

**ORDER OF THE FEDERAL FINANCIAL MARKETS SERVICE
NO. 08-2/03-N, DATED 22 JANUARY 2008,
ON AMENDMENT OF FFMS ORDER NO. 07-105/PZ-N, DATED 23 OCTOBER 2007,
ON APPROVAL OF THE REGULATIONS ON QUALIFICATION OF FOREIGN FINANCIAL
INSTRUMENTS AS SECURITIES**

Pursuant to paragraphs 3 and 4 of Article 42, paragraph 2 of Article 44 of Federal Law No. No. 39-FZ *On the Securities Market*, dated 22 April 1996 (Collection of laws of the Russian Federation, 1996, No. 17, s. 1918; 1998, No. 48, s. 5857; 1999, No. 28, s. 3472; 2001, No. 33, s. 3424; 2002, No. 52, s. 5141; 2004, No. 27, s. 2711; No. 31, s. 3225; 2005, No. 11, s. 900; No. 25, s. 2426; 2006, No. 1, s. 5; No. 2, s. 172; No. 17, s. 1780; No. 31, s. 3437; No. 43, s. 4412; 2007, No. 1, s. 45; No. 18, s. 2117; No. 22, s. 2563; No. 41, s. 4845; No. 50, s. 6247; No. 50, s. 6249), and Regulation on the Federal Financial Markets Service as approved by order of the Russian Federation Government No. 317, dated 30 June 2004 (Collection of laws of the Russian Federation, 2004, No. 27, s. 2780; 2005, No. 33, s. 3429; 2006, No. 13, s. 1400, No. 52, s. 5587; 2007, No. 12, s. 1417), I hereby order:

that the amendments set forth hereinafter to FFMS Order No. 07-105/pz-n dated 23 October 2007 on *Approval of the Regulations on Qualification of Foreign Financial Instruments as Securities* (registered with the Russian Federation Ministry of Justice on 11 December 2007 under Reg. No. 10673) be approved.

Acting Head of FFMS

S. Kharlamov

**AMENDMENTS TO FFMS ORDER NO. 07-105/PZ-N, DATED 23 OCTOBER 2007,
ON APPROVAL OF THE REGULATIONS ON QUALIFICATION OF FOREIGN FINANCIAL
INSTRUMENTS AS SECURITIES**

1. The fourth paragraph of section 2 shall be amended to read as follows:

"professional securities market participants shall be entitled to carry out professional activities and effect operations in foreign securities; the management companies of joint stock investment funds, unit investment funds and non-governmental pension funds, as well as non-governmental pension funds shall be entitled to invest in foreign securities whose qualification information is available on the official internet site of the FFMS of Russia, based on the information provided to the FFMS of Russia by a member organization of the Association of National Numbering Agencies* for the Russian Federation, or if they have documents (or copies of duly certified documents) or information specified in section 4 of the Regulations evidencing the qualification of foreign financial instruments as securities.

2. Section 3 shall be amended to read as follows:

"3. It is hereby ordered that:

a) the professional participants of the securities market engaged in securities custody operations shall be entitled to provide recordkeeping services in respect of financial instruments which do not qualify as securities under the Regulations. Such recordkeeping may be effected in a manner similar to securities recordkeeping performed by securities depositories. However, a securities depository may not process transactions involving the transfer of title to such foreign financial instruments, or the encumbrance of such financial instruments on the clients' orders, or other transactions affecting securities account balances (inventory transactions), except for global transactions or operations related to taking deposits of foreign financial instruments and handling withdrawals of foreign financial instruments in order to transfer the same to the accounts of the clients and/or other persons maintained with foreign institutions which are engaged in maintaining records of title to such financial instruments;

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b) where records are maintained in respect of foreign financial instruments not qualifying as securities under the Regulations, the professional securities market participants engaged in securities custody operations shall:

ensure segregation of such foreign financial instruments specifying that such financial instruments do not qualify as securities under the provisions of Russian laws, and make their clients aware thereof;

on a quarterly basis, beginning on 1 July 2008, file with the federal executive body for the securities market, not later than 45 days after the end of the reporting quarter, information regarding the quantities and names of such foreign financial instruments whose records are maintained by the securities depository as of the reporting quarter end date;

c) the professional securities market participants engaged in brokerage activities shall be entitled to execute civil law transactions relating to the purchase of financial instruments not qualifying as securities under the Regulations only for the account of clients that are qualified investors. Such professional securities market participants shall file with the federal executive body for the securities market, on a quarterly basis beginning on 1 July 2008, not later than 45 days of the end date of the reporting quarter, information on the aggregate quantity and money value of purchases of such foreign financial instruments effected in the reporting quarter;

d) the professional securities market participants engaged in securities management business are entitled to purchase foreign financial instruments qualifying as securities under the Regulations only for their clients (settlers) that are qualified investors. Such professional securities market participants shall file with the federal executive body for the securities market, on a quarterly basis beginning on 1 July 2008, not later than 45 days of the reporting quarter end date, information on the aggregate money value of such foreign financial instruments held in fiduciary management as of the reporting quarter end date;

e) the professional securities market participants engaged in both brokerage and securities management activities shall maintain internal records of transactions and operations in foreign financial instruments in accordance with the procedure set for maintaining internal records of transactions, including term transactions, and securities operations."

3. Section 5 shall be added which reads as follows:

"5. Professional securities market participants shall ensure compliance of their activities with the requirements of this Order by 1 July 2008."

4. In the Regulations on Qualifying Foreign Financial Instruments as Securities as approved by FFMS Order No. 07-105/pz-n dated 23 October 2007:

a) Section 3 shall be amended to read as follows:

"3. The foreign financial instruments which have been assigned ISIN and CFI codes according to ISO 6166 and ISO 10962, respectively, and whose CFI codes have values different from those specified in section 2 hereof, may be qualified in accordance with the Securities Qualification Procedure approved by FFMS Order No 03-48/ps, dated 24 December 2003 (registered with the Ministry of Justice of the Russian Federation on 17 February 2004 under Reg. No. 5555).";

b) Section 4 shall be amended to read as follows:

"4. Qualification of a foreign financial instrument as a security shall be evidenced by:

1) a document issued by an organization that is a member of the Association of National Numbering Agencies whereby such organization confirms the assignment of (or the availability of assigned) ISIN and CFI codes to a foreign financial instrument under ISO 6166 and ISO 10962, or, where such organization has an official Internet site containing information on ISIN and CFI codes assigned by it, data on the ISIN and CFI codes received in electronic format from such website, provided that the CFI has the values set forth in section 2 hereof;

2) a document issued by a professional securities market participant engaged in securities custody operations, or a foreign organization maintaining records of title to foreign financial instruments, whereby such organizations confirm, based on the documents or information as set forth in subsection 1 of this section received by them, the availability of ISIN and CFI codes assigned to a foreign financial instrument, provided that the CFI code assigned has the values specified in section 2 hereof;

3) a statement from the federal executive body for the securities market that a particular foreign financial instrument qualifies as security."

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* About ANNA: Under ISO 6166 and ISO 10962, the Association of National Numbering Agencies (ANNA) is designated as the association of organizations responsible for the assignment of ISIN and CFI codes.

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