

Russian internet giant Yandex to restructure under pressure

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Russian internet search engine and news aggregator Yandex is to run under a body that could block investors from putting together a holding of 10 percent or more

Yandex, the internet giant said to be Russia's answer to Google, unveiled

planned governance changes Monday as authorities seek to tighten control over the internet.

The [company](#) that operates Russia's largest search engine and news aggregator said it would create a Public Interest Foundation able to block any single entity from accumulating 10 percent or more of its economic or voting interests.

The foundation's board is to consist of just three members of Yandex's [management team](#), including company founder and chief executive Arkady Volozh, as well as representatives of top universities and non-governmental organisations.

Yandex's announcement came after a Russian lawmaker proposed limits on foreign ownership of top internet companies to tighten online control.

Yandex N.V., the parent company of Yandex Group, is registered in the Netherlands, and about 85 percent of its shares trade on the Nasdaq stock exchange in New York.

At present, Russian state lender Sberbank holds a "golden share" in Yandex that allows it to veto consolidation of 25 percent or more of the company's shares.

The Financial Times reported that Yandex had agreed its new structure with the Kremlin, but President Vladimir Putin's spokesman Dmitry Peskov denied any talks with the company.

Peskov nonetheless told reporters that the Kremlin was looking at the restructuring plan "with great interest."

He praised Yandex's management for understanding that the state would give "special attention" to the company because of its size and

significance.

All the proposed changes are subject to shareholder approval at a meeting on December 20.

"With this behind us, we can get back to doing what we do best: innovating, providing world-class products and services to our users, and delivering superior returns to our investors," Volozh was quoted as saying in a statement.

Ruling United Russia party MP Anton Gorelkin has proposed a bill that would prevent foreigners from owning more than 20 percent of Russia's top online companies.

He said Monday that he has withdrawn the bill to rework it.

Russian law already limits foreign ownership of media companies to 20 percent.

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