Class A shares will automatically convert into the same number of

time by the holder thereof. Class B shares are not convertible into class A shares under

is entitled to ten votes. Each class A share is convertible into one class B share at any

shareholder approval, each class B share is entitled to one vote and each class A share

rights, except for voting and conversion rights. In respect of matters requiring

Ordinary Shares

Holders of class A shares and class B shares have the same rights, including dividend

to purchase up to an aggregate of 1,196,000 additional ADSs.

Option to purchase additional ADSs

The Company and certain selling shareholders have granted the underwriters an option

statement that includes this prospectus.

also read the deposit agreement, which is filed as an exhibit to the registration

should carefully read the “Description of American Depositary Shares.” You should

to be bound by the deposit agreement. To better understand the terms of the ADSs, you

deposit agreement without your consent. If you continue to hold your ADSs, you agree

depositary will charge you fees for any exchange. We may amend or terminate the

You may turn in your ADSs to the depositary in exchange for class B shares. The

underlying your ADSs and you will have rights as provided in the deposit agreement.

The ADSs

Each ADS represents one class B share. The depositary will hold the class B shares

this offering

shares.

Ordinary shares outstanding immediately after

Ordinary shares comprising (i) 23,118,646 class A shares, and (ii) 31,080,360 class B

ADSs outstanding immediately after this offering 31,034,245 ADSs

ADSs offered by selling shareholders

5,980,000 ADSs

ADSs offered by us

1,993,330 ADSs

THE OFFERING

Table of Contents

6

from the selling shareholders.

Unless otherwise indicated, the information in this prospectus assumes no exercise of the underwriters’ option to purchase additional ADSs

plan.

issued by us at or around the pricing date, excluding 3,434,324 class B shares reserved for future issuance under our employee stock option

outstanding as of June 6, 2014 and 5,980,000 class A shares to be converted to 5,980,000 class B shares and 1,993,330 class B shares to be

We base the number of class A and class B shares outstanding after this offering on 28,578,646 class A shares and 23,627,030 class B shares

“Underwriting.”

similar securities for a period of 60 days after the date of this prospectus. See

certain exceptions, not to sell, transfer or dispose of any ADSs, ordinary shares or

Lock-up

We and each of the selling shareholders have agreed with the underwriters, subject to

on MICEX.

the Russian Federation of our ADSs, which will be immediately available for trading

on MICEX under the symbol “QIWI.” This offering includes an offering to investors in

Listing

Our ADSs are listed on the Nasdaq Global Select Market and are admitted to trading

around June 17, 2014.

entitled to receive the dividend even though the dividend is expected to be paid on or

has been set as June 13, 2014 and, therefore, investors in this offering will not be

approved a final dividend for the 2013 fiscal year. The record date for such dividend

Dividend

At our Annual General Meeting of shareholders held on June 2, 2014, our shareholders

including working capital and capital expenditures. See “Use of Proceeds.”

may include potential mergers and acquisitions and other general corporate purposes,

Table of Contents

7

practices instead of the corresponding requirements of Nasdaq. A foreign private

As a foreign private issuer whose ADSs are listed on Nasdaq, we are permitted in certain cases to, and do, follow Cyprus corporate governance

instead of certain Nasdaq requirements.

As a foreign private issuer whose ADSs are listed on Nasdaq, we have elected to follow certain home country corporate governance practices

other sanctions.

transactions that resulted in this threshold being exceeded could be invalidated, while Mr. Solonin himself could become subject to fines and

2013. If Mr. Solonin fails to obtain such approvals, the shares he holds above the 50% voting power threshold could be blocked from voting and

body of law which is often ambiguous and open to varying interpretations” in our Annual Report on Form 20-F for the year ended December 31,

government authorities which exercise significant discretion as to whether a consent should be granted or not, and are regulated by a significant

Governance Matters and Organizational Structure-Acquisitions of credit institutions in Russia are subject to pre-closing approval by multiple

Acquisition of more than 50% of our voting power is subject to various regulatory approvals. See “Risk Factors-Risks Relating to Corporate

to appoint the majority of our board of directors.

over 50%, following which he would have sole discretion over most matters submitted to our shareholders for approval and could be in a position

Additionally, as a result of any further sell-down by any of our class A shareholders in the future, Mr. Solonin’s voting power could increase to

affect our share price.

interests of Mr. Solonin may not always coincide with the interests of our other shareholders. This concentration of ownership may also adversely

purchases of our shares that might otherwise give you the opportunity to realize a premium over then-prevailing market price of our shares. The

This concentration of ownership could delay or prevent proxy contests, mergers, tender offers, open-market purchase programs or other

•

amending our articles of association, which govern the rights attached to our ordinary shares.

•

approving or rejecting a merger, consolidation or other business combination; and

•

the composition of our board of directors;

Solonin acting on his own will have significant voting power on all matters submitted to our shareholders for approval, including:

shares, representing approximately 49% of the voting power of our issued share capital. As a result of this concentration of share ownership, Mr.

class B shares, our chief executive officer Sergey Solonin, through Saldivar Investments Limited, will beneficially own 55% of our class A

Following this offering, as a result of the sale by the selling shareholders of our class A shares and their immediate conversion upon sale into

influence corporate matters.

The substantial share ownership position of our chief executive officer Sergey Solonin following this offering may limit your ability to

Risks Relating to Corporate Governance Matters and Organizational Structure

2013.

The following supplements the risks discussed under “Risk Factors” in our Annual Report on Form 20-F for the fiscal year ended December 31,

Russian Federation and other countries where we operate.

such as risks relating to our financial condition and financial reporting, risks relating to our business and industry, and risks relating to the

investing in the ADSs. In particular, you should consider the risks discussed under “Risk Factors” beginning on page 7 of the Annual Report,

year ended December 31, 2013, and in our updates, if any, to those risk factors in our Reports of Foreign Private Issuer on Form 6-K before

information contained in this prospectus and the documents incorporated by reference, including our Annual Report on Form 20-F for the fiscal

Your investment in the ADSs entails risks. You should carefully consider the risk factors below relating to the ADSs, as well as the other

RISK FACTORS

Table of Contents

8

introduction of new sanctions,

BBB-, which was followed by respective downgrades of the Russian blue chip issuers’ credit ratings as well. An expansion of the existing or

the political instability in Ukraine and heightened geopolitical risk, and Standard & Poors downgraded Russia’s sovereign rating from BBB to

financing. Recently, certain international rating agencies revised their outlook on Russia’s sovereign credit rating from stable to negative due to

investor sentiment towards Russia and making it harder for Russian companies to access international financial markets for debt and equity

Russian economy by, among other things, accelerating capital flight from Russia, weakening of the Russian ruble, exacerbating the negative

While the current sanctions do not target us or the payments industry more generally, these sanctions could have the effect of damaging the

reasons even though currently neither such activities nor dealings with their relevant Russian counterparts were proscribed by the sanctions.

addition, a number of Western businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational

sanctions will not be so expanded to include or affect any company of our group or any of our directors, officers or principal shareholders. In

U.S. could lead to further sanctions against any number of businesses operating in Russia. There can be no assurance that the existing or new

engineering, and defence and related materiel.” Although to date this authority has not yet been exercised, any exercise of this authority by the

be determined by the Secretary of the Treasury, in consultation with the Secretary of State, such as financial services, energy, metals and mining,

could use its authority to impose sanctions against any person determined “to operate in such sectors of the Russian Federation economy as may

Ukraine. The U.S. sanctions, in particular, have the potential to be broad in their scope and application. The U.S. Department of the Treasury

The U.S. and EU have publicly stated that they are prepared to impose broader economic sanctions in response to an escalation of the crisis in

contribute to Russia’s military capabilities.

in furtherance of these sanctions, the U.S. imposed restrictions on U.S. exports to Russia of any high-technology items or items that could

disrupt business with an entity that is owned by a sanctioned person, even if that entity is not specifically sanctioned in its own right. In addition,

assets of, imposing travel restrictions on, and prohibiting transactions with, the sanctioned individuals and companies. The sanctions can also

stocks and weakening of the ruble, as well as other adverse consequences. Currently, the sanctions are limited to freezing the funds and other

the U.S., EU, Canada and other countries and the ongoing crisis in Eastern Ukraine have resulted in significant overall price declines of Russian

The accession of Crimea to Russia in March 2014, the subsequent economic sanctions imposed on certain Russian companies and individuals by

condition.

The situation in Ukraine and the U.S., EU and other sanctions that have been imposed could adversely impact our operations and financial

Risks Relating to the Russian Federation and Other Markets in Which We Operate

corporate governance rules.

may instead determine to follow Cypriot law. Accordingly, our shareholders may not be afforded the same protection as provided under Nasdaq

more of our then-outstanding share capital or voting power in connection with an acquisition, and our board of directors, in such circumstances,

will comply with Nasdaq rules concerning shareholder approval prior to our taking certain company actions, including the issuance of 20% or

independent directors do not meet in regular executive sessions. In addition, our board of directors has not made any determination whether it

independent directors. We also do not have a compensation committee or a nominating committee comprised of independent directors, and our

corporations, do not require that a majority of our directors be independent. As a result, our board of directors does not have a majority of

corporate governance practices with regard to the composition of our board of directors which, unlike the applicable Nasdaq rule for U.S.

requirement that it does not follow and describe the home country practice followed instead of any such requirement. We follow Cyprus

addition, a foreign private issuer must disclose in its annual reports filed with the Securities and Exchange Commission any significant

an independent counsel in such issuer’s home country certifying that the issuer’s practices are not prohibited by the home country’s laws. In

issuer that elects to follow a home country practice instead of Nasdaq requirements must submit to Nasdaq in advance a written statement from

Table of Contents

9

the impact it will have on our business or results of operations.

economy generally. Overall, the situation in Ukraine and Crimea remains uncertain and we cannot predict how the Ukrainian crisis will unfold or

restrictions on transactions on capital and debt markets or otherwise, any of which could further adversely affect investor interest and the Russian

measures as the situation in the Ukraine unfolds, including, without limitation, measures to address capital flight from Russia or that impose

countries primarily focused on banning certain Western government officials from travelling to Russia. However, Russia may introduce broader

To date, Russia has imposed only a limited set of sanctions in response to the Ukraine-related sanctions imposed by the U.S., EU and other

sanctions.

with which we engage in business, or individuals or entities associated with them, are, or at any time in the future may become, subject to

and potential interaction with designated individuals may adversely impact our reputation among investors. There is also a risk that other entities

subjected to U.S. or other economic sanctions, our participation in the Russian financial system and indirect interaction with sanctioned banks

assurance that the foregoing will not occur or that such occurrence will not have a material adverse effect on our share price. Even if we are not

prohibiting transactions with or investment in, or requiring divestment from, entities doing business with certain countries. There can be no

governmental entities and U.S. institutional investors, such as pension funds, to adopt or consider adopting laws, regulations, or policies

legal or reputational reasons to divest their holdings in us or not to purchase our securities in the first place. We are aware of initiatives by U.S.

their investment in our securities being prohibited or restricted. Furthermore, under those circumstances, some U.S. investors may decide for

designate us as a blocked party and extend such sanctions to us. Investors may also be adversely affected if we are so designated, resulting in

U.S. economic sanctions does not contravene any law, our business and reputation could be adversely affected if the U.S. government were to

While we believe that our indirect interaction with Russian banks and potential interaction with designated individuals that may be subject to

individuals.

and Blocked Persons List published by OFAC and other sanctions lists and may be unknowingly providing financial services to sanctioned

under Russian anti-money laundering legislation. Therefore, we are not always able to screen them against the Specially Designated Nationals

In addition, because of the nature of our business, we do not generally identify our customers where there is no express requirement to do so

assurance that the U.S. Government would not view such activities as meeting the criteria for U.S. economic sanctions.

consumers in the ordinary course of our business, even though we may not have any direct contract relationships with them. There can be no

sanctioned individuals or entities. For example, we may be associated with U.S.-designated banks due to us accepting payments for them from

determine has materially assisted, or provided financial, material, or technological support for, or goods or services to or in support of, any

Tempbank was designated due to its dealings with the Syrian government. U.S. sanctions may be extended to any person that U.S. authorities

Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury and are subject to U.S. economic sanctions. In addition,

banks in Russia. A number of Russian banks, including Bank Rossiya, SMP Bank, Investcapitalbank and Sobinbank have been designated by the

the targets of U.S. sanctions. We operate primarily within the Russian financial system and, accordingly, many of our customers have accounts at

In the ordinary course of our business, we may accept payments from consumers to or otherwise indirectly interact with certain entities that are

affect us and any future plans we may have to expand in that region.

sanctions that may be imposed on Russian businesses operating in Crimea by the U.S., EU, or other countries may therefore materially adversely

believe that any of the various sanctions imposed on Russian entities limit our ability to operate in Crimea. However, any new or expanded

In addition, following the accession of Crimea to Russia, we started operating in that region with a limited number of kiosks. To date, we do not

reputational or other reasons, which could affect our business.

in our international customers, suppliers, shareholders and other business partners revising their relationship with us for compliance, political,

including those mentioned above, or sanctions specifically targeting us or our management or shareholders, or our sector generally, could result

Table of Contents

10

business as a whole. It could also render us unable to realize our international expansion plans associated with our partnership with Visa.

number of transactions made though Visa Qiwi Wallet, which could have a material adverse effect on our Visa Qiwi Wallet business and our

lose the possible benefits of association with the Visa brand. This could lower consumer confidence with our products and could reduce the

operate in Russia, we may be unable to issue Visa-branded prepaid cards or continue to operate under the “Visa Qiwi Wallet” brand, and thereby

MasterCard will continue to operate in Russia, there can be no assurance that a final compromise will ultimately be reached. If Visa ceases to

While the most recent press reports prior to the date of this prospectus seem to indicate that an agreement may be reached whereby both Visa and

into force before the effective date of this new legislation, which is reportedly proposed to be postponed until January 1, 2015.

international payment systems. On June 2, 2014, it was reported that these changes have been endorsed by the Russian President and should enter

Russian Government the authority to establish the amount of collateral at its discretion, so that it may then be set at a level acceptable to

public, reports from Vedomosti and Kommersant suggest that the eventual outcome may include amending the new law to give the CBR or the

allow the global card payment companies to continue to operate in the country. While the details of this agreement have not yet been made

Subsequently, on May 23, 2014, it was reported that Visa and MasterCard have reached an informal agreement with Russian officials that would

company would likely continue to operate in the country.

The CEOs of both Visa and MasterCard announced that, if changes to the new law were not made by its implementation date of July 1, neither

on May 19, 2014 that these demands go beyond what Visa would be willing to do, and MasterCard has reportedly expressed similar sentiments.

billion with the CBR as a result of these new rules. Visa Chief Executive Officer Charlie Scharf was quoted as saying at an investor conference

According to Bloomberg, Morgan Stanley has estimated that MasterCard may be required to deposit U.S.$1 billion and Visa as much as U.S.$1.9

force on July 1, 2014.

expected to adopt implementing regulations setting out the method for calculating and depositing the collateral. This legislation will enter into

payment systems must equal the total payment volume of such payment system in the Russian Federation for two calendar days. The CBR is

termination or suspension persists. The collateral required to be deposited by operators of payment systems other than nationally important

important payment systems or up to RUB10 million for operators of nationally important payment systems, in each case per each day while the

services to other payment infrastructure participants may total up to 10% of such deposit for operators of payment systems other than nationally

Government (including having a certain share of such IT developed in Russia). The fines payable for unilaterally terminating or suspending

the Russian state, the CBR or Russian citizens and (ii) for which the IT used meets certain requirements established by the CBR/Russian

services in the future. “Nationally important payment systems” are defined in the law as payment systems (i) whose operators are controlled by

deemed “nationally important” pursuant to the law) to place collateral on deposit with the CBR that may be forfeited if they terminate or suspend

For the CBR to be able to enforce these fines, the new legislation also requires operators of payments systems (other than payment systems

infrastructure participant and its clients.

participants, including payment systems such as Visa and MasterCard, for unilateral termination or suspension of servicing another payment

signed into law in Russia that gives the Central Bank of Russia, or CBR, authority to impose significant fines on payment infrastructure

themselves or were allegedly controlled by individuals who were targets of such sanctions. In response, on May 5, 2014, new legislation was

Ukraine, in March 2014, Visa and MasterCard stopped processing payments for certain Russian banks that were either targets of U.S. sanctions

As a result of the economic sanctions imposed on certain Russian companies and individuals by the U.S. in response to the situation in the

and potentially force international payment systems to reduce their exposure to Russia or cease operations in Russia altogether.

New legislation signed into law in Russia in May 2014 may significantly complicate the operation of a payment system such as ours in Russia

Any or all of the above factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

Table of Contents

11

benefits (e.g., tax

formulating the concept of an “unjustified tax benefit” which is defined in the ruling mainly by reference to specific examples of such tax

October 12, 2006, the Plenum of the Higher Arbitrazh Court of the Russian Federation, or the Higher Arbitrazh Court, issued Ruling No. 53,

The tax authorities and courts often exercise significant discretion in interpreting this concept in a manner that is unfavorable to taxpayers. On

Nonetheless, this concept has been used by the tax authorities to deny, for instance, the taxpayer’s right to rely on the provisions of the tax law.

concept of “a taxpayer acting in a bad faith” without clearly stipulating the criteria for it. Similarly, this concept is not defined in Russian tax law.

In its decision No 138-0 dated July 25, 2001, the Constitutional Court of the Russian Federation, or the Constitutional Court, introduced the

Our business may be deemed to receive unjustified tax benefits.

Risks Relating to Taxation

remittance volumes, as well as transaction volumes derived from payments to foreign merchants.

which could cause us to be in violation of the identification requirements. These developments may impact our loan repayment and money

consumers against public databases, which are not always reliable and may omit certain information or contain information that is outdated,

that any consumers would be willing to go through it. In addition, remote identification requires the verification of certain data provided by

the previous version of the law, respectively. However, the simplified identification process is still not well defined and there can be no assurance

RUB60,000 and the total amount of transferred funds does not exceed RUB200,000 per month, as opposed to RUB15,000 and RUB40,000 under

entrepreneurs using non-personified electronic means of payment provided that anytime the account balance of electronic money does not exceed

simplified identification with the payment services provider are entitled to perform electronic money transfers to legal entitles and individual

must be followed in all other circumstances is that simplified identification can be performed remotely. The consumers who have undergone such

order not to eliminate personal electronic money transfers altogether. The key difference between the simplified procedure and the procedure that

payments to foreign entities were prohibited altogether, although simultaneously a simplified client identification procedure was provided for in

albeit in a different form. While the aforementioned limitations were not adopted, anonymous peer-to-peer money transfers as well as anonymous

opposed to RUB40,000 under current legislation) and not more than RUB1,000 per day. On May 5, 2014, this proposal was signed into law,

payments to foreign merchants and significantly lower the caps on such payments within Russia to not more than RUB15,000 per month (as

combatting terrorist and extremist activities, including changes to the Russian legislation that would effectively outlaw anonymous electronic

On January 15, 2014, a legislative proposal was submitted to the Russian State Duma, providing for a broad package of measures aimed at

transaction volumes.

Recent changes to know-your-client requirements established by Russian anti-money laundering legislation may adversely impact our

and prospects.

Any of these factors could have a material adverse effect on our reputation, as well as on our business, financial condition, results of operations

new legislation will make it a more complicated situation for anybody that has a payment network in Russia.

requirements in due course, MasterCard’s Chief Financial Officer, Martina Hund-Majean, was quoted by the Financial Times as saying that the

Vedomosti that both Visa and MasterCard would be able to structure their operations in a manner that would bring them in compliance with these

have broader detrimental consequences for the Russian financial system, which are difficult to evaluate at this stage. Although it was reported by

purposes. These developments are expected to further complicate the operations of international payment systems in Russia, and can potentially

abroad. Similarly, from July 1, 2016, no data on any Russian domestic payments and money transfers may be transmitted abroad for any

and money transfers only be processed by operators that exist and carry out all the functions related to such processing within Russia and not

replace Visa and MasterCard as the primary payment systems in Russia, and the requirement, from July 1, 2016, that Russian domestic payments

Other changes introduced by the new legislation include the creation in Russia of a national payment card system similar to China’s Union Pay to

Table of Contents

12

proposed the

source income. The Russian government in its Main Directions of Russian Tax Policy for 2013 and the planned period of 2014-2015 has

taxed on their worldwide income while foreign entities are taxed in Russia on income attributable to a permanent establishment and on Russian

Russian tax legislation in effect as of the date of this prospectus does not contain a concept of corporate tax residency. Russian companies are

results of operations.

permanent establishment in Russia. Any such taxes or penalties could have a material adverse effect on our business, financial condition and

suggest that the tax authorities may more actively be seeking to investigate and assert whether foreign entities of our group, operate through a

could be imposed by the tax authorities for failure to register a permanent establishment with the Russian tax authorities. Recent events in Russia

rate on dividends under an applicable double tax treaty, potential effect on VAT and property tax obligations. There is also a risk that penalties

Having a permanent establishment in Russia may also lead to other adverse tax implications, including challenging a reduced withholding tax

sufficiently developed and there is a risk that the tax authorities might seek to assess Russian tax on the global income of a foreign company.

establishment in Russia and hence being exposed to Russian taxation. Furthermore, the Russian Tax Code contains attribution rules which are not

satisfy the conditions for creating a permanent establishment under international norms, may be at risk of being treated as having a permanent

Russian domestic law is not well developed and so foreign companies having even limited operations in Russia, which would not normally

attributable to the permanent establishment in Russia. However, the practical application of the concept of a permanent establishment under

in a manner broadly similar to the taxation of a Russian legal entity, but only to the extent of the amount of the foreign company’s income that is

contain a similar concept. If a foreign company is treated as having a permanent establishment in Russia, it would be subject to Russian taxation

regular entrepreneurial activities in Russia beyond preparatory and auxiliary activities. The Russian double tax treaties with other countries also

The Russian Tax Code contains the concept of a permanent establishment in Russia as means for taxing foreign legal entities which carry on

subsidiary. If additional taxes are assessed with respect to these matters, they may be material.

operate. We manage the related risks by looking at management functions and risks in various countries and level of profits allocated to each

Due to our international structure, we are subject to permanent establishment and transfer pricing risks in various jurisdictions in which we

Our companies established outside of Russia may be exposed to taxation in Russia.

compliance, and could result in a greater than expected tax burden.

uncertainty could possibly expose our group to significant fines and penalties and to enforcement measures, despite our best efforts at

In addition to the usual tax burden imposed on Russian taxpayers, these conditions complicate tax planning and related business decisions. This

practice.

version, and how the relevant amendments to the Russian Tax Code will be interpreted and applied by the tax authorities and/ or courts in

the main purpose to avoid entirely or partially tax liabilities or obtaining a tax refund (credit). It is not clear if the draft is adopted in its current

lower chamber of the Russian parliament. The draft law defines “abuse” as carrying out activities and transactions or actions (failure to act) with

precedents in the future. On May 23, 2014 a new draft law introducing a concept of “anti-abuse” to the Russian Tax Code was submitted to the

concept has been applied, the courts have ruled in favor of taxpayers, but it is not possible to determine whether the courts will follow these

has been applied by the tax authorities in order to disallow benefits granted by double tax treaties. To date, in the majority of cases where this

concept in a broader sense than may have been intended by the Higher Arbitrazh Court. In particular, we are aware of cases when this concept

law, based on cases brought to courts to date relating to Ruling No. 53, the tax authorities have started applying the “unjustified tax benefit”

to apply this concept when challenging tax positions taken by taxpayers. Although the intention of Ruling No. 53 was to combat the abuse of tax

is growing practice of the interpretation of this concept by the tax authorities or the courts and it is apparent that the tax authorities actively seek

benefits obtained as a result of a transaction that has no reasonable business purpose) which may lead to disallowance of their application. There

Table of Contents

13

financial transactions and holding structures.

use, they demonstrate an attempt by the Russian tax authorities to address the question of beneficial ownership of income in international

of clarifications with respect to the tax treaty concept of “beneficial ownership.” Although the clarifications up to the date have been of limited

tax treaty jurisdiction. Currently, such a mechanism has not been introduced. Furthermore, the Russian Ministry of Finance has issued a number

avoidance mechanism with respect to double tax treaty benefits in cases where the ultimate beneficiaries of income do not reside in the relevant

President of the Russian Federation included in his Budget Message regarding the Budget Policy for 2010-2012 a proposal to introduce an anti-

resident, no assurance can be given that the reduced withholding tax rate would apply. In this respect it should be noted that in May 2009 the

Although we intend to rely on an applicable double tax treaty between Russia and the country where the relevant non-Russian subsidiary is

Russian withholding tax may also be applied when dividends are received from Russian subsidiaries by the company’s non-Russian subsidiaries.

practice.

15% tax withheld and the reduced rate of 10% or 5% as appropriate. However, there can be no assurance that such taxes would be refunded in

are not duly performed at the date when the dividend payment is made. In this case we may seek to claim as a refund the difference between the

company may incur a 15% withholding income tax at source on dividend payments from Russian subsidiaries if the treaty clearance procedures

assurance that we would be able to avail ourselves of the reduced withholding income tax rate in practice. Specifically, our Cypriot holding

is a risk that the applicability of the reduced rate of 5% or 10% may be challenged by Russian tax authorities. As a result, there can be no

of the Cypriot company in a Russian subsidiary paying the dividends is at least €100,000. Although we will seek to claim treaty protection, there

company in Russia; and (iv) the treaty clearance procedures are duly performed. This rate may be further reduced to 5% if the direct investment

Cypriot company is the beneficial owner of the dividends; (iii) the dividends are not attributable to a permanent establishment of the Cypriot

provided that the following conditions are met: (i) the Cypriot company is a tax resident of Cyprus within the meaning of the tax treaty; (ii) the

treaty. The tax treaty allows reduction of withholding income tax on dividends paid by a Russian company to a Cypriot company to 10%

in certain cases, although this tax rate may be reduced under an applicable double tax treaty. We intend to rely on the Russia-Cyprus double tax

Dividends paid by a Russian legal entity to a foreign legal entity are generally subject to Russian withholding income tax at a rate of 15% or 30%

for dividends distributed from Russia.

We may encounter difficulties in obtaining lower rates of Russian withholding income tax envisaged by the Russia-Cyprus double tax treaty

taxes.

legislation, certain of our companies established outside Russia might be deemed to be Russian tax residents, subject to all applicable Russian

authorities and the possible impact on us. We cannot rule out the possibility that, as a result of the introduction of changes to Russian tax

from January 1, 2015. No assurance can be currently given as to the exact nature of these amendments, their potential interpretation by the tax

matters. Although currently the CFC Rules have not been developed fully, they are scheduled to be signed into law in 2014 and become effective

fact managed from Russia. When adopted, the new rules may potentially be more rigid comparing to international practices relating to those

individuals alike) shall be subject to taxation in Russia. The draft law further subjects a legal entity to Russian tax residency, if such entity is in

funds or partnerships, etc.) domiciled in certain jurisdictions, which are owned or controlled by Russian tax residents (legal entities and

Under the current draft of the CFC Rules, in certain circumstances undistributed profits of foreign legal entities and “structures” (e.g., trusts,

Code. On May 27, 2014 the amended version of the draft law was published, that in addition introduced the concept of “beneficial ownership.”

published a draft law introducing (i) the CFC rules (“CFC Rules”), and (ii) the concept of tax residency for legal entities, into the Russian Tax

allow taxation of unallocated profits of the controlled foreign companies (“CFC”) in Russia. On March 18, 2014 the Ministry of Finance

2013 the Russian President included in his annual address to the Russian Federal Assembly a message aiming at introducing of rules that could

tax resident based on a few criteria that would be in line with international tax treaties of the Russian Federation. Moreover, on December 12,

for 2015 and the planned period of 2016-2017 contain a similar proposal. According to the proposals, a legal entity would be deemed a Russian

introduction of the concept of tax residency for legal entities to the domestic tax law. The latest draft of Main Directions of Russian Tax Policy

Table of Contents

14

•

the requirement to identify ultimate owners in order to receive government support or have the right to apply for state contracts.

managed;

•

the introduction into Russian tax legislation of the concept of tax residency for legal entities based on the place where they are

•

the introduction of the CFC Rules into Russian tax legislation;

Ministry of Finance intended to submit at least three of them to the lower chamber of the Russian parliament in the first half of 2014, namely:

The Russian Minister of Finance also addressed the proposals of the President of the Russian Federation and noted to the press that the Russian

Committee of the upper chamber of the Russian parliament proposed twelve measures to address anti-offshore measures in the Russian economy.

extensively on the proposed anti-offshore measures in the Russian economy. As a response to this address, the Budget and Financial Markets

planned period of 2016-2017. The Russian President’s address to the Federal Assembly of the Russian Federation on December 12, 2013 focused

2013 and the planned period of 2014-2015 and were found in the latest draft of the Main Directions of Russian Tax Policy for 2015 and the

between the tax authorities of different countries have already been raised by the Government in the Main Directions of Russian Tax Policy for

of beneficial ownership, tax residency of legal entities, the CFC Rules, conclusion of multilateral agreements for the exchange of information

the use of low tax jurisdictions as well as aggressive tax planning structures. Initiatives such as the incorporation into Russian law of the concept

The Russian Federation, like a number of other countries in the world, is actively involved in discussion of measures against tax evasion through

Russian anti-offshore measures may have adverse impact on our business, financial condition and results of operations

by us may have a material adverse effect on our business, financial condition and results of operations.

taxation treaty protection in Russia. The imposition of additional tax liabilities as a result of the application of this rule to transactions carried out

companies within our group to claim benefits under a double taxation treaty through structures which historically have benefited from double

into law in 2014 and become effective from January 1, 2015. If and when enacted, such amendments may result in the inability of the foreign

practice and what effect they may have on us. Although currently these rules have not been fully developed yet, they are scheduled to be signed

tax avoidance will be, how these amendments to the Russian Tax Code will be interpreted and applied by the tax authorities and/ or courts in

determines its further economic destiny. It is not clear what the final definition of the beneficial owner or other provisions aimed at combatting

entity is entitled to application of reduced withholding tax rate only if such legal entity is a beneficial owner of the income received and

residency for legal entities, the concept of “beneficial ownership” into the Russian Tax Code. According to these amendments, a foreign legal

On May 27, 2014 the Russian Ministry of Finance published amended draft law introducing, in addition to the CFC Rules and the concept of tax

Ministry of Finance published a draft law introducing (i) the CFC Rules, and (ii) the concept of tax residency for legal entities, into the Tax Code.

message aiming at introducing of rules that could allow taxation of unallocated profits of CFC in Russia. On March 18, 2014 the Russian

Russian Federation. Moreover, on December 12, 2013 the Russian President included in his annual address to the Russian Federal Assembly a

proposals, a legal entity would be deemed a Russian tax resident based on a few criteria that would be in line with international tax treaties of the

Russian Tax Policy for 2015 and the planned period of 2016-2017 contain proposals to introduce anti-avoidance mechanisms. According to the

may have a material adverse effect on our business, financial condition and results of operations. The latest draft of the Main Directions of

some of our companies are located outside Russia, future development and application of the “beneficial ownership” concept to those companies

sufficient authority with respect to dividends received, or is obliged to further distribute or pay dividends to third parties. Due to the fact that

Ministry of Finance in the above letter included inter alia the case of dividends distributed to a non-resident that cannot demonstrate that it has

concept, as well as pointed some examples of transactions, where beneficial ownership criteria were not met. Examples drawn by the Russian

Russian Ministry of Finance in its Letter No. 03-00-P3/16236 of April 9, 2014 provided more detailed explanation of “beneficial ownership”

Table of Contents

15

government. These developments could have a material adverse effect on our business, financial condition and results of operations.

In addition to the legislative initiatives outlined above, other anti-offshore measures may be expected to be proposed and enacted by the Russian

their potential interpretation by the Russian tax authorities and the possible impact on us and our subsidiaries registered in offshore jurisdictions.

No assurance can currently be given as to whether and when the above legislative initiatives and proposals will be enacted , their exact nature,

countries which include, among others, a number of offshore jurisdictions.

Federation signed in 2011. Ratification of this Convention will enable the Russian Federation to receive tax information from all participating

Convention on Mutual Administrative Assistance in Tax Matters developed by the Council of Europe and the OECD, which the Russian

On June 5, 2014 the Government submitted to the lower chamber of the Russian parliament a draft law on ratification of the multilateral

effective from January 1, 2015.

The concept of the “beneficial owner” and the taxation of indirect real estate sale are also scheduled to be signed into law in 2014 and become

Table of Contents

16

the relevant month.

relevant annual period. The period average in respect of a month is calculated as the average of the exchange rates for each business day in

(1)

The period average in respect of a year is calculated as the average of the exchange rates on the last business day of each month for the

June (through June 6)

34.66

34.92

 35.14

 34.66

May 2014

34.74

34.83

 35.84

 34.08

April 2014

35.70

35.67

 36.08

 35.02

March 2014

35.69

36.12

 36.65

 35.45

February 2014

36.05

35.24

 36.05

 34.60

January 2014

35.24

33.78

 35.24

 32.66

December 2013

32.73

32.88

 33.26

 32.63

Year ended December 31, 2013

32.71

31.05

 32.91

 29.93

Year ended December 31, 2012

30.37

31.07

 34.04

 28.95

Year ended December 31, 2011

32.20

29.39

 32.68

 27.26

Year ended December 31, 2010

30.48

30.38

 31.78

 28.93

Year ended December 31, 2009

30.24

31.77

 36.43

 28.67

Year ended December 31, 2008

29.38

24.87

 29.38

 23.13

Period

Period End

Period average(1)

High

Low

dollar, based on the official exchange rate quoted by the CBR.

The following tables show, for the periods indicated, certain information regarding the exchange rates between the Russian ruble and the U.S.

Exchange Rates

Total capitalization

 3,929

110

6,926

194

Total equity

 3,471

97

6,468

181

Non-controlling interests

(122)

(3)

(122)

(3)

Total equity attributable to equity holders of QIWI plc

 3,593

101

6,590

185

Translation reserve

17

—

17

—

Retained earnings

 1,278

36

1,278

36

Other reserve

421

12

421

12

Additional paid-in capital

 1,876

53

4,874

137

Share capital

1

—

1

—

Equity

Borrowings (long-term and short-term)

458

13

458

13

(in millions)

RUB

U.S.$

RUB

U.S.$

Actual

Adjusted for the Offering

As of March 31, 2014

furnished to the SEC on June 9, 2014, each incorporated herein by reference.

Prospects” in our most recent Annual Report on Form 20-F for the fiscal year ended December 31, 2013 and in our Report on Form 6-K

This table should be read together with our consolidated financial statements and the related notes and “Operating and Financial Review and

consolidated financial statements.

The following table sets forth our capitalization as of March 31, 2014 on an actual basis derived from our unaudited interim condensed

CAPITALIZATION

Table of Contents

17

We will not receive any proceeds from the sale of any ADSs sold by the selling shareholders.

other general corporate purposes, including working capital and capital expenditures.

intend to use the net proceeds from the sale of ADSs for general corporate purposes, which may include potential mergers and acquisitions and

in full based on an assumed public offering price of $43.99 per ADS (the closing price of our ADSs as reported on Nasdaq on June 6, 2014). We

we receive from the sale of the ADSs will be $84.0 million, or $96.8 million if the underwriters’ option to purchase additional shares is exercised

We estimate that the net proceeds (after deducting underwriting discounts and commissions and estimated net offering expenses payable by us)

USE OF PROCEEDS

Table of Contents

18

such entity is Trident Trust Company (B.V.I.) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

public sources, Mr. Alisher Usmanov, a beneficial shareholder of Mail.ru Group, holds 58.1% voting control over Mail.Ru Group Limited as of March 2013. The address of

consists of 10 individuals, oversees the investment decisions of the company and, accordingly, may be deemed to have voting and dispositive power. In addition, according to

(6)

Mail.ru Group Limited is a public company the global depositary receipts of which are listed on the London Stock Exchange. The board of directors of the company, which

over our shares held by such entity. The address of such entity is Diagoras 4, Kermia Building, 6th floor, office 601-602, Nicosia, Cyprus, 1510.

(5)

Boris Kim is the owner of 39.03% and Gennady Babkin is the owner of 38.7% of the shares of E1 Limited. Accordingly, these individuals share voting and dispositive power

of such entity is P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands.

(4)

Sergei Fedyushchenko is the owner of 100% of shares of Bralvo Limited and, accordingly, holds voting and dispositive power over our shares held by such entity. The address

address of such entity is P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands.

(3)

Igor Mikhaylov is the owner of 100% of shares of Dargle International Limited and, accordingly, holds voting and dispositive power over our shares held by such entity. The

address of such entity is 3rd floor, Geneva Place, Waterfront Drive, P.O. Box 3175, Road Town, Tortola, British Virgin Islands.

(2)

Andrei Muravyev is the owner of 100% of shares of Palmway Holdings Limited and accordingly, holds voting and dispositive power over our shares held by such entity. The

over our shares held by such entity. The address of such entity is Geneva Place, Waterfront Drive, P.O. Box 3469, Road Town, Tortola, British Virgin Islands.

(1)

Each of Andrey Romanenko and Nikolay Romanenko is the owner of 50% of shares of Antana International Corporation and, accordingly, shares voting and dispositive power

 5,419,825

—

19.0

—

17.5 2,210,725 3,209,100

—

13.9

—

12.2 2,877,491

—

12.9

—

11.3

Mail.ru Group Limited(6)

E1 Limited(5)

 2,802,731 520,000

9.8

2.2

9.2 1,086,957 2,235,774

—

9.7

—

8.5 2,072,731

9.3

—

8.1

924,637

—

3.2

—

3.0

397,277

527,360

—

2.3

—

2.0

467,768

—

2.1

—

1.8

Bralvo(4) Limited

Dargle International Limited(3)

924,637

—

3.2

—

3.0

397,277

527,360

—

2.3

—

2.0

467,768

—

2.1

—

1.8

 1,395,403

—

4.9

—

4.5

739,130

656,273

—

2.8

—

2.5

545,403

—

2.5

—

2.1

Palmway Holdings Limited(2)

Antana International Corporation(1)

 2,673,366

—

9.4

—

8.6 1,148,634 1,524,732

—

6.6

—

5.8 1,352,438

—

6.1

—

5.3

Selling Shareholders

Shares

Shares

Shares

Shares

Meeting

offered

Shares

Shares

Shares

Shares

Meeting

Shares

Shares

Shares

Shares

Meeting

Class A

Class B

Class A

Class B

General

being

Class A

B

Class A

Class B

General

Class A

B

Class A

Class B

General

Total

Total

Issued

Issued

Votes at

Shares

Total

Class

Issued

Issued

Votes at

Total

Class

Issued

Issued

Votes at

% of

% of

% of

Class B

Total

% of

% of

% of

Total

% of

% of

% of

Total

Total

Total

number of

Total

Total

Total

Total

Total

Total

Total

Offering

Option to Purchase Additional Shares)

Additional Shares is Exercised in Full)

Prior to this

(Assuming no Exercise of the

(Assuming the Option to Purchase

After this Offering

After this Offering

included in the computation of the percentage ownership of any other person.

including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not

owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days,

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially

comprise our entire issued and outstanding share capital as of that date.

The calculations in the table below are based on 28,578,646 class A shares and 23,627,030 class B shares outstanding as of June 6, 2014, which

additional shares and (iii) immediately following the offering, assuming the underwriters’ option is exercised in full.

(i) immediately prior to this offering, (ii) immediately following the offering, assuming no exercise of the underwriters’ option to purchase

The following table sets forth information with respect to the beneficial ownership of our shares outstanding by each selling shareholder

SELLING SHAREHOLDERS

Table of Contents

19

The closing price for our ADSs on the Nasdaq on June 6, 2014 was US$43.99 per ADS and on MICEX was RUB1574.10 per ADS.

May

 1574.10

1044.5

April

 1336.00

 1039.60

March

 1545.00

1144.80

February

 1735.90

 1210.00

January

 1935.00

 1250.20

2014:

December

 2000.00

 1634.00

2013:

Most recent six months

Second Quarter (through June 6)

 1584.10

 1004.20

First Quarter

 1947.00

1149.00

2014:

Fourth Quarter (from October 10)

 2000.00

 1302.00

2013:

Quarter

(in RUB)

High

Low

The following table sets forth for the periods indicated the high and low sales price per ADS as reported on MICEX:

May

 46.37

 27.84

April

 38.18

 26.14

March

 43.58

 30.32

February

 49.29

 32.70

January

 56.37

 35.56

2014:

December

 59.24

 44.36

2013:

Most recent six months

Second Quarter (through June 6)

 46.37

 26.14

First Quarter

 57.10

 30.32

2014:

Fourth Quarter

 59.24

 32.08

Third Quarter

 36.00

 21.88

Second Quarter (from May 3)

 25.05

 23.20

2013:

Quarter

2013 (from May 3)

 59.24

 14.50

Year

(in U.S.$)

High

Low

sales price per ADS as reported on Nasdaq:

time, there was no public market for our ADSs or our ordinary shares. The following table sets forth for the periods indicated the high and low

since May 20, 2013, under the symbol “QIWI.” However, our ADSs were not offered for trading on MICEX until October 10, 2013. Prior to that

Our ADSs, each representing one class B share, have been listed on the Nasdaq since May 3, 2013 and have been admitted to trading on MICEX

Price Range of ADSs

MARKET FOR AMERICAN DEPOSITARY SHARES AND DIVIDEND POLICY

Table of Contents

20

paid to holders of ADSs net of applicable fees and charges of, and expenses incurred by, the depositary and net of taxes withheld.

and, except as otherwise described under “Description of American Depositary Shares,” will be converted into U.S. dollars by the depositary and

respect of class B shares underlying the ADSs, subject to the deposit agreement. Cash dividends may be paid to the depositary in any currency

To the extent that we declare and pay dividends, holders of ADSs on the relevant record date will be entitled to receive dividends payable in

regulatory capital requirements, and distributable profits.

distributions from our subsidiaries. The payment of dividends by our subsidiaries is contingent upon the sufficiency of their earnings, cash flows,

As a holding company, the level of our income and our ability to pay dividends depend primarily upon the receipt of dividends and other

which we must maintain under Cyprus law and our articles of association.

distribution would reduce our shareholders’ equity below the sum of the issued share capital, including any share premium, and the reserves

shareholder approval in accordance with our articles of association. Under Cyprus law, we are not allowed to make distributions if the

dividends, if any, must be recommended by our board of directors, at its sole discretion, and, in relation to year-end dividends, may be subject to

acquisitions, restrictions imposed by our financing arrangements, tax considerations and other relevant factors. The payment of all future

availability of distributable profits, our liquidity and financial position, our future growth initiatives and strategic plans, including possible

from time to time in the future. Any future determination regarding the payment of a dividend will depend on a range of factors, including the

We have historically paid dividends and, while we have not adopted a formal dividend policy, we currently expect that we will continue to do so

Dividend Policy

Table of Contents

21

independent directors are present. We do not hold regular executive sessions.

in lieu of complying with Rule 5605(b)(2) of the Nasdaq Rules that requires that regular executive sessions are held where only

•

We follow home country practice that permits us not to hold regular executive sessions where only independent directors are present,

board is as set forth in “¯Board of Directors¯Appointment of Directors.”

rights of shareholders under Cyprus law to nominate directors to our board, the methodology by which directors are nominated to our

implementation of a nominations committee or the nomination of directors by a majority of the independent directors. Subject to the

nominated by a majority of our independent directors, in lieu of complying with Rule 5605(e) of the Nasdaq Rules that requires the

•

We follow home country practice that permits our board of directors not to implement a nominations committee or for directors to be

Nasdaq Listing Rules.

directors. Currently, three members of our board of directors that comprises twelve members are independent with the meaning of the

of complying with Rule 5605(b)(1) of the Nasdaq Rules that requires that the board of directors consist of a majority of independent

•

We follow home country practice that permits our board of directors to consist of less than a majority of independent directors, in lieu

practices and those followed by U.S. companies under the Nasdaq Listing Rules are summarized as follows:

such exemptions would be contrary to U.S. federal securities laws and regulations. The significant differences between our corporate governance

corporate governance requirements of the Nasdaq Stock Market LLC, subject to certain exceptions and requirements and except to the extent that

The Nasdaq Marketplace Rules, or the Nasdaq Rules, provide that foreign private issuers may follow home country practice in lieu of the

Exemptions From Nasdaq Corporate Governance Requirements

Our objects are set forth in full in Regulation 3 of our memorandum of association.

Objects

Class B Shares

84,771,354

€

0.0005

 23,627,030

€

0.0005

Class A Shares

 146,078,646

€

0.0005

 28,578,646

€

0.0005

Class of Shares

Number

Nominal Amount

Number

Nominal Amount

Authorized

Issued

general meetings of shareholders and our board of directors.

Our articles of association were approved by a general meeting of our shareholders on December 31, 2012. Our management bodies are the

only.

memorandum and articles of association and any applicable Cypriot law. References in this section to “we”, “us” and “our” refer to QIWI plc

prospectus and certain requirements of Cypriot law. This description, however, is not complete and is qualified in its entirety by reference to our

We describe below our share capital, the material provisions of our memorandum and articles of association in effect on the date of this

plc. Formal registration with the Registrar of Companies in Cyprus occurred on February 25, 2013.

resolved by a special resolution on December 31, 2012 to convert our company into a public limited company and to change our name to QIWI

class A and class B shares are created, is the Companies Law, Cap. 113 of Cyprus (as amended), or the Company Law. Our shareholders further

with the Registrar of Companies in Cyprus occurred on September 13, 2010. The principal legislation under which we operate, and under which

since that date. Our shareholders resolved by a special resolution on August 5, 2010 to change our name to Qiwi Limited. The formal registration

Limited pursuant to a certificate of incorporation issued by the Office of the Registrar of Companies in Cyprus, and have conducted business

We were incorporated as a private company limited by shares and registered in Cyprus on February 26, 2007 under the name OE Investments

DESCRIPTION OF SHARE CAPITAL

Table of Contents

22

B shares, each of which carries one vote.

Our share capital is divided into two classes of shares: class A shares, each of which carries ten votes at shareholders’ general meetings, and class

Share Capital

Shareholders’ General Meetings

we currently comply with Rule 5605(c) of the Nasdaq Rules with respect to audit committee composition and practices.

We are not permitted to opt out of the requirement that we maintain an audit committee that consists entirely of independent directors and

Please see also “—Rights Attaching to Shares—Issue of Shares and Pre-emptive Rights” for restrictions on the issuance of shares.

securities convertible into or exercisable for shares).

value of the stock, in contrast to Rule 5635(d), which would require shareholder approval for such issuance of shares (or

Company or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market

shares (or securities convertible into or exercisable for shares) equal to 20% or more of the outstanding share capital of the

•

Entering into any transaction other than a public offering involving the sale, issuance or potential issuance by the company of

shareholder approval in order to establish or materially amend such arrangements.

•

Establishing or materially amending any equity compensation arrangement, in contrast to Rule 5635(c), which would require

reorganization, merger or consolidation without shareholder approval.

Nasdaq Rules, requiring shareholder approval. Notwithstanding the above, Cypriot law would not permit us to enter into any

outstanding share capital or voting power. Such transactions may be considered a change of control under Rule 5635(b) of the

•

Entering into any transaction which may result in a person, or group of persons acting together, holding more than 20% of our

approval in order to enter into such acquisition.

outstanding share capital or voting power, in contrast to Rule 5635(a) of the Nasdaq Rules, which would require shareholder

•

Acquiring the stock or assets of another company, where such acquisition results in the issuance of 20% or more of our

following actions:

and our articles of association permit us, with approval of our board of directors and without shareholder approval, to take the

shareholder approval in many instances where Rule 5635 would require us to seek shareholder approval. In particular, Cypriot law

Rules, relating to matters requiring shareholder approval. Cypriot law and our articles of association permit us to take action without

•

Our board of directors has not made any determination with respect to the Company’s intention to follow Rule 5635 of the Nasdaq

retention of compensation consultants as set forth in Rule 5605(d)(3) of the Nasdaq Rules.

discretion, retain a compensation consultant, our compensation committee charter does not include all enumerated matters concerning

such committee. In addition, although our compensation committee charter provides that the compensation committee may, in its sole

consist of entirely independent directors as defined under Nasdaq Rules, although no current or former executive officer will serve on

our compensation committee at the next meeting of our board of directors. However, we expect such compensation committee will not

annual general meeting on June 2, 2014, the previous committees of the board of directors were dissolved. We intend to reconstitute

consisting of entirely independent directors. In accordance with Cypriot law, following the election of our board of directors at our

complying with Rule 5605(d)(1) of the Nasdaq Rules that requires that the board of directors have a compensation committee

•

We follow home country practice that permits our compensation committee to not consist entirely of independent directors, in lieu of

Table of Contents

23

a duly convened and quorate general meeting.

compensation program requires approval of a majority of not less than 75% of the voting rights attached to all issued shares present and voting at

of shares to be reserved for issuance under any of our or our subsidiaries’ employee stock option plan or any other equity-based incentive

of the shares of the affected class as well as a special resolution of the general meeting; and (ii) approval of the total number of shares and classes

class A shares are in issue and outstanding): (i) any variance to the rights attached to any class of shares requires approval of the holders of 75%

Our articles of association provide for special majorities for resolutions concerning, among other things, the following matters (for so long as

Reserved Matters

notice to be given.

the powers of the shareholders to have a resolution executed in writing by all shareholders and in such event no meeting needs to take place or

particular general meeting duly convened and quorate, unless our articles of association and the Companies Law specify differently. It is within

Matters determined at shareholders’ general meetings require an ordinary resolution, which requires a simple majority of the votes cast at any

Voting

person or by proxy.

for a shareholders’ general meeting will consist of shareholders representing 50.01% of the voting rights attached to our issued shares present in

The agenda of the shareholders’ general meeting is determined by our board of directors or by whoever else is calling the meeting. The quorum

thereof. All shareholders are entitled to attend the shareholders’ general meeting or be represented by a proxy authorized in writing.

5% of our outstanding share capital is not in attendance at that general meeting as a result of the accidental failure to give notice or non-receipt

to receive notice will invalidate the proceedings at that meeting to which such notice refers in the event that a shareholder holding not less than

shareholders, provided that the accidental failure to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled

must be called by no less than 30 days’ written notice. A notice convening a shareholders’ general meeting must be sent to each of the

Companies Law (not counting the day in which it was dispatched and the date in which it was received). Other shareholders’ general meetings

convened and quorate general meeting, must be called with no less than 45 days’ written notice or such longer notice as is required by the

means a resolution passed by a majority of not less than 75% of the voting rights attached to our issued shares present and voting at a duly

The annual general meeting and a shareholders’ general meeting called for a matter for which Cypriot law requires a special resolution, which

from the date of the deposit of the requisition notice.

meeting so convened by the shareholders themselves may not be held after the expiration of three months from the date that is twenty-one days

representing more than one half of the total voting rights of all of them may themselves convene an extraordinary general meeting, but any

fails to do so within twenty one days from the date of the deposit of the requisition notice, such requisitioning shareholders, or any of them

10% of our outstanding share capital or (b) not less than 10% of the voting rights attached to our issued shares, or, in case the board of directors

by the board of directors at the request of shareholders holding in aggregate at the date of the deposit of the requisition either (a) not less than

Our board of directors, at its discretion, may convene an extraordinary general meeting. Extraordinary general meetings must also be convened

prior annual general meeting, with at least one annual general meeting held in each calendar year.

The shareholders’ general meeting is our supreme governing body. An annual general meeting must be held not more than 15 months after the

Convening Shareholders’ Meetings

Table of Contents

24

convene a general meeting, at which all directors must retire and new directors will be appointed as provided above.

meetings and the vacant positions are not filled as per the above procedure within 21 days, the remaining board may remain in office only to

directors. If, for any reason, the number of directors falls below the number fixed by the articles of association as the necessary quorum for board

(1) terminating the entire board pursuant to a request of the requesting members and (2) appointing new elected directors, and new independent

rights attached to our issued shares, the remaining directors will remain in office only to summon a general meeting for purposes of

In the event that the entire board of directors is terminated by a shareholder or a group of shareholders representing at least 10.01% of the voting

unless a resolution for the re-election of such independent director shall have been put to the meeting and not adopted.

so nominated by the board, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated position or

shareholder or a group of shareholders, and in default the retiring independent director shall, if offering himself for re-election and if he has been

position may be filled at the meeting at which the independent directors retire by electing another individual nominated by any of the board, a

in every subsequent year following December 31, 2013; (3) all retiring independent directors shall be eligible for re-election; and (4) the vacated

the first annual general meeting after December 31, 2013; (2) all the independent directors shall retire from office at each annual general meeting

weighted voting in the same manner as voting for elected directors. The independent directors will be appointed as follows: (1) initially—until

this criteria, such elected director shall be re-classified as an independent director. All independent directors are appointed by shareholder

compliance with independence criteria within the meaning of the rules of the exchange. If the board determines that any elected director meets

shareholders. At any time after the appointment of the elected directors, any director may request the board to screen the elected directors for

director shall have been put to the meeting and not adopted. The independent directors are nominated by the board, a shareholder or group of

elected, unless at such meeting it is expressly resolved not to fill such vacated position or unless a resolution for the re-election of such elected

days prior to such general meeting, and in default the retiring elected director shall, if offering himself for re-election, be deemed to have been re-

electing another individual nominated to the office of elected director by any shareholder or group of shareholders by serving a notice at least 30

elected directors shall be eligible for re-election; and (4) the vacated position may be filled at the meeting at which the elected directors retire by

elected directors shall retire from office at each annual general meeting in every subsequent year following December 31, 2013; (3) all retiring

directors. Elected directors are appointed as follows: (1) initially—until the first annual general meeting after December 31, 2013; (2) all the

articles of association for appointment of the board it effectively will have the right to appoint at least one director to serve on our board of

continues to hold 10.01% of the voting rights attached to our issued shares, under the shareholder weighted voting methodology set out in our

directors to be appointed. As long as each of our class A shareholders, including our founding shareholders as well as Mail.ru, and Mitsui, alone,

among one or more nominees as many votes as the voting rights attached to its shares multiplied by a number equal to the number of elected

Except as set out below, the elected directors are appointed by shareholder weighted voting, under which each shareholder has the right to cast

less than 30 days prior to any general meeting at which all the elected directors are scheduled to be appointed.

Any shareholder or group of shareholders is entitled to nominate one or more individuals for election (or re-election) to our board of directors not

the majority of directors to be independent.

elected to follow Cyprus corporate governance practices, which, unlike the applicable Nasdaq requirements for domestic issuers, do not require

directors that are not independent directors as elected directors. Elected directors shall not be more than nine. As a foreign private issuer, we have

Our articles of association provide that we may have up to twelve directors, including not less than three independent directors. We refer to all

Appointment of Directors

Board of Directors

Table of Contents

25

when signed by all the directors. A resolution consented to in writing must be approved and executed by all the directors.

casting vote in case of a tie. A resolution consented to in writing will be as valid as if it had been passed at a meeting of our board of directors

higher majority and/or affirmative vote of any independent directors is required on a particular matter. The chairman does not have a second or

A resolution at a duly constituted meeting of our board of directors is approved by an absolute majority of votes of all the directors unless a

convened is a simple majority of the directors.

Cyprus. For as long as any class A shares are issued and outstanding, the quorum necessary for a meeting of our board of directors to be validly

Our board of directors meets at such times and in such manner as the directors determine to be necessary or desirable. Meetings are held in

Proceedings of the Board of Directors

Our board of directors may exercise all the powers of the Company to borrow or raise money.

meeting approving the total number of shares and classes of shares to be reserved for issuance under any such program).

(g)

adoption of any employee stock option plan or any other equity-based incentive compensation program for our group (subject to a general

(f)

issuance and allotment of shares by us for consideration other than cash; and

can be determined at the time the transaction is entered into);

articles of association) on an arm’s length basis, (2) intra-group transactions, (3) transactions at a price less than U.S.$50,000 (if the price

(e)

entry into any agreement or transaction with a related party except for: (1) transactions in the ordinary course of business (as defined in our

group company (other than ourselves);

(d)

any merger, consolidation, amalgamation, conversion, reorganization, scheme of arrangement, dissolution or liquidation involving any

operation over certain thresholds as set out in our articles of association;

(c)

any group company’s exit from or closing of a business or business segment, or a down-sizing, reduction in force or streamlining of any

of any group company;

transactions involving sale or disposition of any interest in any group company (other than QIWI plc) or all or substantially all of the assets

(b)

approval of certain transactions, including material transactions (as defined in our articles of association), borrowings as well as

(a)

approval of strategy, annual budget and business plan for the group;

following:

Our board of directors has been granted authority to manage our business affairs and has the authority to decide, among other things, on the

Powers of the Board of Directors

rights attached to our issued shares may terminate the appointment of the entire board of directors. See also “—Appointment of Directors.”

board created during the term of a director’s appointment as provided in our articles of association, shareholders holding 10.01% of the voting

mental or physical illness or due to his or her death. If our board of directors exercises its right to appoint a director to fill in a vacancy on the

arrangement or composition with his or her creditors generally; or (b) becomes permanently incapable of performing his or her duties due to

is required). A director may be removed from office automatically if, among other things, the director (a) becomes bankrupt or makes any

general shareholders’ meeting, which must be convened with at least 28 days’ notice (under our articles of association at least thirty days’ notice

Under Cyprus law, notwithstanding any provision in our articles of association, a director may be removed by an ordinary resolution of the

Removal of Directors

independent director is received (for so long as class A shares are in issue and are outstanding).

Our board of directors can elect a chairman by an absolute majority of votes of all the directors provided that an affirmative vote of at least one

Table of Contents

26

reserve, carry forward to

directors may set aside out of our profits such sums as it thinks proper as a reserve. The board of directors may also, without establishing a

113, the board of directors may declare final and/or interim dividends, but no dividend will be paid except out of our profits. Our board of

Dividends. So long as class A shares have been issued and are outstanding and subject to the relevant provisions of the Companies Law, Cap.

shareholders).

the total number of class A shares in issue are transferred as a single transaction or a series of related transactions by a shareholder (or a group of

Class A shares will not convert into class B shares where: (1) the transfer is to one or more of the transferor’s wholly-owned or 10% or more of

aggregate number of class A and class B shares outstanding.

will be automatically converted into class B shares in the event that the aggregate number of class A shares constitute less than 10% of the

shares on the occurrence of a change of control (as defined in our articles of association) of the class A shareholder; and (3) all class A shares

transfer, be automatically converted into class B shares; (2) all class A shares held by a shareholder will be automatically converted into class B

A shares which are transferred by the holder, except in circumstances permitted under our articles of association, shall, immediately upon such

In addition, class A shares will be automatically converted into class B shares, on a one-to-one basis, in the following circumstances: (1) all class

shall rank pari passu in all respects with the existing class B shares in issue.

class B shares, on the basis that each class A share shall convert into one class B share, and the class B shares resulting from such conversion

Conversion. At the irrevocable request of any class A shareholder, all or part of the class A shares held by such shareholder will convert into

public offering in connection with the issue of up to an additional 52,000,000 class B shares, including in the form of ADSs.

authorized the disapplication of the right of pre-emption set out above for a period of five years from the date of the completion of our initial

be made to all other shareholders on a pro rata basis (provided that such pre-emption rights have not been disapplied). Our shareholders have

the shareholders of the relevant class and, if any such new securities are not taken up by those shareholders, an offer to purchase the excess will

shareholders on a pro-rata basis. If the new securities are of the same class as existing shares, the offer must first be made on a pro rata basis to

other securities giving right to the purchase of our shares or which are convertible into our shares must be offered before their issue to our

are at the disposal of our board of directors, which may allot or otherwise dispose of any unissued shares as it may decide. All new shares and/or

Issue of shares and pre-emptive rights. Subject to the Companies Law and our articles of association, already authorized but not yet issued shares

meeting of our shareholders.

Voting rights. Each class A share has the right to ten votes at a meeting of our shareholders; and each class B share has the right to one vote at a

Rights Attaching to Shares

board on the second year after the date of his appointment.

December 31, 2014. Any subsequent term of appointment shall be for a period from the date of his appointment until the first meeting of the

our board of directors at any time. The term of appointment for our chief executive officer is until the first meeting of the board appointed after

board of directors thinks fit, and, subject to the terms of any agreement entered into in any particular case, his appointment may be terminated by

and responsible for all day-to-day affairs of our group. Our chief executive officer is to be appointed for such period and on such terms as our

Our board of directors may by an absolute majority of votes of all the directors appoint a director to be our chief executive officer to be in charge

Chief Executive Officer

shall be prepared.

telephonically. Such participation shall be treated the same as if the director were physically present at such meeting and appropriate minutes

Subject to tax residency matters, the directors may participate in any meetings of the board of directors or any duly authorized committee

Table of Contents

27

association) and the Delaware General Corporation Law relating to shareholders’ rights.

following table provides a comparison between certain statutory provisions of the Companies Law (together with the provisions of our articles of

the Companies Law and common law. The Companies Law differs from laws applicable to U.S. corporations and their shareholders. The

Our corporate affairs are governed by our memorandum and articles of association and the provisions of applicable Cyprus law, including

Material Differences in Cyprus Law and our Amended and Restated Articles of Association and Delaware Law

upon such terms as the court may order.

the bidder to acquire their shares and the bidder shall be bound to do so upon the same terms as in the offer or as may be agreed between them or

gives the 90%, it must give notice of the fact to the remaining shareholders and such shareholders may, within three months of the notice, require

sufficient shares to aggregate, together with those which it already holds, more than 90%, then, within one month of the date of the transfer which

concerned, additional requirements need to be met before the minority can be squeezed out. If the company making the takeover bid acquires

can persuade the Cypriot courts not to permit the acquisition. If the offeror company already holds more than 10%, in value of the shares

shares concerned, the offeror can upon the same terms acquire the shares of shareholders who have not accepted the offer, unless such persons

takeover bid for all the shares or for the whole of any class of shares of another company, and the offer is accepted by the holders of 90% of the

The Companies Law contains provisions in respect of squeeze-out rights. The effect of these provisions is that, where a company makes a

listed on a regulated market in the EEA. Neither our shares nor depositary receipts are listed on a regulated market in the EEA.

receipts of a Cypriot company even if such an acquisition confers on such person control over us if neither the shares nor depositary receipts are

As of the date hereof, Cypriot law does not contain any requirement for a mandatory offer to be made by a person acquiring shares or depositary

company, except that a shareholder may become personally liable by reason of his or her own acts.

The liability of our shareholders is limited. Under the Companies Law, a shareholder of a company is not personally liable for the acts of the

Relevant Provisions of Cypriot law

There is no limitation under Cypriot law or our articles of association on the right of non-Cypriot residents or nationals to own or vote our shares.

common form or in any other form, including electronic form, which the directors may approve.

out above and in our articles of association, shareholders are entitled to transfer all or any of their shares by instrument of transfer in any usual or

transferor will be deemed to be the holder of the share until the name of the transferee is entered into the register of shareholders. Except as set

Form and transfer of shares. The instrument of transfer of any share must be executed by or on behalf of the transferor and the transferee, and the

liability.

contributories as the liquidator shall think fit, but so that no shareholder is compelled to accept any shares or other securities with any attached

Law, (i) divide all or part of our assets among the shareholders; and (ii) vest the whole or any part of such assets in trustees for the benefit of the

Winding Up. If our company is wound up, the liquidator may, upon a special resolution and any other procedure prescribed by the Companies

do so from time to time in the future.

share in any dividend or other distribution we pay. We have historically paid dividends in the past and currently expect that we will continue to

the next year any profits it may think prudent not to distribute as a dividend. The class A shares and the class B shares have the right to an equal

Table of Contents

28

cumulative voting.

The articles of association may explicitly provide for cumulative voting.

The certificate of incorporation may explicitly provide for

a special resolution of a general meeting of our shareholders.

vote of the holders of the shares of the relevant class, with the sanction of

association, the decision is passed by a resolution of seventy five per cent

incorporation require approval of a majority of its shareholders.

least half of the issued share capital is represented. Under our articles of

changes in the rights of shareholders as set forth in the certificate of

half of the issued share capital is represented and a simple majority of at

corporation. Except as provided in the certificate of incorporation,

represented securities or to the represented issued share capital if less than

of incorporation may instead confer this right on the directors of the

passed by a majority of two thirds of the votes corresponding either to the

have the right to amend the corporation’s bylaws, but the certificate

by the change. In accordance with the Companies Law, the decision is

shares entitled to vote on the amendment. Shareholders generally

voting takes place for each class of shares the rights of which are effected

approval of shareholders holding a majority of the outstanding

When the share capital is divided into different classes of shares separate

Generally, a certificate of incorporation may be amended by the

duly convened general meeting.

attached to our issued shares present and voting in person or by proxy at a

quorum at a meeting of shareholders.

articles of association the quorum shall be 50.01% of the voting rights

to vote, present in person or represented by proxy, shall constitute a

the company do not make other provision to this effect. Further to our

the absence of such specification, the majority of the shares entitled

personally present shall be a quorum unless the articles of association of

less than one third of the shares entitled to vote at the meeting. In

constitute a quorum. Further to the Companies Law, three members

to constitute a quorum, but in no event shall a quorum consist of

The articles of association shall specify the number of the shareholders to

The certificate of incorporation or bylaws may specify the number

act for him by proxy.

persons to act for him by proxy.

Any person authorized to vote may authorize another person or persons to

Any person authorized to vote may authorize another person or

Shareholder’s Voting Rights

communication, if any.

communication, if any.

any, date and hour of the meeting, and the means of remote

place, if any, date and hour of the meeting, and the means of remote

written notice of the meeting shall be given which shall state the place, if

a written notice of the meeting shall be given which shall state the

Whenever shareholders are required to take any action at a meeting, a

Whenever shareholders are required to take any action at a meeting,

May be held inside or outside Cyprus.

 May be held inside or outside Delaware.

Companies Law.

incorporation or bylaws.

shareholders if called by such shareholders in accordance with the

directors or by any other person authorized in the certificate of

board of directors if a general meeting is called by the board or by

A special meeting of shareholders may be called by the board of

in accordance with the Companies Law and articles of association by the

place as designated in the certificate of incorporation or the bylaws.

May be held at such time or place as specified in the relevant notice given

Annual shareholder meetings are typically held at such time or

Shareholder Meetings

Cyprus

Delaware

Table of Contents

29

interests of the corporation.

a director act in a manner he reasonably believes to be in the best

the best interest of the corporation. The duty of loyalty requires that

director act in good faith, with the care of a prudent person, and in

person, and in the best interest of the company.

corporation and its shareholders. The duty of care requires that a

Directors and officers must act in good faith, with the care of a prudent

Directors have a duty of care and a duty of loyalty to the

Fiduciary Duties

contain not less than three independent directors.

independent. Pursuant to the articles of association, the board shall

independent. Under the Companies Law, directors do not have to be

for domestic issuers, do not require the majority of directors to be

governance practices, which, unlike the applicable Nasdaq requirements

As a foreign private issuer, we have elected to follow Cyprus corporate

Directors do not have to be independent.

terminate the appointment of the board.

to our issued shares may, subject to following a specific procedure,

on the board, members representing 10.01% of the voting rights attached

to vote at an election of directors.

board of directors exercises its right to appoint a director to fill a vacancy

a majority, or in some cases the supermajority, of the shares entitled

of shareholders. In addition, our articles of association provide that if the

directors may be removed, with or without cause, by the holders of

Directors can be removed by an ordinary resolution at the general meeting

Barring certain exceptions, any director or the entire board of

for a specific procedure of electing directors.

entitled to vote on the election of directors.

shareholders or the board of directors. Our articles of association provide

bylaws, directors are elected by a plurality of the votes of the shares

Directors can be appointed by either a vote at the general meeting of

Unless otherwise specified in the certificate of incorporation or

the certificate of incorporation.

general meeting of the shareholders.

case a change in the number shall be made only by amendment of

directors. A change in the number of directors shall be determined by the

certificate of incorporation fixes the number of directors, in which

Under the articles of association, the board shall consist of up to twelve

Number of board members shall be fixed by the bylaws, unless the

Board must consist of at least two members.

 Board must consist of at least one member.

Directors

Cyprus

Delaware

Table of Contents

30

directors.

special shareholder vote.

Sale, lease or exchange of assets require a resolution of the board of

Business combinations with interested shareholders require a

of outstanding stock of the corporation entitled to vote.

(unless the certificate of incorporation requires a higher percentage)

shareholders.

requires approval by the board of directors and by a majority

of the board of directors and a special resolution at the general meeting of

exchange of substantially all of a corporation’s assets or dissolution

Dissolution of the company, assuming it is solvent, requires a resolution

Completion of a merger, consolidation, or the sale, lease or

Business Combinations

were present and voted.

that action at a meeting at which all shareholders entitled to vote

than the minimum number of votes that would be necessary to take

written consent of the holders of outstanding stock having not less

had been passed at a duly convened general meeting.

action to be taken at any shareholder meeting may be taken by

A unanimous written resolution of all shareholders will be as valid as if it

Unless otherwise provided in the certificate of incorporation, any

directors.

been passed at a duly convened meeting of the board of directors.

it had been passed at a duly convened meeting of the board of

A unanimous written resolution of all directors will be as valid as if it had

A unanimous written resolution of all directors will be as valid as if

Actions by Written Consent

disclosed any interests in the transaction.

not vote on a matter in which they have an interest even if the director has

directors of the company. Under our articles of association, directors may

their interest (either direct or indirect) in transactions at a meeting of the

long as the director has disclosed any interests in the transaction

Under the Companies Law, the directors have to declare the nature of

Directors may vote on a matter in which they have an interest so

corporation at the time it was approved.

(b) the contract or transaction must have been “fair” as to the

contract or transaction after full disclosure of the material facts or

or the board of directors must approve in good faith any such

directors has an interest are allowed assuming (a) the shareholders

Contracts or transactions in which one or more of the corporation’s

director or officer and not shared by the shareholders generally.

shareholders take precedence over any interest possessed by a

and ensure that the best interest of the corporation and its

opportunities and receiving improper personal benefits.

corporate opportunities and receiving improper personal benefits,

Directors and officers must refrain from self-dealing, usurping corporate

Directors and officers must refrain from self-dealing, usurping

Fiduciary Duties

Cyprus

Delaware

Table of Contents

31

been cancelled.

to bring a derivative action against us after the class B shares had

were cancelled in connection with our dissolution would not be able

If we were a Delaware corporation, a shareholder whose shares

approval of the Chancery Court.

Such action shall not be dismissed or compromised without the

such effort.

plaintiff to obtain action by the board or the reasons for not making

The complaint shall set forth with particularity the efforts of the

operation of law.

shareholder’s stock thereafter devolved upon such shareholder by

operation of law.

the corporation at the time of the relevant transaction or that such

shareholder’s stock thereafter devolved upon such shareholder by

be averred in the complaint that the plaintiff was a shareholder of

corporation at the time of the relevant transaction or that such

derivative suit instituted by a shareholder of a corporation, it shall

be averred in the complaint that the plaintiff was a shareholder of the

corporation to enforce the rights of the corporation. In any

In any derivative suit instituted by a shareholder of a corporation, it shall

A shareholder may bring a derivative action on behalf of the

Shareholders’ Derivative Actions

the interested shareholders would not be precluded from voting.

and/or a special resolution at the general meeting of shareholders at which

which the directors related to interested shareholders have no right to vote

Depending on the form of combination it requires a board resolution in

shareholders.

of directors and a special resolution at the general meeting of

Completion of a merger or consolidation requires a resolution of the board

Business Combinations

Cyprus

Delaware

Table of Contents

32

U.S. dollars, if it can do so on a reasonable basis and can transfer the

•

Cash. The depositary will convert any cash dividend or other cash distribution we pay on the class B shares underlying the ADSs into

ADSs represent.

deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of class B shares your

The depositary has agreed to pay to ADS holders the cash dividends or other distributions it or the custodian receives on class B shares or other

How will you receive dividends and other distributions on class B shares?

Dividends and Other Distributions

attached thereto. Directions on how to obtain copies of those documents are provided on page “Where You Can Find More Information.”

deposit agreement which has been filed as an exhibit to the registration statement of which this prospectus forms a part, and the form of ADR,

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire

holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

rights. A deposit agreement among us, the depositary and you, as an ADS holder, and all other persons indirectly holding ADSs sets out ADS

rights. The depositary will be the holder of class B shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Cyprus law governs shareholder

Euroclear.

hold securities entitlements in securities through participants in DTC, and NSD holds securities entitlements in securities through a participant in

Russian book-entry settlement system. All indirectly held ADSs will be registered in the name of a nominee of DTC. Euroclear and Clearstream

referred to as Clearstream, the European book-entry settlement systems, or (iii) the National Settlement Depositary, also referred to as NSD, the

U.S. book-entry settlement system, (ii) Euroclear Bank S.A./N.V., also referred to as Euroclear, or Clearstream Banking, société anonyme, also

You may hold your ADSs indirectly, as described above, through a broker or other securities intermediary that is a participant in (i) DTC, the

the registered holders of uncertificated ADSs.

the depositary may register the ownership of uncertificated ADSs, which ownership is confirmed by periodic statements sent by the depositary to

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, also referred to as DTC, pursuant to which

broker or financial institution to find out what those procedures are.

procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your

holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the

holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS

number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the Direct Registration System, or (B) indirectly by

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, or ADR, which is a certificate evidencing a specific

principal executive office is located at One Wall Street, New York, New York 10286.

corporate trust office at which the ADSs will be administered is located at 101 Barclay Street, New York, New York 10286. The depository’s

depositary. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The depositary’s

B share (or a right to receive one class B share) deposited with the principal London office of The Bank of New York Mellon, as custodian for the

The Bank of New York Mellon, as depositary, will register and deliver American Depositary Shares, or ADSs. Each ADS will represent one class

American Depositary Shares

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Table of Contents

33

make on our class B shares or any value for them if it is illegal or impractical for us to make them available to you.

permit the distribution of ADSs, class B shares, rights or anything else to ADS holders. This means that you may not receive the distributions we

obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no

that distribution.

The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with

securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution.

which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any

we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in

thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what

•

Other Distributions. The depositary will send to ADS holders anything else we distribute on deposited securities by any means it

necessary restrictions in place.

restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the

rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver

U.S. securities laws may restrict transfers and cancellation of the ADSs represented by class B shares purchased upon exercise of

it the exercise price and any other charges the rights require you to pay.

depositary will then deposit the class B shares and deliver ADSs to the persons entitled to them. It will only exercise rights if you pay

If the depositary makes rights available to ADS holders, it will exercise the rights and purchase the shares on your behalf. The

In that case, you will receive no value for them.

distribute the proceeds in the same way as it does with cash. The depositary will allow rights that are not distributed or sold to lapse.

make the rights available but that it is practical to sell the rights, the depositary will use reasonable efforts to sell the rights and

other rights, the depositary may make these rights available to ADS holders. If the depositary decides it is not legal and practical to

•

Rights to Purchase Additional Class B Shares. If we offer holders of our securities any rights to subscribe for additional shares or any

class B shares sufficient to pay its fees and expenses in connection with that distribution.

additional ADSs, the outstanding ADSs will also represent the new class B shares. The depositary may sell a portion of the distributed

to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute

dividend or free distribution. The depositary will only distribute whole ADSs. It will try to sell class B shares which would require it

•

Distribution of Class B Shares. The depositary may distribute additional ADSs representing any class B shares we distribute as a

of the distribution.

exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value

“Taxation.” It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See

currency and it will not be liable for any interest.

hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign

agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will

U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit

Table of Contents

34

least 45 days in advance of the meeting date.

request the Depositary to act, we agree to give the Depositary notice of any such meeting and details concerning the matters to be voted upon at

In order to give you a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Deposited Securities, if we

as you requested.

instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if your shares are not voted

In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your class B shares.

instructed.

its agents vote class B shares or other deposited securities as instructed by ADS holders. The depositary will only vote or attempt to vote as

The depositary will try, as far as practical, subject to the laws of Cyprus and of our articles of association or similar documents, to vote or to have

meeting enough in advance to withdraw class B shares.

Otherwise, you would not be able to exercise your right to vote unless you withdraw class B shares. However, you may not know about the

by a date set by the depositary.

be voted on and explain how ADS holders must instruct the depositary how to vote. For instructions to be valid, they must reach the depositary

holders of shareholders’ meetings and arrange to deliver our voting materials to them if we ask it to. Those materials will describe the matters to

ADS holders may instruct the depositary to vote the number of deposited class B shares their ADSs represent. The depositary will notify ADS

How do you vote?

Voting Rights

ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated

ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Alternatively,

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

depositary will deliver the deposited securities at its corporate trust office, if feasible.

ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the

as stamp taxes or stock transfer taxes or fees, the depositary will deliver the class B shares and any other deposited securities underlying the

You may surrender your ADSs at the depositary’s corporate trust office. Upon payment of its fees and expenses and of any taxes or charges, such

How can ADS holders withdraw the deposited securities?

deposit.

the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the

Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register

The depositary will deliver ADSs if you or your broker deposit class B shares or evidence of rights to receive class B shares with the custodian.

How are ADSs issued?

Deposit, Withdrawal and Cancellation

Table of Contents

35

your ADSs until such taxes or other charges are

your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of

Payment of Taxes

affiliates of the depositary and that may earn or share fees or commissions.

ADS program. In performing its duties under the deposit agreement, the depositary may use brokers, dealers or other service providers that are

or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the

From time to time, the depositary may make payments to us to reimburse and/or class B share revenue from the fees collected from ADS holders,

participants acting for them. The depositary may generally refuse to provide fee-based services until its fees for these services are paid.

for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of

those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee

purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing class B shares or surrendering ADSs for the

deposited securities

Any charges incurred by the depositary or its agents for servicing the

• As necessary

transfer taxes, stamp duty or withholding taxes

have to pay on any ADS or share underlying an ADS, for example, stock

Taxes and other governmental charges the depositary or the custodian

• As necessary

• converting foreign currency to U.S. dollars

provided in the deposit agreement)

Expenses of the depositary

• Cable, telex and facsimile transmissions (when expressly

or withdraw class B shares

or from the name of the depositary or its agent when you deposit

Registration or transfer fees

• Transfer and registration of class B shares on our share register to

U.S.$0.05 (or less) per ADSs per calendar year

• Depositary services

for issuance of ADSs

holders

to you had been class B shares and the class B shares had been deposited

securities which are distributed by the depositary to ADS

A fee equivalent to the fee that would be payable if securities distributed

• Distribution of securities distributed to holders of deposited

U.S.$0.05 (or less) per ADS

• Any cash distribution to ADS holders

if the deposit agreement terminates

• Cancellation of ADSs for the purpose of withdrawal, including

distribution of class B shares or rights or other property

U.S.$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

• Issuance of ADSs, including issuances resulting from a

pay:

For:

Persons depositing or withdrawing class B shares or ADS holders must

Fees and Expenses

Table of Contents

36

obligations under the deposit agreement, except to account for the net

that have not surrendered their ADSs. It will not invest the money and has no liability for interest. The depositary shall be discharged from all

the money it received on the sale, as well as any other cash it is holding under the deposit agreement for the pro rata benefit of the ADS holders

months after termination, the depositary may sell any remaining deposited securities by public or private sale. After that, the depositary will hold

deposited securities, sell rights and other property, and deliver class B shares and other deposited securities upon cancellation of ADSs. Four

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the

and accepted its appointment.

us and the ADS holders if 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed

90 days prior to the written notice of such removal. The depositary may also terminate the deposit agreement by mailing notice of termination to

The depositary will terminate the deposit agreement at our direction by mailing notice of termination to the ADS holders then outstanding at least

How may the deposit agreement be terminated?

to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.

days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing

delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30

increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs,

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or

How may the deposit agreement be amended?

Amendment and Termination

our assets, or take any similar action

• Recapitalize, reorganize, merge, liquidate, sell all or substantially all of

• Distribute securities on class B shares that are not distributed to you

ADRs identifying the new deposited securities.

you to surrender your outstanding ADRs in exchange for new

or other securities it received. It may also deliver new ADRs or ask

• Reclassify, split up or consolidate any of the deposited securities

The depositary may distribute some or all of the cash, class B shares

securities.

automatically represent its equal share of the new deposited

depositary will become deposited securities. Each ADS will

• Change the nominal or par value of our class B shares

The cash, class B shares or other securities received by the

If we:

Then:

Reclassifications, Recapitalizations and Mergers

ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to

paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable

Table of Contents

37

shares.

transfer of class B shares is blocked to permit voting at a shareholders’ meeting; or (iii) we are paying a dividend on our class B

•

When temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the

ADS holders have the right to cancel their ADSs and withdraw the underlying class B shares at any time except:

Your Right to Receive Class B Shares Underlying your ADSs

books are closed or at any time if the depositary or we think it advisable to do so.

The depositary may refuse to deliver ADSs or register transfers of ADSs generally when the transfer books of the depositary or our transfer

transfer documents.

•

compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of

•

satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and

transfer of any class B shares or other deposited securities;

•

payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the

depositary may require:

Before the depositary will deliver or register a transfer of an ADS, make a distribution on an ADS, or permit withdrawal of class B shares, the

Requirements for Depositary Actions

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

person.

•

may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper

or on behalf of any other person;

•

have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf

the terms of the deposit agreement;

to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of

•

are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available

•

are not liable if we or it exercises discretion permitted under the deposit agreement;

under the deposit agreement;

•

are not liable if we are or it is prevented or delayed by law or circumstances beyond our control from performing our or its obligations

•

are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;

obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

The deposit agreement expressly limits our obligations, as well as those of our directors, officers, employees, agents and affiliates, and the

Limits on our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

Limitations on Obligations and Liability

fees and expenses of the depositary that we agreed to pay.

obligations will be to account for the money and other cash. After termination our only obligations will be to indemnify the depositary and to pay

proceeds of such sale and other cash (after deducting fees and expenses and applicable taxes and governmental charges). The depositary’s only

Table of Contents

38

the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

depositary will send you copies of those communications if we ask it to. You have a right to inspect the register of holders of ADSs, but not for

material that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The

The depositary will make available for your inspection at its office any reports, notices and other communications, including any proxy soliciting

Shareholder communications; inspection of register of holders of ADSs

deposit agreement shall not constitute negligence or bad faith on the part of the depositary.

depositary’s reliance on and compliance with instructions received by the depositary through the DRS/Profile System and in accordance with the

ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the

an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the

understand that the depositary will not verify, determine or otherwise ascertain that the DTC participant that is claiming to be acting on behalf of

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement

account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

holder of ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC

holders of uncertificated ADSs. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of a registered

register the ownership of uncertificated ADSs, which ownership will be evidenced by periodic statements sent by the depositary to the registered

to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depositary may

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply

Direct Registration System

time to time, if it thinks it is appropriate to do so.

will limit the number of ADSs that may be outstanding at any time as a result of pre-release, although the depositary may disregard the limit from

(4) the pre-release is subject to such further indemnities and credit regulations as the depositary deems appropriate. In addition, the depositary

depositary considers appropriate; (3) the depositary must be able to close out the pre-release on not more than five business days’ notice and

that it or its customer owns class B shares or ADSs to be deposited; (2) the pre-release is fully collateralized with cash or other collateral that the

conditions: (1) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the depositary in writing

depositary may receive ADSs instead of class B shares to close out a pre-release. The depositary may pre-release ADSs only under the following

release transaction has been closed out). A pre-release is closed out as soon as the underlying class B shares are delivered to the depositary. The

ADSs. The depositary may also deliver class B shares upon cancellation of pre-released ADSs (even if the ADSs are canceled before the pre-

The deposit agreement permits the depositary to deliver ADSs before deposit of the underlying class B shares. This is called a pre-release of the

Pre-release of ADSs

This right of withdrawal may not be limited by any other provision of the deposit agreement.

the withdrawal of class B shares or other deposited securities.

•

When it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to

•

When you owe money to pay fees, taxes and similar charges.

Table of Contents

39

beneficial owner.

Euroclear/Clearstream or NSD as required to settle trades or to facilitate holding ADSs with a broker or securities intermediatry preferred by the

participant account, as the case may be, in order to settle that trade. ADSs generally can be moved between participant accounts in DTC,

in order to settle that trade. If an investor sells or buys ADSs on MICEX, it will be required to receive ADSs in, or deliver ADSs from, an NSD

If an investor sells or buys ADSs on Nasdaq, it will generally be required to receive ADSs in, or deliver ADSs from, a DTC participant account

Trading on Nasdaq and MICEX

Table of Contents

40

Total

 $ $ $ $ $ $

Per ADS

 $ $ $ $ $ $

Exercise

Exerci se

Exercise

Exerci se

Exercise

Exerci se

No

Full

No

Full

No

Full

Paid by Us

Shareholders

Total

Paid by Selling

exercise and full exercise of the underwriters’ option to purchase additional ADSs.

The following table shows the per ADS and total underwriting discounts and commissions to be paid to the underwriters assuming both no

The underwriting fee is equal to the public offering price per ADS less the amount paid by the underwriters to the selling shareholders per ADS.

offered.

any additional ADSs are purchased, the underwriters will offer the additional ADSs on the same terms as those on which the ADSs are being

ADSs are purchased with this option, the underwriters will purchase ADSs in approximately the same proportion as shown in the table above. If

option will provide such ADSs proportionally. The underwriters have 30 days from the date of this prospectus to exercise this option. If any

exercised for a number of ADSs less than the full amount of the option, selling shareholders who will provide ADSs to be sold pursuant to this

selling shareholders who have granted this option to the underwriters, see “Principal and Selling Shareholders.” To the extent this option is

The underwriters have an option to buy up to 1,196,000 additional ADSs from us and the selling shareholders. For information concerning the

underwriters.

other selling terms may be changed by the underwriters. Sales of ADSs made outside of the United States may be made by affiliates of the

certain dealers at that price less a concession not in excess of U.S.$ per ADS. After the public offering of the ADSs, the public offering price and

The underwriters propose to offer the ADSs directly to the public at the public offering price set forth on the cover page of this prospectus and to

underwriters may also be increased or the offering may be terminated.

purchase any ADSs. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting

The underwriters are committed to purchase all ADSs offered by the selling shareholders pursuant to the underwriting agreement, if they

U.S. registered broker-dealer. VTB Capital plc will sell our ADSs in the United States through its U.S. registered broker-dealer, VTB Capital Inc.

All sales of our ADSs in the United States will be made by U.S. registered broker-dealers. Neither VTB Capital plc nor Atonline Limited is a

Total

7,973,330

Atonline Limited

William Blair & Company, L.L.C.

VTB Capital plc

Credit Suisse Securities (USA) LLC

Underwriter

ADSs

Number of

the cover page of this prospectus, the number of ADSs listed next to its name in the following table:

and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on

underwriters. Subject to the terms and conditions of the underwriting agreement, the selling shareholders have agreed to sell to the underwriters,

LLC is acting as representative of the underwriters. We and the selling shareholders have entered into an underwriting agreement with the

Suisse Securities (USA) LLC and VTB Capital plc are acting as joint book-running managers of the offering and Credit Suisse Securities (USA)

Our selling shareholders are offering the American depositary shares described in this prospectus through a number of underwriters. Credit

UNDERWRITING

Table of Contents

41

price of the ADSs, and, as a result, the price of the ADSs may be higher than the

These activities may have the effect of raising or maintaining the market price of the ADSs or preventing or retarding a decline in the market

that sold those ADSs as part of this offering to repay the underwriting discount received by them.

underwriters purchases ADSs in the open market in stabilizing transactions or to cover short sales, the representative can require the underwriters

maintain or otherwise affect the price of the ADSs, including the imposition of penalty bids. This means that if the representative of the

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize,

that the underwriters create a naked short position, they will purchase ADSs in the open market to cover the position.

downward pressure on the price of the ADSs in the open market that could adversely affect investors who purchase in this offering. To the extent

purchase ADSs through their option. A naked short position is more likely to be created if the underwriters are concerned that there may be

consider, among other things, the price of ADSs available for purchase in the open market compared to the price at which the underwriters may

exercising their option, in whole or in part, or by purchasing ADSs in the open market. In making this determination, the underwriters will

be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by

Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option referred to above, or may

of ADSs than they are required to purchase in this offering, and purchasing ADSs on the open market to cover positions created by short sales.

progress. These stabilizing transactions may include making short sales of ADSs, which involves the sale by the underwriters of a greater number

and selling ADSs in the open market for the purpose of preventing or retarding a decline in the market price of ADSs while this offering is in

In connection with this offering, the underwriters may engage in stabilizing transactions on Nasdaq, which involves making bids for, purchasing

Our ADSs are listed on Nasdaq and are admitted to trading on MICEX under the symbol “QIWI.”

liabilities under the Securities Act of 1933.

We and the selling shareholders have agreed to indemnify the underwriters and their controlling persons against certain liabilities, including

ordinary shares or such other securities, in cash or otherwise, without the prior written consent of Credit Suisse Securities (USA) LLC.

ordinary shares or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of

filing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the

exercisable or exchangeable for ordinary shares, including ADSs, or publicly disclose the intention to make any offer, sale, pledge, disposition or

with the Commission a registration statement under the Securities Act relating to, any of our ordinary shares or any securities convertible into or

sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or (in the case of the Company) file

exceptions, we and they will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to

other shareholders, together holding 92.6% of our Class A Shares and 0% of our Class B Shares, have agreed that, subject to certain customary

For a period of 60 days after the date of this prospectus, we, and each of our directors and officers, each of the selling shareholders and certain

that may make Internet distributions on the same basis as other allocations.

to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters and selling group members

any, participating in the offering. The underwriters may agree to allocate a number of ADSs to underwriters and selling group members for sale

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if

million, which includes an amount not to exceed U.S.$15,000.

including selling shareholder expenses payable by us, but excluding the underwriting discounts and commissions, will be approximately U.S.$1.0

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses,

Table of Contents

42

purpose is solely to invest in securities;

(a)

to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate

following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

Relevant Member State except that an offer to the public in that Relevant Member State of any securities may be made at any time under the

State”) an offer to the public of any securities which are the subject of the offering contemplated by this prospectus may not be made in that

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member

European Economic Area

should consult an authorized financial advisor.

of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus, you

the prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers

Exempt Offers. The DFSA has not approved this prospectus or taken steps to verify the information set forth herein and has no responsibility for

delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with

This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”).

Dubai International Financial Centre

unlawful.

sell or a solicitation of an offer to buy any securities referred to by this prospectus in any jurisdiction in which such an offer or solicitation is

about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to

the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves

offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with

may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the

the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus

Other than in the United States, no action has been taken by us, the selling shareholders or the underwriters that would permit a public offering of

Selling Restrictions

recommend to clients that they acquire, long and/or short positions in such securities and instruments.

recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or

activities may involve our securities and/or instruments. The underwriters and their respective affiliates may also make investment

and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities

respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities)

receive customary fees and commissions. In addition, in the ordinary course of their various business activities, the underwriters and their

banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to

provide from time to time in the future certain commercial banking, (including pursuant to the debt refinancing) financial advisory, investment

financing and brokerage activities. Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may

trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging,

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities

underwriters may carry out these transactions on Nasdaq, in the over-the-counter market or otherwise.

price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The

Table of Contents

43

which do not constitute an offer to the public within the meaning of that Ordinance.

circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or

investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other

The ADSs have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional

Hong Kong

financier).

public offering (which are, in particular, embodied in Articles L.411-1, L.411-2, L.412-1 and L.621-8 et seq. of the French Code monétaire et

directly or indirectly, the securities in France, other than in compliance with applicable laws and regulations and, in particular, those relating to a

set out by Article L.411-2 of the French Code monétaire et financier and by Article 211-3 of the AMF Regulations and may not re-transfer,

You are hereby notified that in connection with the purchase of these securities, you must act for your own account in accordance with the terms

Articles L.411-1, L.412-1 and L.621-8 et seq. of the French Code monétaire et financier).

compliance with applicable laws and regulations and, in particular, those relating to a public offering (which are, in particular, embodied in

financier and by Article 211-3 of the AMF Regulations and may not re-transfer, directly or indirectly, the securities in France, other than in

they must act in that connection for their own account in accordance with the terms set out by Article L.411-2 of the French Code monétaire et

reproduced (in whole or in part). Such “qualified investors” and the limited circle of investors referred to in Article L.411-2II2 are notified that

condition that no such offering document nor any other offering material relating to the securities shall be delivered by them to any person or

financier) and/or to a limited circle of investors (as defined in Article L.411-2 and D.411-4 of the French Code monétaire et financier) on the

account of third parties and/or to “qualified investors” (as defined in Article L.411-2, D.411-1 and D.411-2 of the French Code monétaire et

to be distributed to the public in France, except only to persons licensed to provide the investment service of portfolio management for the

document nor any other offering material relating to the securities has been distributed or caused to be distributed or will be distributed or caused

The securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France, and neither this offering

securities.

and has therefore not been submitted to the AMF for prior approval or otherwise, and no prospectus has been prepared in relation to the

Article L.411-1 of the French Code monétaire et financier and Articles 211-1 et seq. of the Autorité des marches financiers (AMF) regulations

This offering document has not been prepared in the context of a public offering of securities in France (offre au public) within the meaning of

France

measure in each Relevant Member State.

Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing

an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus

communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable

For the purposes of this provision, the expression an “offer to the public” in relation to any securities in any Relevant Member State means the

Directive.

requirement for the publication by us, the selling shareholders, or any underwriter of a prospectus pursuant to Article 3 of the Prospectus

(d)

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of securities shall result in a

to obtaining the prior consent of the representative for any such offer; or

(c)

by the underwriters to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject

of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(b)

to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet

Table of Contents

44

the SFA in relation to the content of the document will not apply.

not a prospectus as defined in the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”), and, accordingly, statutory liability under

The offer or invitation which is the subject of this document is only allowed to be made to the persons set out herein. Moreover, this document is

Singapore

compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in

person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale,

offer or sell any ADSs, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any

Exchange Law). Accordingly, no resident of Japan may participate in the offering of the ADSs, and each underwriter has agreed that it will not

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and

Japan

regulations.

Republic of Italy pursuant to Articles 15, 16 and 18 of the Banking Act, in each case acting in compliance with all applicable laws and

shareholding of which is owned by one or more banks located in the same EU Member State) authorized to place and distribute securities in the

with the Consolidated Financial Act and the relevant implementing regulations; or (b) foreign banks or financial institutions (the controlling

September 1, 1993, to the extent duly authorized to engage in the placement and/or underwriting of financial instruments in Italy in accordance

(a) banks, investment firms or financial companies enrolled in the special register provided for in Article 107 of Legislative Decree no. 385 of

any relevant limitations or procedural requirements that CONSOB may impose upon the offer or sale of the ADSs; and (iii) be made only by

relating to the ADSs in Italy must (i) be made in accordance with all applicable Italian laws and regulations; (ii) be conducted in accordance with

Regulation; provided, however, that any such offer or sale of the ADSs or distribution of copies of this offering document or any other document

Act) or Issuers’ Regulation applies, including those provided for under Article 100 of the Finance Law and Article 34-ter of the Issuers’

exemption to comply with public offering restrictions provided by Legislative Decree no. 58 of February 24, 1998 (the Consolidated Financial

CONSOB Regulation no. 11971 of May 14, 1999, as amended (the Issuers’ Regulation), or in any other circumstance where an express

relating to the ADSs may not be distributed in Italy except to Qualified Investors, as defined in Article 34-ter, sub – Section 1, paragraph b of

Italian securities legislation. Accordingly, the ADSs may not be offered or sold, and copies of this offering document or any other document

The offering of the ADSs has not been registered with the Commissione Nazionale per le Società e la Borsa (CONSOB), in accordance with

Italy

to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation

WARNING

Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance.

issued in Hong Kong or elsewhere, other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong

accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be

No advertisement, invitation or document, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be

Table of Contents

45

relating to the ADSs or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material

Swiss Code of Obligations or the disclosure standards for listing prospectuses under Article 27 et seq. of the SIX Listing Rules or the listing rules

This document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the

or regulated trading facility in Switzerland.

The ADSs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange

Switzerland

been or will be registered with the CNMV, and, therefore, they are not intended for the public offer of our ADSs in Spain.

legal and regulatory requirements in relation thereto. Neither the prospectus nor any offering or advertising materials relating to our ADSs have

Decree 1310/2005, of 4 November, and other applicable regulations, as amended from time to time, or otherwise without complying with all

obligation to publish a prospectus, as set forth in Spanish Securities Market Act (Ley 24/1988, de 28 de julio, del Mercado de Valores) and Royal

ADSs be carried out in Spain except in circumstances which do not constitute a public offer of securities in Spain or are exempted from the

Mercado de Valores, or “CNMV”), and, therefore, none of our ADSs may be offered, sold or distributed in any manner, nor may any resale of the

This offer of our ADSs has not been and will not be registered with the Spanish National Securities Market Commission (Comisión Nacional del

Spain

constitute a violation of law.

restrictions set forth above and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may

By accepting this document, the recipient hereof represents and warrants that he or she is entitled to receive such report in accordance with the

(3)

by operation of law.

(2)

where no consideration is given for the transfer; or

for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;

or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent foreign currency)

person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation

(1)

to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any

not be transferable for six months after that corporation or that trust has acquired the ADSs under Section 275 of the SFA except:

investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall

(b)

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited

owned by one or more individuals, each of whom is an accredited investor; or

(a)

a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise

directly or indirectly, to persons in Singapore other than: (i) to an institutional investor under Section 274 of the SFA; (ii) to a relevant person, or

circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether

and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be

As this document has not been and will not be lodged with or registered as a document by the Monetary Authority of Singapore, this document

Table of Contents

46

from or otherwise involving the United Kingdom.

(b)

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in,

and

received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21(1) of the FSMA does not apply to us;

inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”))

(a)

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or

Each underwriter has represented and agreed that:

United Kingdom

investors under the relevant laws and regulations of the UAE or the free zone concerned.

The ADSs may be offered and issued only to a limited number of investors in the UAE or any of its free zones who qualify as sophisticated

Nasdaq Dubai Listing Rules, accordingly, or otherwise. The ADSs may not be offered to the public in the UAE and/or any of the free zones.

free zone in accordance with the Commercial Companies Law, Federal Law No 8 of 1984 (as amended), DFSA Offered Securities Rules and

Dubai International Financial Centre (“DIFC”). This offering does not constitute a public offer of securities in the UAE, DIFC and/or any other

regulations of any of the free zones established and operating in the territory of the UAE, in particular the DFSA, a regulatory authority of the

Authority of the UAE and/or any other relevant licensing authority in the UAE, including any licensing authority incorporated under the laws and

This offering has not been approved or licensed by the Central Bank of the United Arab Emirates (“UAE”), Securities and Commodities

United Arab Emirates

investment schemes under the CISA does not extend to acquirers of ADSs.

the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective

supervised by, the Swiss Financial Market Supervisory Authority, FINMA, and the offer of ADSs has not been and will not be authorized under

filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of ADSs will not be

Neither this document nor any other offering or marketing material relating to the offering, the company or the ADSs have been or will be

Table of Contents

47

We will be responsible for the expenses of the offering listed above.

Total

U.S.$1,043,000

Miscellaneous costs

200,000

FINRA fee

58,000

Nasdaq fee

5,000

Accountants’ fees and expenses

200,000

Legal fees and expenses

500,000

Printing and engraving expenses

30,000

SEC registration fees

U.S.$

50,000

commissions, as follows:

We estimate the expenses in connection with the issuance and distribution of our ADSs in this offering, other than underwriting discounts and

EXPENSES

Table of Contents

48

Special defense contribution (“Cypriot Defense Tax”) is levied on certain types of income of tax residents of Cyprus.

Tax”) on its worldwide income, taking into account certain exemptions. The rate of Corporate Income Tax in Cyprus is 12.5%.

A company which is considered to be a resident for tax purposes in Cyprus is subject to corporate income tax in Cyprus (“Corporate Income

Cyprus Resident Company

Cyprus.

on the disposal of shares or other securities of a Cyprus company unless the Cyprus company is the owner of immovable property situated in

The holding and disposal of the ADSs by a non-tax resident will not create any tax liability in Cyprus. Non-tax residents are not liable for any tax

year.

calendar year) if such holder is physically present in Cyprus for a period or periods exceeding in aggregate more than 183 days in that calendar

With respect to the holders of our ADSs, such holder may be considered to be a resident of Cyprus for tax purposes in a tax year (which is the

Form 20-F for the year ended December 31, 2013.

also risk factor “Risk Factors—Risks Related to Taxation—We may be deemed to be a tax resident outside of Cyprus” in our Annual Report on

Russia, there may be increased risk that the company is not managed and controlled in Cyprus and, therefore, is not a tax resident in Cyprus. See

company resident in Cyprus for tax purposes. Where, as with our company, the majority of the board of directors is comprised of tax residents of

A company is considered to be a resident of Cyprus for tax purposes if its management and control are exercised in Cyprus. We anticipate being a

Tax residency

adopted in Cyprus in connection with its bailout” in our Annual Report on Form 20-F for the year ended December 31, 2013.

Cyprus Economic Adjustment Program are uncertain. See “Risk Factors—Risks Relating to Taxation—Adverse financial measures may be

Cyprus. As a result thereof, certain amendments have been introduced to the Cyprus taxation system. The consequences of implementation of the

In connection with the proposed bailout of Cyprus by the Troika, a comprehensive economic adjustment program is expected to be adopted in

Cyprus Economic Adjustment Program

The following discussion of material Cypriot tax considerations represents the opinion of Antis Triantafyllides & Sons LLC, our Cypriot counsel.

Material Cypriot Tax Considerations

tax laws as of the date of this prospectus, and of any actual changes in applicable tax laws after such date.

disposition of the ADSs, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable

ADSs. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the ownership and

holders of the ADSs. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the

statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to

this prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the

upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of

The following summary of the Cypriot tax, Russian tax and United States federal income tax consequences of ownership of the ADSs is based

TAXATION

Table of Contents

49

Dividends and Distributions” and “—Deemed Distributions” above would apply equally to the holders of ADSs.

as holders of shares with respect to the liability of Cypriot Defense Tax on dividends and, therefore, the provision of sections “—Taxation of

specific guidance issued by the Cypriot tax authorities on the point. We are of the view that holders of ADSs will be subject to the same treatment

There is no express provision in the law on the treatment of holders of ADSs with respect to Cypriot Defense Tax on dividends nor is there any

Tax Position of Holders of ADSs with Respect to Distributions

residents. The Circular applies to all years which have not yet been filed or examined by the Commissioner.

shareholders of a Cyprus tax-resident company, insofar as such profits are indirectly apportioned to shareholders who are ultimately non-Cyprus

“Circular”), which now exempts from the remit of the Cypriot Defense Tax the profits that are imputed indirectly to non-Cyprus tax-resident

On September 13, 2011, the Commissioner of the Cyprus Inland Revenue Department (the “Commissioner”) issued Circular 2011/10 (the

prospects and the trading price of the ADRs.

Imposition of such a tax on the company could have a material adverse effect on the group’s business, results of operations, financial condition or

dividend do not include fair value adjustments to movable or immovable property (if any).

profits of the relevant year at any time up to the date of the deemed distribution. The profits to be taken into account in determining the deemed

shareholders. The amount of deemed dividend distribution (subject to the Cypriot Defense Tax) is reduced by any actual dividend paid out of the

of liquidation or capital reduction of the company. The company will debit such Cypriot Defense Tax paid against the profits attributable to such

Cyprus tax resident shareholders (both individuals and companies). The Cypriot Defence Tax may also be payable on deemed dividends in case

end. The Cypriot Defense Tax on deemed dividend distribution would be payable by the company to the extent such profits are attributable to

years of the end of the year in which the profits arose would be deemed to have distributed this amount as a dividend two years after that year

individuals and companies) are Cyprus tax residents. A Cypriot company which does not distribute at least 70% of its after tax profits within two

The Cypriot Defense Tax, at a rate of 30% would be payable by the company on deemed dividends to the extent that its shareholders (both

Deemed Distributions

There is no Cyprus inheritance tax.

Inheritance Tax

generally excluded from capital gains tax. It is unclear whether this exception also applies to disposal of the ADSs.

gains from the disposal of shares in companies which own such immovable property. Shares listed on any recognised stock exchange are

Cyprus capital gains tax is imposed at the rate of 20.0% only on gains from the disposal of immovable property situated in Cyprus including

Taxation of Capital Gains

payment by the company to the shareholder.

Tax residents of Cyprus are subject to the Cypriot Defense Tax on dividends at the rate of 20%. The tax is withheld by the company prior to

their own tax advisors on the consequences of their domicile or residence in relation to the payment of dividends.

the shareholder who will be taxed according to the laws of the country of residence or domicile of the shareholder. Holders of ADSs must consult

Under Cyprus legislation there is no withholding tax on dividends paid to non-residents of Cyprus. The dividend will be paid free of any tax to

Taxation of Dividends and Distributions

Table of Contents

50

should be disallowed/reduce the tax exempt income arising from the disposal.

and the specific circular should not apply. The expenses, however, which directly or indirectly relate to acquisitions/disposals of such investments

purposes of apportionment of the general expenses (overheads). The holding of investments by a holding company is not treated as an activity

It is noted that the disposal of fixed assets or investments which generate a gain or loss of a capital nature does not constitute an activity for the

administration expenses should be allocated to the activities of the company proportionately.

deducted from such income (i.e. disallowed for Corporate Income Tax purposes) in arriving at the income to be treated as tax exempt. All general

In accordance with a circular issued by the Cyprus tax authorities, all direct expenses relating to the income from exempt activities should be

exclusively for the production of income.

The general principle of the Cyprus income tax law is that for an expense to be allowed as a deduction it must have been incurred wholly and

Tax deductibility of expenses, including interest expense

Defense Tax and only be subject to Corporate Income Tax.

income arising from activities closely connected with the ordinary carrying on of a business and should, as such, be exempt from Cypriot

Specifically, interest income arising in connection with the provision of loans to related or associated parties should be generally considered as

Defense Tax at the rate of 30.0% on the gross amount of interest.

Income Tax at the rate of 12.5%, after the deduction of any allowable business expenses. Any other interest income will be subject to the Cypriot

ordinary course of its business, including interest which is closely connected with the ordinary course of its business will be subject to Corporate

“active” or “passive.” Interest income which consists of interest which has been derived by a company which is a tax resident of Cyprus in the

The tax treatment of interest income of any company which is a tax resident of Cyprus will depend on whether such interest income is treated as

Interest income

from non-Cypriot resident companies are taxed at a rate of 20%.

interpreted to mean an effective tax burden of at least 5.0%). If the exemption for the Cypriot Defense Tax does not apply, dividends receivable

directly or indirectly, in investment income, or (ii) the foreign tax suffered is not significantly lower than the tax rate payable in Cyprus (currently

companies is exempt from the Cypriot Defense Tax provided that either (i) not more than 50.0% of the paying company’s activities result,

income from Cyprus resident companies is exempt from the Cypriot Defense Tax whereas dividend income received from non-Cypriot resident

Dividend income (whether received from Cyprus resident or non-resident companies) is exempt from Corporate Income Tax in Cyprus. Dividend

Dividends to be received by the company

any recognised stock exchange.

tax provided that the company whose shares are disposed of does not own any immovable property situated in Cyprus or such shares are listed in

of shares held or the holding period and shall not be subject to the Cypriot Defense Tax. Such gains are also outside of the scope of capital gains

wherever incorporated and options thereon) shall be exempt from Corporate Income Tax irrespective of the trading nature of the gain, the number

Any gain from disposal by the company of securities (the definition of securities includes shares and bonds of companies or legal persons

Gains from the disposal of securities

Taxation of income and gains of the company

Table of Contents

51

document, he or she has the authority to impose stamp duty as per the above rates.

Any documents that do not specify values incur a stamp duty of EUR35. In cases where the stamp duty commissioner can estimate the value of a

•

the stamp duty is €2 per thousand for contracts with a value exceeding €170,000, with a cap of €20,000.

•

the stamp duty is €1.50 per thousand for contracts with a value from €5,001 to €170,000; and

•

for contracts with a value of €1 to €5,000, there is no stamp duty payable;

The stamp duty rates are as follows:

executed in Cyprus or later brought into Cyprus as the company’s shares that underly the shares may be considered to be Cypriot property.

A liability to stamp duty may arise on acquisition of shares and such stamp duty would be payable where the shares acquisition documents are

abroad.

stamp duty based on the value of the document. The above obligation arises irrespective of whether the instrument is executed in Cyprus or

There are documents which are subject to stamp duty in Cyprus at a fixed fee (ranging from €0.03 to €35) and documents which are subject to

•

it relates to any matter or thing which is performed or done in Cyprus.

•

it relates to any property situated in Cyprus; or

Cyprus levies stamp duty on an instrument if:

Stamp duty

the party had the two businesses been independent, but have not so accrued, may be included in the profits of that business and taxed accordingly.

businesses which differ from those which would have been made between independent parties, any profits which would have accrued to one of

More specifically, under the arm’s length principle, where conditions are made or imposed upon the commercial or financial relations of two

length basis, being at fair values and on normal commercial terms.

However, the arm’s length principle in the Cyprus income tax law requires that all transactions between related parties are carried out on an arm’s

There are no specific transfer pricing rules, or any transfer pricing documentation requirements, in the Cyprus tax laws.

Arm’s length principle

This change is effective in respect of interest incurred on borrowings used for the purchase of shares purchased on or after the Effective Date.

business.

(b)

if the subsidiary holds such assets, the deductibility of interest expense will be limited to correspond to the amount of assets used in the

(a)

the deduction will only apply if the subsidiary does not own assets that are not used in the business; and

company subject to the following:

irrespective of whether the subsidiary is a Cyprus or foreign company), the interest expense will now be deductible for tax purposes by the parent

incurs an interest expense on the acquisition of shares of a company that is a 100% owned subsidiary (whether directly or indirectly and

of shares in other companies as a tax deductible expense. Following the Amendments and subject to the below, if a Cyprus parent company

(the “Effective Date”). Prior to the Amendments, the Inland Revenue Department did not treat any interest on loans received for the acquisition

In May 2012, the Cyprus House of Representatives enacted laws (the “Amendments”) which are effective retrospectively from January 1, 2012

Table of Contents

52

and any related agreement will be performed in accordance with its terms.

herein. The discussion is also based, in part, on representations by the depositary and assumes that each obligation under the deposit agreement

effect. Further, there can be no assurance that the IRS will not disagree with or will not challenge any of the conclusions reached and described

Internal Revenue Service (the “IRS”), all as in effect at the date of this Prospectus, and any of which may change, possibly with retroactive

history, Treasury regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S.

The discussion is based on the laws of the United States, including the Internal Revenue Code of 1986, as amended (the “Code”), its legislative

those pertaining to income tax.

address any tax consequences arising under the laws of any U.S. state or local or foreign jurisdiction, or under any U.S. federal laws other than

U.S. entities, or constructively 10% or more of the voting power or value of our aggregate shares outstanding. The following discussion does not

employee stock option or right or otherwise as compensation, tax-exempt entities, and investors who own directly, indirectly through certain non-

their securities, individual retirement accounts or other tax-deferred accounts, holders who acquired shares pursuant to the exercise of an

federal income tax purposes) and other pass-through entities, traders in securities who have elected the mark-to-market method of accounting for

not the U.S. dollar, regulated investment companies, real estate investment trusts, partnerships (or any entity treated as a partnership for U.S.

U.S. expatriates, persons liable for alternative minimum tax, brokers or dealers in securities or currencies, holders whose “functional currency” is

our ADSs or shares as part of a “straddle,” “hedge,” “appreciated financial position,” “conversion transaction” or other risk reduction strategy,

address the tax treatment of special classes of U.S. Holders, such as banks and other financial institutions, insurance companies, persons holding

Holders that own our ADSs or ordinary shares as capital assets. In addition, the description of U.S. federal income tax consequences does not

the general descriptions below may also apply. In particular, the description of U.S. federal income tax consequences deals only with U.S.

not address all tax considerations that may be relevant to investors in light of their particular circumstances. Special rules that are not discussed in

disposition of our ADSs or ordinary shares. The discussion is not a complete analysis or listing of all of the possible tax consequences and does

The following discussion sets forth the U.S. federal income tax consequences to U.S. Holders (as defined below) of the ownership and

United States Federal Income Tax Considerations

•

€17 flat duty on every issue, whether the shares are issued at their (par) nominal value or at a (share) premium.

•

0.6% on the nominal value of the authorized share capital; and

The capital duty rates are as follows:

incorporation and upon subsequent increases thereon.

Capital duty is payable to the Registrar of Companies in respect of the registered authorised share capital of a Cypriot company upon its

Capital duty

subject to Cypriot Defense Tax at the rate of 30.0%, whereby the company is required to withhold such tax from the interest.

connected with the ordinary carrying on of a business by the company to Cypriot tax resident (both corporations and individuals) lenders shall be

Any payment of interest which is not considered as interest accruing from the ordinary carrying on of a business or interest income closely

interest accruing from the ordinary carrying on of their business, or interest closely connected with the ordinary carrying on of their business.

There should be no withholding tax in Cyprus on interest paid by the company to Cyprus tax resident lenders when the interest is considered as

corporations and individuals).

No withholding taxes shall apply in Cyprus with respect to payments of interest by the company to non-Cyprus tax resident lenders (both

Withholding taxes on interest

Table of Contents

53

U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

dollars on the date of receipt, U.S. holders should not be required to recognize foreign currency gain or loss in respect of dividend income. A

rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S.

dividend. The amount of any dividend income paid in a foreign currency will be the U.S. dollar amount calculated by reference to the exchange

Dividends will be included in a U.S. Holder’s income on the date of the U.S. Holder’s (or in the case of ADSs, the Depository’s) receipt of the

the application of the relevant rules to their particular circumstances.

requirements, including stock holding period requirements, are satisfied by the recipient. U.S. Holders should consult their tax advisors regarding

beneficial rates of taxation provided we are not a PFIC during the year in which the dividend is paid or the prior taxable year and certain other

purposes. Dividends received by individuals and other non-corporate U.S. Holders of our ADSs that are traded on Nasdaq will be eligible for

principles, U.S. Holders should expect that any distribution paid will generally be reported to them as a “dividend” for U.S. federal income tax

corporations. Because we do not intend to maintain calculations of our earnings and profits on the basis of United States federal income tax

determined for U.S. federal income tax purposes). Such dividends will not be eligible for the dividends received deduction allowed to

income tax purposes includible in the gross income of a U.S. Holder to the extent paid out of our current or accumulated earnings and profits (as

the ordinary shares underlying our ADSs, including the full amount of any Cypriot withholding tax thereon, will be a dividend for U.S. federal

Subject to the discussion under “—Passive Foreign Investment Companies” below, the gross amount of a distribution made by us with respect to

Taxation of Distributions

ADSs or ordinary shares under the laws of the United States (federal, state and local) or any other relevant taxation jurisdiction.

Holders should consult their tax advisers regarding the particular tax consequences to them of the ownership and disposition of our

ADSs or the underlying ordinary shares.

ADSs. Accordingly, except as otherwise noted, the U.S. federal income tax consequences discussed below apply equally to U.S. Holders of

For U.S. federal income tax purposes, U.S. Holders of ADSs generally will be treated as the owners of the ordinary shares represented by the

state and local and non-U.S. tax consequences applicable to them of the ownership and disposition of our ADSs or ordinary shares.

Partnerships that hold our ADSs or ordinary shares, and partners in such partnerships, should consult their tax advisers regarding the U.S. federal,

treatment of such partnership and each partner will generally depend on the status and the activities of the partnership and the partner.

If an entity treated as a partnership for U.S. federal income tax purposes holds our ADSs or ordinary shares, the U.S. federal income tax

as a U.S. person under applicable Treasury regulations.

U.S. persons have the authority to control all substantial decisions of the trust or (2) the trust has a valid election in effect to be treated

•

a trust if either (1) a United States court is able to exercise primary supervision over the administration of the trust and one or more

•

an estate whose income is subject to United States federal income tax regardless of its source; or

laws of the United States, any state thereof or the District of Columbia;

•

a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, that is created in or organized under the

•

a citizen or individual resident of the United States;

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our ADSs or ordinary shares that is:

In General

Table of Contents

54

Further, if we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs and any of our non-U.S.

other disadvantageous tax treatment with respect to our ADSs unless the U.S. Holder may make a mark-to-market election (as described below).

increased amount of taxes and an interest charge, characterization of any gain from the sale or exchange of our ADSs as ordinary income, and

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs, the U.S. Holder will generally be subject to an

other unbooked intangibles, which may result in our company being classified as a PFIC.

that are different from what we currently anticipate. Furthermore, it is possible that the IRS may challenge our valuation of our goodwill and

assurance that we will not be considered a PFIC for any taxable year. We could be a PFIC, for example, if our business and assets evolve in ways

the market price of our ADSs, is determined annually, and generally cannot be determined until the close of the taxable year, there can be no

PFIC for the current taxable year or for any future year. Because, however, PFIC status is factual in nature, may depend in part on fluctuations in

activities in that year. We have no reason to believe that our assets or activities will change in a manner that would cause us to be classified as a

year or in the foreseeable future, although we can make no assurances in this regard. Our status as a PFIC in any year depends on our assets and

We do not believe that we were a PFIC for the taxable year ended December 31, 2013. We do not anticipate being a PFIC for our current taxable

indirectly, 25% or more (by value) of the shares.

our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or

a passive asset and our unbooked intangibles will be taken into account and generally treated as non-passive assets. We will be treated as owning

(determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, cash is categorized as

either (i) 75% or more of its gross income consists of certain types of “passive” income or (ii) 50% or more of the fair market value of its assets

In general, a non-U.S. corporation will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes, if

Passive Foreign Investment Companies

ADSs.

same as such holder’s tax basis in the ADSs surrendered, and the holding period of the shares will include the holder’s holding period for the

purposes, and U.S. Holders will not recognize any gain or loss upon such a surrender. A U.S. Holder’s tax basis in withdrawn shares will be the

The surrender of ADSs in exchange for ordinary shares (or vice versa) will not result in the realization of gain or loss for U.S. federal income tax

sources.

their tax advisers as to whether any Russian tax on gains may be creditable against U.S. federal income tax on foreign source income from other

including the Russian tax, in computing taxable income, subject to generally applicable limitations under U.S. law. U.S. Holders should consult

U.S. federal tax liability for any Russian tax on gains. In lieu of claiming a foreign tax credit, a U.S. Holder may elect to deduct foreign taxes,

sale or other disposition of ADSs or ordinary shares will generally be U.S. source gain, a U.S. Holder may be unable to claim a credit against its

Disposition of the ADSs” for a description of when a disposition may be subject to taxation by Russia. Because a U.S. Holder’s gain from the

amount of the proceeds before deduction of the Russian tax. See “—Russian Tax Considerations Relevant to the Purchase, Ownership and

If a Russian tax is imposed on the sale or other disposition of our ADSs or ordinary shares, a U.S. Holder’s amount realized will include the gross

limitations.

or disposition, such ADSs were held by such U.S. Holder for more than one year. The deductibility of capital losses is subject to significant

or loss will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. Holders, such as individuals) or loss if, on the date of sale

from such sale or disposition and the U.S. Holder’s adjusted tax basis in such ADSs, in each case, as determined in U.S. dollars. Such capital gain

U.S. federal income tax purposes upon a sale or other disposition of its ADSs in an amount equal to the difference between the amount realized

Subject to the discussion under “—Passive Foreign Investment Companies” below, a U.S. Holder generally will recognize capital gain or loss for

Sale or Other Disposition of ADSs or Ordinary Shares

Table of Contents

55

Russian law and Russian tax rules, which are subject to frequent change and varying interpretations.

on a retroactive basis, after the date of the prospectus. The discussion with respect to Russian legislation is based on our understanding of current

summary is based on the laws of the Russian Federation in effect on the date of this prospectus. All of the foregoing is subject to change, possibly

The following is a summary of material Russian tax consequences relevant to the purchase, ownership and disposition of the ADSs. The

Russian Tax Considerations Relevant to the Purchase, Ownership and Disposition of the ADSs

application of the information reporting rules.

U.S. Holder is required to submit such information to the IRS and fails to do so. U.S. Holders should consult their tax advisors regarding

ownership of the ADSs, if such ADSs are not held on his or her behalf by a financial institution. This law also imposes penalties if an individual

An individual U.S. Holder and certain entities may be required to submit to the IRS certain information with respect to his or her beneficial

our ADSs or ordinary shares if we are or become classified as a PFIC, including the possibility of making a mark-to-market.

Each U.S. Holder should consult its tax adviser concerning the U.S. federal income tax consequences of purchasing, holding, and disposing of

with respect to our ADSs, including reporting on IRS Form 8621.

If a U.S. Holder owns our ADSs during any taxable year that we are a PFIC, such U.S. Holder may be subject to certain reporting obligations

available, would result in tax treatment different from the general tax treatment for PFICs described above.

We do not intend to provide the information necessary for U.S. Holders of our ADSs to make qualified electing fund elections, which, if

Holder’s indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

be made for any lower tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S.

mark-to-market election, special tax rules may apply relating to purging the PFIC taint of such ADSs. Because a mark-to-market election cannot

continues to hold such ADSs (or any portion thereof) and has not previously made a mark-to-market election, and who is considering making a

PFIC. In the case of a U.S. Holder who has held our ADSs during any taxable year in respect of which we were classified as a PFIC and

Holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a

makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S.

ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark to market election. If a U.S. Holder

such U.S. Holder recognizes upon the sale or other disposition of our ADSs will be treated as ordinary income and any loss will be treated as

adjusted tax basis in our ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. In addition, any gain

taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder’s

(ii) deduct as a loss the excess, if any, of the adjusted tax basis of our ADSs over the fair market value of such ADSs held at the end of the

the excess, if any, of the fair market value of our ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and

given in this regard. If a U.S. Holder of our ADSs makes this election, the U.S. Holder will generally (i) include as income for each taxable year

ordinary shares as they are not marketable stock. We anticipate that our ADSs should qualify as being actively traded, but no assurances may be

exchange,” other than in de minimis quantities, on at least 15 days during each calendar quarter, but may not be made with respect to our

election may be made with respect to our ADSs, provided they are actively traded, defined for this purpose as being traded on a “qualified

As an alternative to the foregoing rules, a U.S. holder of “marketable stock” in a PFIC may make a mark-to-market election. A mark-to-market

consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

subsidiary classified as a PFIC (each such subsidiary, a lower tier PFIC) for purposes of the application of these rules. U.S. Holders should

subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of each such non-U.S.

Table of Contents

56

scheduled to be signed into law in 2014 and become effective from January 1, 2015.

comparing to international practices relating to similar matters. Although currently these rules have not been fully developed yet, they are

of orders and other executive documents, hiring of personnel, etc.). Therefore, when adopted, the new rules may potentially be more rigid

that are not usually considered in other jurisdictions (e.g., the location of its statutory and management accounting function, documentation, issue

entity’s management (i.e., where its board of directors’ meetings are held, or its top executives are permanently based), as well as certain items

under which a legal entity shall be considered a tax resident in the Russian Federation. They include both traditional items such as location of the

taxation—“Our companies established outside of Russia may be exposed to taxation in Russia.” The current draft contains a list of conditions

amended a draft law introducing inter alia the concept of tax residency for legal entities into the Russian Tax Code. See “Risks relating to

legal entities will change in the near future. In particular, on March 18, 2014 the Russian Ministry of Finance published and on May 27, 2014

Russian tax residency rules may be affected by an applicable double tax treaty. It is expected that the Russian tax residency rules applicable to

previous paragraph.

For the purposes of this summary, a “Russian resident holder” is a holder of ADSs who is not qualified to be a non-resident holder defined in the

otherwise than through a permanent establishment in the Russian Federation (as defined by Russian tax law).

•

a legal entity or organisation, in each case not organised under Russian law, which purchases, holds and/or disposes of the ADSs

the number of days spent in the Russian Federation in such calendar year; or

payment). The individual’s final tax liability in the Russian Federation for the reporting calendar year should be determined based on

determined on the date of income payment (based on the number of Russian days in the 12-month period preceding the date of

Ministry of Finance of the Russian Federation states that for withholding tax purposes an individual’s tax residence status should be

other duties related to the performance of works (services) on offshore hydrocarbons field. The interpretation of this definition by the

absences (of less than 6 months) from the Russian Federation for medical treatment or education as well as for the employment or

consecutive months. Presence in Russia for tax residency purposes is not considered interrupted for an individual’s short term

arrival to the Russian Federation and including days of departure from the Russian Federation) in any period comprising 12

•

an individual actually present in the Russian Federation for an aggregate period of less than 183 calendar days (including days of

For the purposes of this summary, a “non-resident holder” means a holder of ADSs who is:

contradictory.

court rulings on tax or related matters by different Russian courts relating to the same or similar circumstances may be inconsistent or

imposition of conditions, requirements or restrictions not provided for by the existing legislation. Similarly, in the absence of binding precedents,

inspectorates. In practice, the interpretation of tax law by different tax inspectorates may be inconsistent or contradictory and may result in the

developed taxation systems. In particular, the interpretation and application of such provisions will, in practice, rest substantially with local tax

unpredictable change (including with a retroactive effect) and inconsistency than in jurisdictions with more developed capital markets or more

guidance. Further, the substantive provisions of Russian tax law applicable to financial instruments may be subject to more rapid and

Many aspects of Russian tax law, including Russian tax rules applicable to ADSs, are subject to significant uncertainty and lack interpretive

General

owning or disposing of the ADSs to any particular holder is made hereby.

regarding the tax consequences of investing in the ADSs and no representations with respect to the Russian tax consequences of investing,

practical difficulties involved in claiming relief under an applicable double tax treaty. Prospective holders should consult their own advisers

Russian Federation. Nor does the summary seek to address the availability of double tax treaty relief, and it should be noted that there may be

The summary does not seek to address the applicability of, and procedures in relation to, taxes levied by the regions and municipalities of the

Table of Contents

57

would be subject to reduction or elimination under the applicable double tax treaty).

market prices of securities for tax purposes, the difference may be subject to the Russian personal income tax at a rate of 30% (arguably, this

acquisition price of the ADSs is below the lower margin of fair market value calculated under a specific procedure for the determination of

Russian Tax Code relating to the material benefit (deemed income) received by individuals as a result of acquisition of securities. If the

Additionally, acquisition of the ADSs by a non-resident holder who is an individual may constitute a taxable event pursuant to provisions of the

the benefit of the individual holder), otherwise the non-resident individual shall be liable to file a tax return and pay the tax due.

only if the individual acts via a professional intermediary tax registered in Russia (such as trustee, dealer, broker or other intermediary acting to

at the time of acquisition and sale of the ADSs, the currency of sale of the ADSs and rubles. The tax may be withheld at source from payment

The taxable base is required to be calculated in rubles and, therefore, may be affected by fluctuations in the exchange rates of the currencies used

“in Russia” will be treated as having been received from a Russian source.

identify the source of income received from a sale, exchange or disposition of securities except that income received from the sale of securities

received from a Russian source if such sale, exchange or disposition occurs in Russia. Russian tax law gives no clear indication as to how to

According to Russian tax legislation, income received from a sale, exchange or disposition of the ADSs should be treated as having been

Russia, there is no assurance that the benefits of the United States—Russia double tax treaty will be available to an ADS holder.

currently, or will not, constitute 50% or more of our assets. If 50% or more of our assets were to consist of immovable property situated in

relevant Russian legislation and regulations are not entirely clear, there can be no assurance that immovable property situated in Russia does not

more of our fixed assets consist of immovable property situated in Russia is inherently factual and is made on an on-going basis, and because the

50% of our fixed assets consist of immovable property situated in Russia (as defined in the treaty). Because the determination of whether 50% or

from the disposal of ADSs, provided that the gain is not attributable to a fixed base that is or was located in Russia and/or provided that less than

that are eligible for the benefits of the United States—Russia double tax treaty should generally not be subject to tax in Russia on any gain arising

the treaty relief and the appropriate administrative requirements under the Russian tax legislation have been met. For example, holders of ADSs

as depositary expenses and brokers’ fees), subject to any available double tax treaty relief, provided that the necessary requirements to qualify for

the sales price less any available documented cost deduction, including the acquisition price of the ADSs and other documented expenses, such

holder that is an individual may be subject to Russian tax in respect of such proceeds at a rate of 30 % of the gain (such gain being computed as

In the event that the proceeds from a sale, exchange or disposal of ADSs are deemed to be received from a source within Russia, a non-resident

or other disposal of ADSs, provided that the proceeds of such sale, exchange or disposal are not received from a source within Russia.

A non-resident holder who is an individual should not generally be subject to Russian taxes in respect of any gains realised on the sale, exchange

Individuals

ADSs, any gain or other income realised on the sale, exchange or other disposal of the ADSs.

A non-resident holder that is a legal entity or organisation generally should not be subject to any Russian taxes in respect of the purchase of the

Legal entities or organisations

shares underlying the ADSs.

Generally, a non-resident holder of ADSs should not be subject to any Russian taxes in respect of distributions made by us with respect to class B

Non-resident holders

Table of Contents

58

time consuming process and can involve considerable practicable difficulties.

Such documentation, in practice, may not be explicitly required by the Russian Tax Code. Obtaining a refund of Russian tax withheld may be a

The Russian tax authorities may, in practice, require a wide variety of documentation confirming the right to benefits under a double tax treaty.

who are individuals.

is claimed. The supporting papers shall be provided within one year after the year to which the treaty benefits relates for non-resident holders

an individual is required to provide appropriate documentary proof of tax payments made outside of Russia with respect to which such tax refund

was paid, as well as documents confirming receipt of such income and the withholding of Russian tax. In addition, a non-resident holder who is

apostilled and translated certificate of tax residence issued by the competent tax authority of the relevant treaty country at the time the income

In order to obtain a refund, the non-resident holder is required to file with the Russian tax authorities, among other documents, a duly notarised,

taxes withheld may be made within three years from the end of the tax period in which the tax was withheld for non-resident holders.

If double tax treaty relief is available but Russian tax has nevertheless been withheld at the source of payment, an application for the refund of the

Refund of Tax Withheld

respect to any Russian taxes imposed on proceeds received from a disposition of the ADSs.

Non-resident holders should consult their own tax advisers regarding possible tax treaty relief and procedures for obtaining such relief with

proceeds from a source within Russia, and it can be extremely difficult to obtain a refund.

procedures for providing such documentary proof, individuals, in practice, may not be able to obtain advance treaty benefits on receipt of

payments outside of Russia on income with respect to which treaty benefits are claimed. Because of the uncertainties regarding the form and

payment of income in each calendar year. In addition, a non-resident who is an individual must provide appropriate documentary proof of tax

legalised, and translated into Russian). The tax residency confirmation needs to be renewed on an annual basis, and provided before the first

holder is required to provide a tax residence confirmation issued by the competent tax authority of the relevant treaty country (duly apostilled or

documentary evidence is required to confirm the applicability of the double tax treaty for which benefits are claimed. Currently, a non-resident

eligible, subject to the requirements of the laws of Russia. In order for a non-resident holder to benefit from the applicable double tax treaty,

may be reduced or eliminated in accordance with the provisions of a double tax treaty. Advance treaty relief should be available for those

Where a non-resident holder of ADSs receives income from a Russian source, the Russian tax (if applicable under Russian domestic tax law)

Double Tax Treaty Procedures

acquisition or disposition of the ADSs and the receipt of proceeds from source within the Russian Federation in respect of such disposition.

Non-resident holders who are individuals should consult their own tax advisors with respect to the tax consequences arising as a result of

source of the related material benefit, including looking at the place of conclusion of the acquisition transaction or other similar criteria.

should be considered as a purchase of securities “in Russia,” the Russian tax authorities may apply various criteria in order to determine the

should be considered as Russian source income if the ADSs are purchased “in Russia.” In the absence of any additional guidance as to what

legislation does not contain any provisions on how the related material benefit should be sourced, the tax authorities may infer that such income

individuals will depend on whether this income would be assessed as received from Russian or non-Russian sources. Although Russian tax

As noted above with respect to the disposal of the ADSs, under Russian tax legislation, taxation of the income of non-resident holders who are

Table of Contents

59

Resident holders should consult their own tax advisers with respect to their tax position regarding the ADSs.

ADSs, including gains from their sale, exchange or other disposition.

A Resident holder will generally be subject to all applicable Russian taxes in respect of the purchase of the ADSs and income received on the

Resident holders

payments received with respect to the ADSs.

Prospective non-resident holders should consult their own tax advisors should they need to obtain a refund of Russian taxes withheld on any

Table of Contents

60

electronically with the SEC.

maintains a web site at http://www.sec.gov that contains reports, proxy statements and other information regarding registrants that file

information on the operation of the SEC’s Public Reference Room by calling the SEC in the United States at 1-800-SEC-0330. The SEC also

copy any document we file at the SEC’s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain

exchange on which our shares are traded, or that we distribute, or that is required to be distributed by us, to our shareholders. You may read and

SEC, under cover of Form 6-K, material information that we are required to make public, that we file with, and that is made public by, any stock

private issuer. In accordance with the Exchange Act, we file reports with the SEC, including annual reports on Form 20-F. We also furnish to the

We file annual and other reports with the SEC. We are subject to the reporting requirements of the Exchange Act that are applicable to a foreign

Reference Room, as well as through the SEC’s website.

respects by reference to the document to which it refers. You may inspect without charge a copy of the registration statement at the SEC’s Public

statement or otherwise filed with the SEC for a more complete understanding of the document or matter. Each such statement is qualified in all

contract or other document of ours is not necessarily complete and you should read the documents that are filed as exhibits to the registration

You should refer to the registration statement and its exhibits for additional information. Any statement made in this prospectus concerning a

This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement.

We have filed with the SEC a registration statement on Form F-3 under the Securities Act to register the securities covered by this prospectus.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

given upon their authority as experts in accounting and auditing.

are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm

audited by Ernst & Young LLC, independent registered public accounting firm, as set forth in their reports thereon included therein and which

F for the year ended December 31, 2013 as modified in the Company’s Report on Form 6-K furnished with the SEC on June 9, 2014 have been

The consolidated financial statements of QIWI plc incorporated in this prospectus by reference from the Company’s Annual Report on Form 20-

EXPERTS

underwriters by Chrysses Demetriades & Co. LLC.

LLP, New York, New York. Certain legal matters in connection with this prospectus relating to Cyprus law will be passed upon for the

legal matters concerning this prospectus relating to United States federal securities law will be passed upon for the underwriters by White & Case

other legal matters concerning this prospectus relating to Cyprus law will be passed upon for us by Antis Triantafyllides & Sons LLC. Certain

us by Skadden, Arps, Slate, Meagher & Flom (UK) LLP, London, United Kingdom. The validity of the class B shares underlying the ADSs and

Certain legal matters in connection with this prospectus relating to New York law and United States federal securities law will be passed upon for

LEGAL MATTERS

Table of Contents

61

building 1, Moscow, 117648, the Russian Federation, +7 (495) 783 59 59, Attn: Investor Relations.

You may request a copy of these filings, at no cost, by writing or telephoning the office of QIWI plc, Severnoe Chertanovo Microdistrict, 1A,

superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or

modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be

be a part hereof from the date of the filing of such documents.

a part, but before termination of the offering under this prospectus, shall be deemed incorporated by reference into this prospectus and deemed to

reference (to the extent designated therein), filed subsequent to the date of the registration statement on Form F-3 of which this prospectus forms

All Annual Reports on Form 20-F, and any Reports of Foreign Private Issuer on Form 6-K which are identified by us as being incorporated by

amendment or report filed for the purpose of updating such description.

•

the description of our class B shares contained in our Registration Statement on Form 8-A (filed on April 26, 2013), including any

•

our Report on Form 6-K furnished to the SEC on June 9, 2014, relating to the committee composition of our board of directors; and

•

our Report on Form 6-K furnished to the SEC on June 4, 2014, relating to the results of our 2014 Annual General Meeting;

respect thereto;

statements as of and for the three months ended March 31, 2014 and the related operating and financial review and prospectus with

•

our Report on Form 6-K furnished to the SEC on June 9, 2014, which contains our unaudited consolidated interim financial

the SEC on June 9, 2014 relating to our realigned segment reporting structure;

•

our Annual Report on Form 20-F for the fiscal year ended December 31, 2013, as updated by our Report on Form 6-K furnished to

This prospectus incorporates by reference the following documents:

information contained in the document that was filed later.

between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the

incorporated by reference in this prospectus is considered to be automatically updated and superseded. In the case of a conflict or inconsistency

update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information

its date. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we

that there has been no change in our affairs since the date thereof or that the information contained therein is current as of any time subsequent to

reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication

disclose important information to you by referring you to another document filed separately with the SEC. Each document incorporated by

The SEC allows us to “incorporate by reference” into this registration statement certain information we file with the SEC. This means that we can

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

Table of Contents

62

Shareholders may originate actions in either Russia or Cyprus based upon either applicable Russian or Cypriot laws, as the case may be.

again in a Russian court of competent jurisdiction.

judgments. Therefore, a litigant who obtains a final and conclusive judgment in the United States would most likely have to litigate the issue

States was upheld and deemed enforceable in Russia. Furthermore, Russian courts have limited experience in the enforcement of foreign court

hand, and the United States, on the other hand. There are no publicly available judgments in which a judgment made by a court in the United

enforcement of foreign court judgments is adopted. No such federal law has been passed, and no such treaty exists, between Russia, on the one

rendered providing for the recognition of judgments in civil cases and/or (ii) a federal law of Russia providing for the recognition and

generally be recognized by courts in Russia only if (i) an international treaty exists between Russia and the country where the judgment was

Further, most of our and our subsidiaries’ assets are located in Russia. Judgments rendered by a court in any jurisdiction outside Russia will

actions brought in courts in jurisdictions outside the United States, liabilities predicated upon U.S. securities laws.

United States, including actions under the civil liability provisions of U.S. securities laws. In addition, it may be difficult to enforce, in original

upon us or any of our subsidiaries or such persons or to enforce U.S. court judgments obtained against us or them in jurisdictions outside the

board of directors are resident outside of the United States. As a result, it may not be possible to effect service of process within the United States

We are organized in Cyprus, and substantially all of our and our subsidiaries’ assets are located outside the United States, and all members of our

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

Table of Contents

 , 2014

William Blair

Aton

Credit Suisse

VTB Capital

PROSPECTUS

Representing 7,973,330 Class B Shares

7,973,330 American Depositary Shares

Table of Contents

II-1

termination of the offering.

(3)

To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the

initial bona fide offering thereof.

new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the

(2)

That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a

filed pursuant to Rule 424(b) that is part of this registration statement.

Section 15(d) of the Exchange Act that are incorporated by reference in this registration statement, or is contained in a form of prospectus

amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or

provided, however, that paragraphs (i), (ii) and (iii) above do not apply if the information required to be included in a post-effective

any material change to such information in the registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or

offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and

Act, if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate

maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) under the Securities

value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated

the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar

effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-

(i)

to include any prospectus required by Section 10(a)(3) of the Securities Act;

(1)

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a)

The undersigned registrant hereby undertakes:

Item 10.

Undertakings

See the Exhibit Index which is incorporated herein by reference.

Item 9.

Exhibits

the Securities Act and may therefore be unenforceable.

to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant

and incurred by the directors or officers in that capacity.

We have purchased and maintained insurance in relation to our directors and officers against any liability asserted against the directors or officers

defending any proceedings whether civil or criminal in which judgment is given in his or her favor or in which he or she is acquitted.

against any losses or liabilities which he or she may sustain or incur in or about the execution of his or her duties including liability incurred in

Our memorandum and articles of association provide that, subject to certain limitations, the company may indemnify its directors and officers

Item 8.

Indemnification of Directors and Officers

INFORMATION NOT REQUIRED IN PROSPECTUS

PART II

Table of Contents

II-2

registrant’s annual report pursuant to Section 13(a) or Section 15(d) of the

(b)

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the

(iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

registrant or its securities provided by or on behalf of the undersigned registrant; and

(iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned

undersigned registrant;

(ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by an

424;

(i)

any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule

considered to offer or sell such securities to such purchaser:

to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be

registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold

securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this

(6)

That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the

document immediately prior to such effective date.

statement that was made in this registration statement or prospectus that was part of this registration statement or made in any such

the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any

or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of

thereof; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement

which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering

date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to

the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such

such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in

Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date

430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule

date the filed prospectus was deemed part of and included in this registration statement; and

(i)

Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of this registration statement as of the

(5)

That, for the purpose of determining liability under the Securities Act to any purchaser:

incorporated by reference in this registration statement on Form F-3.

reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act, that are

by Section 10(a)(3) of the Securities Act or Item 8.A of Form 20-F, if such financial statements and information are contained in periodic

registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required

information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to

effective amendment, financial statements required pursuant to this paragraph and other information necessary to ensure that all other

Section 10(a)(3) of the Securities Act, need not be furnished, provided that the registrant includes in the prospectus, by means of a post-

the start of any delayed offering or throughout a continuous offering. Financial Statements and information otherwise required by

(4)

To file a post-effective amendment to this registration statement to include any financial statements required by Item 8.A of Form 20-F at

Table of Contents

II-3

securities at that time shall be deemed to be the initial bona fide offering thereof.

prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such

(ii) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of

declared effective.

Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was

of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to

(i)

For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part

(d)

The undersigned registrant hereby undertakes that:

policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public

controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel has been settled

controlling person of a registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or

indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or

indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for

each registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such

(c)

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of

the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Exchange Act, that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to

Table of Contents

II-4

Name: Andrey Muravyev

/s/ Andrey Muravyev

Member of the Board of Directors

June 9, 2014

Name: Boris Kim

/s/ Boris Kim

Member of the Board of Directors

June 9, 2014

Name: Rohinton Minoo Kalifa

/s/ Rohinton Minoo Kalifa

Member of the Board of Directors

June 9, 2014

Name: Osama Bedier

/s/ Osama Bedier

Member of the Board of Directors

June 9, 2014

Name: Alla Tsikh

/s/ Alla Tsikh

Principal Accounting Officer

June 9, 2014

Name: Alexander Karavaev

/s/ Alexander Karavaev

Chief Financial Officer

June 9, 2014

Name: Sergey Solonin

Board of Directors

/s/ Sergey Solonin

Chief Executive Officer and Member of the

June 9, 2014

Signature

Title

Date

and on the dates indicated.

Pursuant to the requirements of the Securities Act, this registration statement has been signed below by the following persons in the capacities

cause to be done by virtue hereof.

could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute, or substitutes, may lawfully do or

authority to do and perform each and every act and anything necessary to be done, as fully to all intents and purposes as the undersigned might or

connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorney-in-fact and agents full power and

pursuant to Rule 462(b) promulgated under the Securities Act of 1933, and to file the same, with all exhibits thereto, and all other documents in

statement, and to sign any registration statement for the same offering covered by the registration statement that is to be effective upon filing

and stead of the undersigned, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration

her true and lawful attorney-in-fact and agent of the undersigned, with full power of substitution and resubstitution, for and in the name, place

Each person whose signature appears below hereby constitutes and appoints Sergey Solonin and Alexander Karavaev, and each of them, as his or

Title: Director and Chief Executive Officer

Name: Sergey Solonin

By: /s/ Sergey Solonin

QIWI plc

duly authorized, on June 9, 2014.

the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto

Pursuant to the requirements of the Securities Act, the undersigned registrant certifies that it has reasonable grounds to believe that it meets all of

SIGNATURES

Table of Contents

II-5

Title: Service of Process Officer

Name: Amy Segler

By:

 /s/ Amy Segler

Authorized Representative in the United States

Name: Alexey Savatyugin

/s/ Alexey Savatyugin

Member of the Board of Directors

June 9, 2014

Name: Marcus Rhodes

/s/ Marcus Rhodes

Member of the Board of Directors

June 9, 2014

Name: Dmitry Pleskonos

/s/ Dmitry Pleskonos

Member of the Board of Directors

June 9, 2014

Name: Matthew Hammond

/s/ Matthew Hammond

Member of the Board of Directors

June 9, 2014

Name: Andrey Shemetov

/s/ Andrey Shemetov

Member of the Board of Directors

June 9, 2014

Name: Andrey Romanenko

/s/ Andrey Romanenko

Member of the Board of Directors

June 9, 2014

Name: Alexey Rasskazov

/s/ Alexey Rasskazov

Member of the Board of Directors

June 9, 2014

Signature

Title

Date

Table of Contents

II-6

\*

To be filed as an exhibit to a report filed or furnished under the Securities Exchange Act of 1934 and incorporated herein by reference.

24.1

Power of Attorney (included on signature page).

23.2

Consent of Antis Triantafyllides & Sons LLC (included in the opinion filed as Exhibit 5.1).

23.1

Consent of Ernst & Young LLC, as auditors of the consolidated financial statements of QIWI plc

 8.1

Opinion of Antis Triantafyllides & Sons LLC regarding tax matters.

 5.1

Opinion of Antis Triantafyllides & Sons LLC, regarding the validity of the American Depositary Shares being registered.

2013)

reference to Exhibit 4.5 to QIWI plc’s Registration Statement on Form F-1, File No. 333-191221, filed on September 30,

N. Mikhailov, Bralvo Limited, E1 Limited, Mail.ru Group Limited and Mitsui & Co., Ltd., and QIWI plc. (incorporated by

Palmway Holdings Limited, Antana International Corporation, Andrey N. Romanenko, Dargle International Limited, Igor

 4.3

Form of Amended and Restated Registration Rights Agreement among Saldivar Investments Limited, Sergey A. Solonin,

Form F-1/A, File No. 333-187579, filed on April 19, 2013)

Depositary Shares issued thereunder (incorporated by reference to Exhibit 4.3 to QIWI plc’s Registration Statement on

 4.2

Form of Deposit Agreement among the Registrant, the Depositary and Owners and Beneficial Owners of the American

No. 001-35893, furnished to the Commission on June 4, 2014)

 4.1

Articles of Association of QIWI plc (incorporated by reference to Exhibit 99.1 to QIWI plc’s Report on Form 6-K, File

 1.1\*

Form of Underwriting Agreement

Exhibit No.

Description

EXHIBIT INDEX

Table of Contents

Registered Office: CAPITAL CENTER, 9TH FLOOR, 2-4 Arch. Makarios III Avenue 1065 NICOSIA, CYPRUS

Antis Triantafyllides & Sons LLC is a limited liability company registered in the Republic of Cyprus with registration number HE 222537

(b)

the accuracy and completeness of all factual representations made in the Inspected Documents;

ineffective by virtue of any law of, or contrary to public policy in, that jurisdiction;

assumed that, in so far as any obligation is to be performed in any jurisdiction outside Cyprus its performance will not be illegal or

(a)

that no provision of the laws of any jurisdiction other than Cyprus affects the conclusions in this Opinion; for example, we have

In giving this opinion we have assumed:

1.

Assumptions

have deemed necessary for the purposes of rendering this opinion (together with the Registration Statement, the “Inspected Documents”).

certified copy of the register of members of the Company as at the date 07 June 2014 (the “Register of Members”) and such documents as we

Company dated 07 June 2014 together with the documents referred to therein, scanned copies of the resolutions of the Board of Directors and a

In addition to reviewing the Registration Statement, we have also reviewed a certificate of incumbency issued by the secretary of the

Commission (the “Commission”) dated 9 June 2014 (the “Registration Statement”).

Registration Statement on Form F-3 under the Securities Act of 1933 (the “Act”) originally filed with the U.S. Securities and Exchange

This legal opinion on certain matters of Cyprus law (the “Opinion”) is furnished to you in order for it to be filed as an Exhibit to the

Euro 0.0005 each in the capital of the Company (the “Shares”).

Market and on Closed Joint Stock Company “MICEX Stock Exchange” of American Depositary Shares (“ADS”) representing Class B shares of

We are acting as Cyprus counsel to Qiwi PLC (the “Company”) in connection with an offering on the NASDAQ Global Select

Ladies and Gentlemen,

Cyprus

1087 Nicosia

Kennedy Business Centre, 2nd Floor, Office 203

12-14 Kennedy Ave.

QIWI plc

09 June 2014

OUR REF: 27885

GENERAL EMAIL: trianta@triantafyllides.com

WEB SITE: www.triantafyllides.com

TELEFAX: 357 22 670670

TELEPHONE: 357 22 360000

1505 NICOSIA, CYPRUS

P.O. Box 21255

2-4 Arch. Makarios III Avenue

9TH FLOOR

CAPITAL CENTER

ADVOCATES

ANTIS TRIANTAFYLLIDES & SONS LLC

Exhibit 5.1

/s/ Antis Triantafyllides & Sons LLC

Yours truly,

rules or regulations of the Commission promulgated thereunder.

such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the

captions “Legal Matters” and “Taxation” and to the discussion of the opinion in the prospectus included in the Registration Statement. In giving

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the

opinion on any statements of fact made in the Registration Statement.

(d)

We have assumed that all factual representations in the Registration Statement are accurate and complete. We express no view or

application relating to or affecting the rights of creditors.

(c)

This Opinion is subject to all limitations resulting from the laws of bankruptcy, insolvency, liquidation and other laws of general

(b)

Save as provided herein, we have not made any enquiries or investigations concerning the solvency of any of the parties.

opinion is expressed or implied as to the laws of any other jurisdiction.

(a)

This Opinion is confined solely to the laws of Cyprus in force at the date of this Opinion and we have made no investigation and no

This Opinion is subject to the following qualifications and considerations:

3.

Qualifications:

the descriptions thereof in the Registration Statement.

payment in full of the consideration therefor, will be duly and validly issued, fully paid and non-assessable and will conform to

3.

The shares underlying the ADSs, have been duly authorized by the Company and, when issued by the Company against

2.

The Company is duly organized, validly registered and existing in good standing under the laws of Cyprus.

authorized and issued and is fully paid and non-assessable.

1.

All the outstanding share capital of the Company (including the Shares represented by the ADS) has been duly and validly

set out below:

subject to matters not disclosed to us and to matters of fact which would affect the conclusions set out below, our opinion on Cyprus law is

Subject to the qualifications and considerations set out below and having regard to such other legal considerations as we deem relevant and

2.

Opinion:

(d)

that the Register of Members is accurate and up to date.

authentic and complete; and

(c)

that those of the Inspected Documents submitted to us as copies conform to the original documents and such original documents are

ANTIS TRIANTAFYLLIDES & SONS

Page 2

Registered Office: CAPITAL CENTER, 9TH FLOOR, 2-4 Arch. Makarios III Avenue 1065 NICOSIA, CYPRUS

Antis Triantafyllides & Sons LLC is a limited liability company registered in the Republic of Cyprus with registration number HE 222537

opinion.

statements as to Cypriot law (and not statements of fact), are correct in all material respects and that such statements constitute our

The statements in the Registration Statement under the heading “Material Cypriot Tax Considerations” to the extent that they are

set out below:

subject to matters not disclosed to us and to matters of fact which would affect the conclusions set out below, our opinion on Cyprus law is

Subject to the qualifications and considerations set out below and having regard to such other legal considerations as we deem relevant and

1.

Opinion:

consequences stated therein are correct in all material respects (the “Opinion Scope”).

Cypriot Tax Considerations” to the extent that they are statements concerning Cyprus tax law as it may be applicable in relation to the tax

Securities and Exchange Commission (the “Commission”) dated 9 June 2014 (the “Registration Statement”) under the heading “Material

confirm that the statements in the Registration Statement on Form F-3 under the Securities Act of 1933 (the “Act”) originally filed with the U.S.

We have been requested to render this tax opinion (the “Opinion”) on certain matters of Cyprus tax law and, more specifically, to

(“ADS”) of the Company.

We are acting as Cyprus counsel to Qiwi PLC (the “Company”) in connection with an offering of American Depositary Shares

Ladies and Gentlemen,

Cyprus

1087 Nicosia

Kennedy Business Centre, 2nd Floor, Office 203

12-14 Kennedy Ave.

QIWI plc

09 June 2014

OUR REF: 27885

GENERAL EMAIL: trianta@triantafyllides.com

WEB SITE: www.triantafyllides.com

TELEFAX: 357 22 670670

TELEPHONE: 357 22 360000

1505 NICOSIA, CYPRUS

P.O. Box 21255

2-4 Arch. Makarios III Avenue

9TH FLOOR

CAPITAL CENTER

ADVOCATES

ANTIS TRIANTAFYLLIDES & SONS LLC

Exhibit 8.1

/s/ Antis Triantafyllides & Sons LLC

Yours truly,

rules or regulations of the Commission promulgated thereunder.

such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the

captions “Legal Matters” and “Taxation” and to the discussion of the opinion in the prospectus included in the Registration Statement. In giving

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the

We express no opinion on any laws other than the laws of Cyprus.

opinion on any statements of fact made in the Registration Statement.

(c)

We have assumed that all factual representations in the Registration Statement are accurate and complete. We express no view or

Cyprus tax issue with respect to those issues or any other matter incidental thereto.

(b)

This Opinion is confined only to the Opinion Scope. No opinion should, therefore, be inferred as to other matters, including any other

the laws of any other jurisdiction.

tax consequences as stated in the Registration Statement. We have made no investigation and no opinion is expressed or implied as to

(a)

This Opinion is confined solely to the laws of Cyprus in force at the date of this Opinion and only relates to certain material Cyprus

This Opinion is subject to the following qualifications and considerations:

2.

Qualifications:

ANTIS TRIANTAFYLLIDES & SONS

Page 2

June 9, 2014

Moscow, Russia

/s/ Ernst & Young LLC

registration of Class B shares of its common stock.

Notes 9 and 33 as to which the date is June 9, 2014, in the Registration Statement on Form F-3 and related Prospectus of Qiwi plc for the

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 12, 2014, except for

Consent of Independent Registered Public Accounting Firm

Exhibit 23.1