



COUNTRY REPORT 2014

Status of ISIN, CFI and Standardization

1. GENERAL

NNA's name National Settlement Depository (NSD)
Country Russia

1.1 Do you allocate ISINs (please tick)?

- Associated with official listings
Proactive for all instruments in your area of responsibility
Upon request
- by issuer
- by institutions
Within 24 hours

1.2 How is ISIN used by your securities industry (please tick)?

- Domestically
Cross border
Primary key (ISIN is primarily used for clearing/settlement)
Secondary key (ISIN is secondary key for clearing/settlement)
Not used yet

2. ISINS ALLOCATION FOR FINANCIAL INSTRUMENTS (please tick)

For which types of instruments do you allocate ISINs based on the actual version of ISO 6166 for:

Table with 2 columns: Listed*, Unlisted. Rows include Equities, Debt Instruments, Rights, Warrants, Investment/Mutual funds, Structured products.

What are the reasons in case you do not allocate ISINs to specific types?

Rights, warrants, structured products are not widely distributed at the Russian Market.

* Traded on an exchange

3. NUMBER OF ACTIVE ISINS

- How many active ISINs allocated by you exist as of December 31, 2014 (or today):

Please **double click** to activate the table hereafter

Instrument Type	Listed*	Unlisted	Total
Equities	325	4 319	4 644
Debt Instruments	1 066	203	1 269
Warrants			0
Investment/Mutual funds	400	334	734
Structured Products			0

*Traded on an exchange

4. ISINS FOR DERIVED FINANCIAL INSTRUMENTS

- Do you allocate ISINs based on the actual version of ISO 6166 for:

⇒ Traded options and financial futures (TOFF):

⇒ Commodities

⇒ Indexes

⇒ Interest rates (e.g. LIBOR etc.)

⇒ Currencies

⇒ Cross rates

- What are the reasons in case you do not allocate ISINs for specific types?

ISINs for TOFFs and commodities have not yet been requested by the Russian market.

- If you have not started yet, please indicate when you will start: Once we receive the request from the market.

5. NUMBER OF ACTIVE ISINS

- How many active ISINs exist as of December 31, 2014 (or today) for:

⇒ Traded options and financial futures (TOFF):

⇒ Commodities

⇒ Indexes

54

⇒ Interest rates (e.g. LIBOR etc.)

16

⇒ Currencies

1

6. ISIN GUIDELINES (actual version on ANNA website under “ISINs & ISO 6166)

- Do you follow the ISIN Guidelines completely Yes No
- If not, please indicate which guideline you don't follow (item no.) and reason:

7. ISIN QUALITY MANAGEMENT CONCEPT (IQM)

Please refer to “ANNA Policy” on ANNA website

- Do you follow the IQM concept completely? Yes No
If not, please indicate which exception and reason

8. CFI (CLASSIFICATION OF FINANCIAL INSTRUMENTS) - CODE

- Have you started to allocate the CFI-code for those instruments for which you are the responsible numbering agency? Yes No
- If yes, when did you start? June 1, 2003
- If not, please indicate when you will start:

(Please note that it was agreed at the General Meeting 2002 in Athens that all NNAs should have started allocation for new instruments as of June 1, 2003 and for existing issues as of Jan. 1, 2004)

9. USE OF OTHER ISO STANDARDS IN YOUR COUNTRY

- Which other ISO standards (standards number and name) are used in your country?

ISO 15022 (SWIFT Data Field), ISO 10962 (CFI), ISO 9 (Transliteration), ISO 3166 (Country codes), ISO 10383 (MIC), ISO 9362 (BIC), ISO 4217 (Currency codes), ISO 17442 (LEI).





10. WHICH ARE THE MAJOR CHANGES IN FINANCIAL SERVICES IN YOUR COUNTRY AND WHICH CHANGES ARE EXPECTED IN THE NEXT TWO YEARS?

- 1. On January 22, 2014, Euroclear Bank launched cross-border services for Russian corporate and municipal bonds via its account with NSD. The service is aimed to expand Euroclear Bank clients' access to Russian securities. Likewise, in the late January 2014 Clearstream opened up access to the Russian corporate bond market to international investors using the launch of its direct link to NSD. Therefore, Russian corporate bonds had become eligible via Clearstream for both DVP and FOP settlement.**
- 2. In February 2014, NSD was included by FTSE Global Markets in the List of 20 Most Influential Financial Market Players that had a major impact on the world of finance in 2013. NSD was marked for its efforts to integrate into the international financial community, its innovative linkages with leading international settlement and clearing organizations, its tremendous strides in helping to position Moscow as a viable international financial center and to build an NSD-based regional liquidity center (by means of creating a CIS-wide interoperable network).**
- 3. On March 26, 2014, NSD launched a number of specialized information products: GMs&Dividends, GMs&Dividends (Holding), SIR Offers, SIR Defaults provided by NSD's Corporate Information Center (CIC) on the basis of GoldenSource Corporation's software. These products provide information about issuers, securities and corporate actions served by NSD.**
- 4. In May 2014, NSD finalized the process of connection of DBTCA (Deutsche Bank New York - Deutsche Bank Trust Company Americas) as USD cash settlement bank for DVP in US dollars. After that, the list of USD cash settlement banks that can be used by NSD clients for conducting DVP transactions has increased.**
- 5. In May 2014, NSD launched an English Version of Its Depository Information Service Center (DISC). NSD's DISC is a service providing information about organizations and their securities serviced by NSD. The English version of DISC is designed for foreign participants of securities market, the company's international clients and investors.**
- 6. On June 02, 2014, NSD launched an improved currency conversion service. The new service allows NSD clients to conduct in real time the conversion of funds received in the course of corporate actions on foreign securities.**
- 7. In June 2014, following the FATCA requirements NSD registered with the Internal Revenue Service (IRS) and obtained a Global Intermediary Identification Number (GIIN) – XNBBND.00000.LE.643.**
- 8. In July 2014, The Bank of Russia recognised NSD Payment System as Nationally Important. The change was in accordance with amended Federal Law #161-FZ "On the National Payment System". Previously NSD held the status of the systemically important payment system.**



9. In September 2014, The Bank of Russia recognized NSD as a systemically important infrastructure for Russia's financial market. NSD had been recognized as a systemically important central securities depository, a systemically important settlement depository and a systemically important repository.
10. In September 2014, NSD launched a pre-LEI website (www.lei-code.ru) that is the official source of information about pre-LEIs assigned and maintained by NSD as globally accepted pre-LOU. The daily files with pre-LEIs are provided in the unified format approved by the ROC (Regulatory Oversight Committee).
11. In October 2014, NSD, performing functions of the Substitute numbering agency in the Republic of Uzbekistan, began to assign ISIN codes to Uzbek issuers' securities and to transfer them to the international database of the ANNA (Association of National Numbering Agency). The service was launched in cooperation with the Central Securities Depository of the Republic of Uzbekistan responsible for information support, control of reliability and relevance of information about Uzbek securities with newly assigned ISINs and CFIs.
12. In quarter 4 of 2014, NSD launched a first stage of new electronic matching services for OTC transactions. The new electronic matching services allow NSD clients to speed up the process of searching counter instructions for settlements and to reduce the time needed to make corrections in the instructions.
13. In December 2014, NSD Payment System successfully passed the Bank of Russia's Assessment which covered the period from 1 January 2013 to 30 June 2014. The Bank of Russia acknowledged a high level of the System's compliance with the Principles for financial market infrastructures and determined the NSD Payment System's full or general observance of 14 out of 18 Principles for financial market infrastructures applicable for payment systems (four Principles were not applicable to the NSD Payment System).
14. In December 2014, NSD acting as a pre-LOU was included by the TABB Group and Alacra in the International rating of 14 Leading organizations assigning pre-LEIs. NSD was ranked eleventh in the 2014 rating. The rating was made on the basis of the assessment of quality of data provided by pre-LOUs by nine criteria.
15. Thomas Murray, the specialist research, rating and risk information firm, provided an independent third-party view in respect of the NSD's level of observance of the CPSS-IOSCO Principles for Financial Market Infrastructures (PFMIs). The results of the analysis show that, NSD is 'broadly' observant overall of the CPSS IOSCO PFMIs. There are no Principles that NSD does not observe. During validation of NSD Thomas Murray used principles applicable for CSDs.
16. Thomas Murray Data Services maintained the Central Securities Depository rating for NSD at AA- ('very low Overall Risk'). The overall rating of 'AA-' reflected a weighted average of the eight risk components and relates to a very low risk exposure profile with 'Stable' outlook. Governance and Transparency Risk was upgraded from A+ to AA-.
17. During 2014 NSD had opened foreign nominee accounts for the Central Depository of Armenia (CDA) and «Central Depository» CJSC (Kyrgyz Republic) and signed the Memorandum of Understanding with Turkish CSD (MKK). Currently, the NSD has accounts with the CSDs and the ICSDs



of eight countries, including seven bilateral accounts: with Euroclear Bank S.A./N.V., Clearstream Banking S.A., KACD (The Republic of Kazakhstan), the Republican Unitary Enterprise “Republican Central Securities Depository” (The Republic of Belarus), NDU (Ukraine), the CDA (The Republic of Armenia), and «Central Depository» CJSC (Kyrgyz Republic). NSD had also opened a one-way account with NDC (The Republic of Azerbaijan).

18. NSD completed the withholding agent project. In accordance with Russia’s Tax Code, NSD began acting as a withholding agent in respect of payments of yield on issuable securities.

19. The corporate actions reform launched on the Russian market. The reform provides for complex changes related to the legal base and technologies of the corporate actions processing. Market participants will be able to mitigate risks and reduce costs associated with corporate actions by eliminating the use of traditional paper documents, using electronic technologies and involving recordkeeping institutions. NSD has provided an opportunity to vote on the EDI system for 45 meetings of shareholders.

11. PLEASE PROVIDE INFORMATION ON THE GENERAL USE OF ISIN AND CFI CODES BY MARKET PARTICIPANTS IN YOUR COUNTRY

ISINs are widely used as a unique identifier of a securities in trading, settlement and depository systems of the Russian market participants as well as for reporting to the Regulating Authority. According to the Russian legislation ISIN and CFI codes of non-Russian financial instruments are used to recognize them as securities for any operations on the Russian market. This legislation covers only several types of non-Russian securities: shares, bonds, units of UITs and depository receipts on shares/bonds/units. These securities can be admitted to the Russian market if they have ISINs and CFIs allocated in accordance with ISO standards.

12. IDENTIFY ANY ISSUES / CONCERNS YOU HAVE FROM YOUR COUNTRY WITH RESPECT TO ISIN / CFI OR OTHER SECURITY IDENTIFICATION RELATED MATTER

13. FIELD FOR COMMENTS FOR ANY OF QUESTIONS ABOVE: COMMENT ON QUESTION N° 3

The figures provided in columns 'Listed' and 'Unlisted' were specified in accordance with the data of the Moscow Exchange, whose information is available for NSD.



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