

COUNTRY REPORT 2016

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 | <input checked="" type="checkbox"/> |
| ⇒ Proactive for <u>all</u> instruments in your area of responsibility | <input type="checkbox"/> |
| ⇒ Upon request | |
| - by issuer | <input checked="" type="checkbox"/> |
| - by institutions | <input checked="" type="checkbox"/> |
| ⇒ Within 24 hours | <input type="checkbox"/> |

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

- | | |
|----------------|-------------------------------------|
| ⇒ Domestically | <input checked="" type="checkbox"/> |
| ⇒ Cross border | <input checked="" type="checkbox"/> |

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?

ISINs for Rights and all related as well as for Structured products are not requested by market participants because these instruments 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, 2016 (or today):

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

Instrument Type	Listed*	Unlisted	Total
Equities	298	5 656	5 954
Debt Instruments (e.g. Bonds, MTNs, ABS)	1 302	250	1 552
Rights (e.g. Warrants, Subscription Rights)	0	0	0
Collective Investment Vehicles (e.g. Investment/Mutual Funds)	194	619	813
Structured Instruments	0	0	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, 2016 (or today) for:

⇒ Listed options and futures:

0

⇒ Commodities

0

⇒ Indices

131

⇒ Interest rates (e.g. LIBOR)

56

⇒ Currencies

7

⇒ Swaps

0

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?

January 2016

NSD won the J.P. Morgan's Quality Recognition Award. In 2015, 99.997% of the payments NSD processed with J.P. Morgan were executed electronically without manual intervention;

NSD, registrars and depositories successfully carried out a full cycle of information and document interchange during purchase (repurchase) of shares by a company upon shareholders' request (BIDS), at general meetings of shareholders (MEET) and bond holders (BMET); the interchange was held in a test regime with the use of EDI and telecommunications channels;

On 21st January 2016, the Federal Treasury introduced repo transactions with more than 1 day maturity.

February 2016

The Supervisory Board of NSD approved the Business Continuity Strategy, the Risk Management Development Strategy until 2020 and approved the company's risk appetite for 2016;

NSD concluded a one-year complex insurance agreement with the US\$65 million insurance cover

March 2016

NSD launched the new PVP settlement service designed to provide client cross-currency settlements assuming that a participant's cash transfer in one currency occurs if another participant's cash transfer in another currency takes place simultaneously;

Thomas Murray affirmed NSD's rating at AA-, Stable Outlook;

April 2016

On 1 April 2016, as part of the Repository 2.0 project, all clients of the NSD Repository were provided with free access to the Repository's Web Office and EDI File Gate;

NSD signed an MoU with Egypt's CSD;

Thomas Murray provided an independent third-party view of NSD's level of observance of the CPMI-IOSCO Principles for Financial Market Infrastructures. The company's level of observance improved;

NSD successfully tested the e-voting prototype based on the blockchain technology. The prototype is based on the NXT distributed cryptographic platform, and uses ISO 20022 international standard for messaging;

June 2016

NSD launched DVP settlements in HKD on NSD accounts opened with Clearstream and Euroclear;

July 2016

On 1 July, Legal Framework for Russia's Corporate Actions Reform went into force. The new law stipulated both the NSD's status as a Corporate Actions Center (CAC) and as the single source of verified information on corporate actions - a Corporate Information Center (CIC). The formation of the CAC ensures rights and legal interests in the most reliable, safe, and accessible way, irrespective of location. The CIC solves the problem of corporate actions data multiplicity and inconsistency, and reduce securities market participants' labor costs and expenses to monitor and check information received from several sources.

The Bank for International Settlements (BIS) assigned highest rating to Russia's Financial Market Infrastructure (FMI); the Russia's FMI received the 4th level rating (highest possible) alongside with FMIs of Germany, France, Great Britain, Hong Kong, Singapore, etc.;

On 19 July 2016, came into force the Bank of Russia's Regulation No. 546-P, which establishes a list of corporate information submitted by issuers to NSD, Russia's central securities depository, and regulates the procedure and deadlines for submitting the information;

NSD won the Private Companies nomination of the Information Disclosure Award organized by NACS;

August 2016

NSD registered the first issue and first program of commercial bonds;

September 2016

NSD started to place information on concession agreements on its website; according to the Moscow Exchange's listing rules, the disclosure of this information on NSD's website is one of conditions for adding concession securities in the quotation list of the first level of securities admitted to trading;

NSD signed an agreement to open depository account with the Georgia's CSD;

NSD became the first SWIFT's Service Bureau with the Premier status in Eastern Europe

NSD and CSD of South Africa signed the letter of intent with the purpose to develop the cooperation in the sphere of the Distributed Ledger Technology (DLT); the first use case is focused on proxy voting;

October 2016



NSD became the first Russian company certified to two Carnegie Mellon University's software quality standards (CMMI for Development and CMMI for Services). NSD was given the third level of maturity of software products and services provided with the use of corporate software;

NSD signed MoUs with the CSDs of China (CSDS) and Shanghai Clearing House;

November 2016

NSD and iCoinSoft started a partnership regarding development of solutions for Blockchain Assets Circulation;

NSD's project of developing an e-proxy voting prototype based on Blockchain technology was nominated for the Futures & Options World International Awards in the "Best New Technology Product" category.

December 2016

NSD Repository received the license for repository operations issued by the Bank of Russia and became the first entity in Russia to receive this type of license.

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

Country Report completed by

Your name: Mrs. Elena Ulianova

E-mail: UlianovaE@nsd.ru

Phone: +7 495 234-48-27, ext. 4397

Date: 14.04.2017