

# Bourses Say Clarity Key for Tech IPOs

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Innovation companies need to show more openness and adherence to international standards if they want to be listed on international and domestic stock exchanges, MICEX management said at a conference also attended by Nasdaq on Tuesday.

"As of now, MICEX is not associated with trading high-technology products," said Gennady Margolit, vice president of MICEX, pointing out that stock exchanges often mirror the economic segmentation in the country. "Russia today is associated more with natural resources," he said.

Both foreign and domestic exchanges want to see that change by attracting innovation companies, which is in line with the government's plan to boost the innovation sector's share of GDP from 11 percent in 2009 to as much as 20 percent in 2020.

Currently the capitalization of the country's innovation companies is about \$35 billion, or 3.3 percent of the total capitalization of Russian stock markets, Margolit said, which is quite small in light of President Dmitry Medvedev's push toward modernization.

The main problem behind such low numbers is the reluctance of many innovative companies to become transparent and adhere to the strict standards set by stock exchanges.

"Do not be afraid of going public," said Artur Isayev, general director of the Human Stem Cell Institute, the first bio-technology company to be listed in Russia, "for with responsibility come a lot of perks."

MICEX president Ruben Aganbegyan also pointed out that so far there are only a few dozen companies that have reached the critical mass to approach an initial public offering and are at the same time truly capable of satisfying the transparency requirements of stock exchanges.

"For Russian innovation companies to succeed, there should be hundreds, if not thousands [of them]," he told The Moscow Times.

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