following the text of the comment in the Staff’s letter.

Set forth below are the responses to the Staff’s comments, which for the convenience of the Staff have been provided in each case

2013 (the “Annual Report”).

October 6, 2014 (the “Response Letter”), in connection with the Company’s Annual Report on Form 20-F for the fiscal year ended December 31,

“Commission”) by letter to Mr. Sergey Solonin, dated November 6, 2014, in response to the Company’s letter to the Commission dated

comments received from the staff of the Division of Corporate Finance (the “Staff”) of the Securities and Exchange Commission (the

On behalf of QIWI plc. (“QIWI” or the “Company” and together with its subsidiaries, the “Group”), we are writing to respond to the

Dear Mr. Thompson:

File No. 001-35893

Response dated October 6, 2014

Filed March 12, 2014

Form 20-F for the Fiscal Year Ended December 31, 2013

RE:

QIWI plc

Attention: William H. Thompson, Accounting Branch Chief

U.S.A.

Washington, D.C. 20549

100 F Street, NE

Division of Corporation Finance

Securities and Exchange Commission

Via EDGAR

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SYDNEY

November 19, 2014

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AFFILIATE OFFICES

SKADDEN, ARPS, SLATE, MEAGHER & FLOM (UK) LLP

monitoring and office security of the Group.

• The Head of Security, who is currently Mr. Anton Kuranda. The Head of Security manages information security, fraud

resources of the Group; and

• The Head of Human Resources, who is currently Ms. Olga Kim. The Head of Human Resources manages the human

• The General Counsel, who is currently Ms. Maria Panferova. The General Counsel manages the legal affairs of the Group;

maintenance of core IT systems;

development including identifying hardware to be acquired and is responsible for overseeing the development and

• The Head of IT, who is currently Mr. Dmitry Ukhanov. The Head of IT manages the Group’s IT infrastructure and

responsible for the management of the international operations of the Group;

• The Head of International Operations, who is currently Mr. Alexey Barov. The Head of International Operations is

business, including identifying new ventures and managing existing QIWI Venture projects;

aspects of QIWI Venture, an internal department created for identifying innovative start-ups complementary to the Group’s

• The Head of QIWI Venture, who is currently Mr. Alexey Barinsky. The Head of QIWI Venture is responsible for all

terms with agents, and advising on actions to be taken in order to expand the Group’s agent network;

Development manages the relationships with the Group’s agents, setting up credit support limits, negotiating key contract

• The Head of Agent Network Development, who is currently Ms. Elena Davydova. The Head of Agent Network

monitoring of compliance policies including, among others, know-your-customer and anti-money laundering policies;

• The Head of Compliance, who is currently Mr. Andrey Popkov. The Head of Compliance manages development and

marketing for the Group including brand management, consumer support, marketing and promotion activities;

• The Head of Sales and Marketing, who is currently Ms. Anna Stoklitskaya. The Head of Sales and Marketing manages

processing and monitoring the performance of such projects on an ongoing basis;

primarily responsible for coordinating the execution of new projects in the Group’s core business area of payment

• The Chief Operating Officer (Head of Project Office), or COO, who is currently Mr. Alexander Agakov. The COO is

accounting and financial reporting;

financial and treasury affairs of the Group, including reporting, budgeting, liquidity management and IT support in

• The Chief Financial Officer, or CFO, who is currently Mr. Alexander Karavaev. The CFO is primarily responsible for the

Officer, or CEO:

Response:

We respectfully advise the Staff that the following management personnel report directly to the Company’s Chief Executive

to the CEO and COO.

Comment 1:

Please provide us with the management structure, including the names, titles and responsibilities of the individuals who report

Segments, page 57

5A. Operating Results, page 56

Item 5. Operating and Financial Review and Prospects, page 56

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Wallet were RUB 700 million, or 56.1% of the total costs of Visa Qiwi Wallet in 2011.

RUB 2,785 million, or 58.2% of the total costs of Visa Qiwi Wallet, compared to 2011, where intersegment costs of Visa Qiwi

9.8% of the total revenue of Qiwi Distribution in 2011. Over the same period, intersegment costs for Visa Qiwi Wallet were

Qiwi Distribution in 2013, compared to 2011, where intersegment revenue for Qiwi Distribution was RUB 696 million, or

instance, in 2013, the intersegment revenue for Qiwi Distribution was RUB 2,749 million, or 35.9% of the total revenue of

Distribution relating to Visa Qiwi Wallet has increased substantially as a proportion of total group transaction volume. For

Response:

We respectfully advise the Staff that as Visa Qiwi Wallet has grown, the volume of transactions processed through Qiwi

Please further explain this statement given various differences between the two segments such as the distribution networks.

resulted in the growing interconnectedness and interrelation between Qiwi Distribution and Visa Qiwi Wallet segments.

Comment 2:

We note from your response to comment 1 in our letter dated September 23, 2014 that the development of the business has

January 1, 2015, the Company will eliminate the position of COO.

new position that the Company intends to establish. Following these changes, which the Company expects to be completed by

which, among others things, will result in transferring the responsibilities of the COO to the Head of Product Development, a

We would like to inform the Staff that the Company is currently undergoing additional management reorganizational changes,

• Konstantin Vagner is responsible for coordinating project timeline and execution within the Project Office.

• Alexander Osetrov coordinates projects related to the internal business processes of the Group; and

also responsible for project assessment post-implementation;

• Olga Martynova primarily coordinates projects related to new merchants and financial services clients. Ms. Martynova is

management;

processing of consumer data. Mr. Melekhov also develops organizational approaches that the Group uses for project

• Grigory Melekhov primarily coordinates projects related to the Group’s advertising products, agent network and

• Ekaterina Kirtsova primarily coordinates projects related to web and mobile interfaces and card products;

maintains the internal knowledge database of the Project Office;

• Victoria Dubovko primarily coordinates projects related to user interfaces of self-service kiosks. Ms. Dubovko also

outlined below:

portfolios in different areas of the Group’s core business of payment processing and may have certain additional functions as

The COO has seven project coordinators that report directly to him. Their functions are similar as they all coordinate project

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Securities and Exchange Commission

the reports provided to the Board of Directors.

operating results information is regularly provided to your COO. In addition, tell us whether this information is included in

“Corporate and other” segments in the presentation of operating results to the CEO. Please tell us whether such segment

Comment 4:

We note from your response to comment 1 that the Company does not separate Qiwi Distribution, Visa Qiwi Wallet and

joint projects. The CEO also actively participates in investor relations activities and meets with key investors.

partners of the Group, where he negotiates key terms of various contracts with those parties and discusses the strategy for any

The CEO frequently meets with the Group’s clients, including its large agents and merchants, as well as with potential

policies set by the Board of Directors’ Compensation and Remuneration Committee.

quantitative goals in each quarter and year for the Group—and setting the remuneration of senior management within the

the budgeting process, the general execution of the Group’s operational and financial targets—setting both qualitative and

consumer demand, terms of credit to its agents and overall tariff strategy. In addition, the CEO is responsible for overseeing

all operational aspects of the Group, including its production pipeline, effectiveness of the Group’s marketing campaigns,

senior managers identified in our response to Comment 1 of this letter, during which meetings the CEO reviews and discusses

to-day operations of the Group and regularly chairs meetings on key projects of the Group. The CEO regularly meets with the

Response:

We respectfully advise the Staff that, as previously described in our Response Letter, the CEO is actively involved in the day-

reviewed as part of these daily activities.

nature of these activities, as well as the parties with whom he meets, the nature of the items discussed, and the information

Comment 3:

We note your statement that the CEO is actively involved in the day-to-day operations of the Company. Please tell us the

separate revenue generating unit.

key payment channel to support the growth of Visa Qiwi Wallet. Therefore, it no longer views this distribution network as a

The Company’s strategy with respect to its kiosks and terminals distribution network is to use this distribution network as a

kiosks and terminals, which has also contributed to increased intersegment revenues in Qiwi Distribution.

merchants who process payments through Visa Qiwi Wallet. Payments to these merchants may be made through QIWI’s

transactions in Visa Qiwi Wallet. In addition, as Visa Qiwi Wallet’s business has grown, QIWI has increased the number of

processing fees in Qiwi Distribution in 2011 through 2013 was sustained as a result of these loading and reloading

“loading” and “reloading”, is through QIWI’s kiosks and terminals. The Company believes that the growth of payment

Qiwi Wallet account holders use to deposit money on their Visa Qiwi Wallet accounts, which the Company refers to as

A significant reason for the increasing intersegment revenue in Qiwi Distribution is that one of the primary means that Visa

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November 19, 2014

Securities and Exchange Commission

fixed salary that is determined at the beginning of

Response:

We respectfully advise the Staff that all senior management currently have the following remuneration package: (i) an annual

channel or based on performance by geographic region or on some other basis).

variable compensation for executives is determined (i.e., whether compensation is based on performance of the payment

Comment 6:

We note from your response to comment 2 that the CEO manages the remuneration of executives. Please explain to us how

quarterly report on such deviations to the Board of Directors.

things, ceasing a project, adding additional resources, or changing Group strategy or project timing. The CEO also provides a

the deviation to the CEO. The CEO will review the matter and may advise on corrective measures including, among other

consultation with the respective senior manager who oversees the relevant function with the deviation, presents the reasons for

If the performance of the Group exceeds or falls short of the budgeted numbers and if that amount is significant, the CFO, in

the budget is presented to the Company’s Board of Directors by the CEO for discussion and approval.

and may make additional amendments to the budget or will otherwise approve it. Following review and approval by the CEO,

consolidated budget is further reviewed by the CEO, who discusses the budget in detail with the senior managers as needed

senior manager in order to establish if the budgeted numbers should be amended. After this process is completed, the

senior manager and the Group’s overall targets set by the CEO, the CFO discusses such discrepancies with the respective

information is then reviewed and consolidated by the CFO. In case there are any discrepancies between the targets set by each

function, which include a detailed breakdown of volumes, revenues, costs and certain additional operational data. This

their respective functions. In preparing such budgets, each senior manager develops a number of targets for its respective

senior managers identified in our response to Comment 1 of this letter and such senior managers prepare a budget for each of

targets for the budgeted year, including payment volumes, net revenue and net profit. These targets are communicated to the

Response:

We respectfully advise the Staff that the budgeting process is led by the CEO supported by the CFO. The CEO sets the overall

of detail conveyed to explain the performance to the CEO, including the individuals involved in those discussions.

where the performance of the company exceeds or falls short of expectations, describe the nature of the information and level

Distribution), how they are aggregated, and who reviews and approves the budgets at each level of preparation. In addition,

budgeting process, including the levels at which the budgets are initially prepared (e.g., Visa Qiwi Wallet and Qiwi

management team. Identify for us the “management team” that prepares your budgets and describe in greater detail the

Comment 5:

We note from your response to comment 2 of our letter dated September 23, 2014 that the budget is prepared by the

management of the Company.

information is not provided to the CEO, the COO or the Board of Directors and is not otherwise prepared for review by senior

Response:

We respectfully advise the Staff that since the change in the Company’s segment reporting on January 1, 2014, this

Page 5

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the amount of RUB 108,695 thousand as of December 31, 2013 (RUB 54,683 thousand as of

disclosing the carrying amount of reserves at the Central Bank of The Russian Federation held by its subsidiary QIWI Bank in

Response:

We respectfully advise the Staff that the Company complied with the disclosure requirement in paragraph 13(c) of IFRS 12 by

the disclosure requirement in paragraph 13(c) of IFRS 12.

Comment 8:

We reviewed your response to comment 4 in our letter dated September 23, 2014. Please tell us how you have complied with

2. Principles underlying preparation of consolidated financial statements, page F-12

Notes to the consolidated financial statements, page F-9

the senior manager who is managing the project.

management, such as setting project targets, timing of the project, and obtaining operational results are the responsibility of

this letter, these tasks will be carried out by the Head of Product Development. All other significant aspects of the project’s

assessment of the project. Following the management reorganizational changes referenced in our response to Comment 1 of

legal support. The COO will also assist in financial and operational analysis of the project and post-implementation

Group. The COO will plan for the necessary cross-functional resources to be deployed, such as staffing, IT development and

Where the Group undertakes a new project in payment processing, the COO will coordinate the project’s execution within the

terms of the contract with eBay Inc. and monitored the project’s execution.

Sales and Marketing, the CEO was significantly involved in the project due to its importance. The CEO negotiated the key

eBay Inc., which entails QIWI being a payment option for eBay in Russia. Although this project was managed by Head of

significance of a project, the CEO may be involved in its management. For example, QIWI recently launched a project with

the Head of Sales and Marketing oversees the majority of the revenue generating activities of the Group. Depending on the

appropriate, though a majority of the projects undertaken by the Group are managed by the Head of Sales and Marketing, as

A new project will be managed by one of the senior managers identified in our response to Comment 1 of this letter, as

Group’s core business area of payment processing and monitoring the performance of such projects on an ongoing basis.

Response:

We respectfully advise the Staff that the COO is primarily responsible for coordinating the execution of new projects in the

responsibility for a project between the CEO and COO. Examples may enhance our understanding.

chairs meetings on key projects. Please describe to us the projects your business undertakes and how you determine

Comment 7:

We note from your response to comment 2 that the COO is primarily responsible for new projects and that the CEO regularly

financial statements.

Company with the Commission from time to time) and is paid following completion of the audit of the Company’s annual

50% is linked to the annual adjusted net revenue of the Group (each as calculated in the reports filed or furnished by the

each year and (ii) an annual bonus which is discretionary and of which 50% is linked to the annual adjusted net profit and

Page 6

November 19, 2014

Securities and Exchange Commission

Yakov Barinsky

Alexander Karavaev

Sergey Solonin

QIWI plc

Robyn Manuel

Yolanda Guobadia

cc:

Securities and Exchange Commission

Pranav Trivedi

/s/ Pranav Trivedi

Sincerely,

or Natalia Starygina of Ernst & Young LLC on +7 495 7559700.

Kingdom, facsimile +44 20 7 072 7026. If you would like to discuss any aspect of the Company’s response, please call me on +44 207 519 7026

Please send a copy of any additional correspondence to the undersigned at 40 Bank Street, Canary Wharf, London E14 5DS, United

\* \* \* \* \*

disclosed in Note 28 on page F-70 of the Annual Report.

in the amount of RUB 1,946,306 thousand as of December 31, 2013 (RUB 1,174,700 thousand as of December 31, 2012)

December 31, 2012) disclosed in Note 17 on page F-58 pf the Annual Report and carrying amount of debt instruments pledged

Page 7

November 19, 2014

Securities and Exchange Commission

Title:

Chief Financial Officer

Name:

Alexander Karavaev

/s/ Alexander Karavaev

QIWI plc

securities laws of the United States.

•

the Company may not assert Staff comments as a defense in any proceeding initiated by the Commission or any person under the federal

respect to the Filing; and

•

Staff comments or changes to disclosure in response to Staff comments do not foreclose the Commission from taking any action with

•

the Company is responsible for the adequacy and accuracy of the disclosure in the Filing;

fiscal year ended December 31, 2013 (the “Filing”) of QIWI plc (the “Company”), the Company hereby acknowledges that:

dated November 6, 2014, in response to the Company’s letter to the Commission dated October 6, 2014, in connection with the Form 20-F for the

In connection with the comments of the Staff of the Securities and Exchange Commission (the “Commission”), set forth in the Staff’s letter

Dear Mr. Thompson:

File No. 001-35893

Response dated October 6, 2014

Filed March 12, 2014

Form 20-F for the Fiscal Year Ended December 31, 2013

Re:

QIWI plc

Attention: William H. Thompson, Accounting Branch Chief

U.S.A.

Washington, D.C. 20549

100 F Street, NE

Division of Corporation Finance

Securities and Exchange Commission

November 19, 2014

The Russian Federation

Moscow, 117648

Severnoe Chertanovo Microdistrict, 1A, building 1

QIWI PLC