

COUNTRY REPORT 2015

Status of ISIN, CFI and Standardization

1. GENERAL

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

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

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:

	Listed*	Unlisted
⇒ Equities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
⇒ Debt Instruments (e.g. Bonds, MTNs, ABS)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
⇒ Rights (e.g. Warrants, Subscription Rights)	<input type="checkbox"/>	<input type="checkbox"/>
⇒ Collective Investment Vehicles (e.g. Investment/Mutual Funds)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
⇒ Structured Instruments	<input type="checkbox"/>	<input type="checkbox"/>

* Traded on an exchange

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.

3. NUMBER OF ACTIVE ISINS

- How many active ISINs allocated by you exist as of December 31, 2015 (or today):

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

Instrument Type	Listed*	Unlisted	Total
Equities	300	5 145	5 445
Debt Instruments (e.g. Bonds, MTNs, ABS)	1 216	238	1 454
Rights (e.g. Warrants, Subscription Rights)			0
Collective Investment Vehicles (e.g. Investment/Mutual Funds)	228	583	811
Structured Instruments			0

*Traded on an exchange

4. ISINS FOR DERIVED FINANCIAL INSTRUMENTS

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

- ⇒ Listed options and futures:
- ⇒ Commodities
- ⇒ Indices
- ⇒ Interest rates (e.g. LIBOR)
- ⇒ Currencies
- ⇒ Swaps

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

ISINs for listed options, futures and commodities have not required by the Russian financial market yet.

- If you have not started yet, please indicate when you will start: As soon as it will be required by the market.

5. NUMBER OF ACTIVE ISINS

- How many active ISINs exist as of December 31, 2015 (or today) for:

- ⇒ Listed options and futures:
- ⇒ Commodities
- ⇒ Indices



⇒ Interest rates (e.g. LIBOR)		17
⇒ Currencies	7	
⇒ Swaps		

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 Quality Management” on the ANNA website (ANNA/Formal Documents)

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

8. CFI (CLASSIFICATION OF FINANCIAL INSTRUMENTS) - CODE

- Do you 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:

9. PROVISION OF STANDARD RELATED CODES TO THE ANNA SERVICE BUREAU (ASB)

- Do you provide the following identifier codes to the ASB?

⇒ LEI (Legal Entity Identifier - ISO 17442) Yes No

If not, please indicate when you will start:

⇒ MIC (Market Identifier Code - ISO 10383) Yes No

If not, please indicate when you will start: It will be defined later



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

ISO 15022 (SWIFT Data Field), ISO 20022 (Financial services -- Universal financial industry message scheme), ISO 10962 (CFI), ISO 17442 (LEI), ISO 9362 (BIC), ISO 9 (Transliteration), ISO 3166 (Country codes), ISO 4217 (Currency codes).

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

1. On February 19, 2015, NSD introduced a new conversion service – a conversion payment. This service integrates two operations (purchase and sale of foreign currency and cash transfer) and allows clients to reduce the number of submitted instructions and payment documents.
2. On March 27, 2015, NSD launched a website dedicated to the corporate action reform – www.corpactions.ru. One of the key tasks of the website is to provide bilateral interactions of NSD with all parties involved in the reform, to inform them about the progress of the reform and to receive feedback from them. A quick and full delivery of information about the reform to the audience will allow to implement unified approaches and standards in a timely manner and to synchronize the participants' efforts during this process.
3. On March 30, 2015, NSD launched settlements on transactions with securities using correspondent accounts opened with the Bank of Russia. The new service expanded a range of settlements available for NSD's clients and combined the advantages of reliable DVP settlements with flexible cash management.
4. On April 1, 2015, NSD launched a new technology of organizing shareholder meetings that includes informing about shareholder meetings and e-proxy voting. Now NSD uses international standards allowing to exchange structured standardized electronic messages with issuers, registrars and depositors and provides an opportunity of straight through processing (STP) of information at all stages of document circulation.
5. In April 2015, NSD and Interfax information agency, have announced a launch and a beginning of providing access to Reference United Data (RU DATA), a unified system of corporate information collection, verification and distribution.
6. In June 2016, Thomas Murray has provided an independent audit in respect of the National Settlement Depository's (NSD's) level of observance of the CPMI-IOSCO Principles for Financial Market Infrastructures (PFMIs). The results of the analysis show that, NSD is 'broadly' observant overall of the CPMI IOSCO PFMIs. Of the 24 Principles, NSD 'fully' observes 6, 'broadly' observes 10, 'partly' observes 2 and there are 6 Principles not applicable to NSD's operations .



7. On June 25, 2015, Eddie Astanin, Chairman of the Executive Board of NSD has been elected to the Board of Directors of the international SWIFT system. This is the first time that a candidate from Russia has joined the Board of SWIFT.

8. In June 2015, NSD and China Central Depository and Clearing Co., Ltd. (CCDC), China's central securities depository servicing governmental securities, signed a Memorandum of understanding. The parties agreed to share experience and information, to develop cooperation in the sphere of depository and settlement operations, operational interactions using corresponding accounts (links), corporate actions processing and information services.

9. In July 2015, the legal framework for the corporate actions reform was approved: on 29 June 2015, the President of the Russian Federation signed Federal Law No. 210-FZ "On Making Amendments to Certain Laws of the Russian Federation and Repeal of Some Provisions of Certain Laws of the Russian Federation".

Federal Law No. 210-FZ makes amendments to the Federal Laws "On Joint-Stock Companies", "On the Securities Market", and "On the Central Securities Depository", which reflect the key aspects of the corporate actions reform.

10. In August 2015, NSD was recognized in the Corporate & Financial Awards, one of the leading international communication awards, in categories "Best communications with overseas investors and/or media" category and was nominated in an additional category – "Best in-house corporate and financial communications team". The competition is organized by Communicate Magazine, a London publication that covers corporate communications and IR issues.

11. In September 2015, NSD implemented the back-to-back settlements technology for off-exchange DVP transactions (in Russian rubles, USD, Euro, or CNY) with securities. Back-to-back settlements allow for mitigation of settlement failure risk by means of netting the parties' liabilities within a general pool of instructions to settle the instructions that could not be settled individually due to the lack of assets required for execution of such instructions at the beginning of a clearing session..

12. Starting 1 October 2015, in accordance with Russian Law, market participants shall submit reports on all types of derivative transactions concluded on the basis of Master agreements to the Repository. Before 1 October 2015, participants were obligated to report only on OTC repo transactions and currency swaps. Information on agreements concluded before this date can be voluntarily submitted. Also, starting 1 October 2015, mandatory reports on margin sum payments and the calculation of the fair (estimated) value of claims and liabilities on transactions were introduced.

13. On October 30, 2015, NSD and Serbia's Central Securities Depository and Clearing House signed a Memorandum of understanding. The CSDs agreed to share experience and information and to cooperate in the sphere of depository and settlement operations, operational interactions using correspondent accounts, corporate actions processing and information services.

14. In November 2015, NSD began to develop an electronic voting platform for shareholder meetings: e-voting. NSD plans to launch the new service in H1 2017, when the majority of annual general shareholder meetings are held in Russia. The e-voting platform will enable security holders to remotely participate in physical shareholder meetings, as well as meetings held in absentia.



Shareholders will be able to register for a meeting, study meeting materials and vote online by filling out the electronic ballot on a specialized website.

15. In December 2015, NSD started applying the electronic matching procedure for all counterparties' potential counter clearing and settlement instructions for OTC securities trades (starting as of 21 December 2015). Previously, this service was optional for the NSD clients. The electronic matching service allows NSD to more quickly identify potential discrepancies in the counterparties' counter instructions on trades; this significantly reduces non-performance risk.

11. PLEASE PROVIDE INFORMATION ON THE GENERAL USE OF ISIN AND CFI CODES (AND OTHER STANDARDS) 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, such as: shares, bonds, units of collective investment vehicles and depository receipts on shares/bonds/units. These securities can be admitted to the Russian market if they have ISIN and CFI allocated in accordance with the relevant ISO standards.

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

13. COMMENTS ON ANY OF THE 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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