COUNTRY REPORT 2018

Status of ISIN, CFI, FISN, LEI and Standardization
Please complete/tick <u>all</u> relevant fields/boxes

<u>**NNA's Company Name**</u>   **National Settlement Depository**
<u>**Country**</u>   **RU**

1. DO YOU ALLOCATE ISINS? (please tick)

⇨ **Associated with official listings**	☒
⇨ **Proactive for <u>all</u> instruments in your area of responsibility**	☐
⇨ **Upon request**	
- by issuer	☒
- by institutions	☒
⇨ **Within 24 hours**	☐

2. HOW IS ISIN USED BY YOUR SECURITIES INDUSTRY? (please tick)

⇨ **Domestically**	☒
⇨ **Cross border**	☒

3. 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**	☒	☒
⇨ **Debt Instruments** (e.g. Bonds, MTNs, ABS)	☒	☒
⇨ **Rights** (e.g. Warrants, Subscription Rights)	☐	☐
⇨ **Collective Investment Vehicles** (e.g. Investment/Mutual Funds)	☒	☒
⇨ **Structured Instruments**	☐	☐

* Traded on an exchange

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

ISINs for Rights and all related are not requested by market participants because of the instruments are not distributed at the Russian Market. The regulation for the Structured Products was adopted in Q4 of 2018, therefore, ISINs allocation is expected in 2019.

4. NUMBER OF ACTIVE ISINS

- **How many active ISINs allocated by you exist as of December 31, 2018 (or today):**

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

Instrument Type	Listed*	Unlisted	Total
Equities	273	6 626	6 899
Debt Instruments (e.g. Bonds, MTNs, ABS)	1 476	318	1 794
Rights (e.g. Warrants, Subscription Rights)	0	0	0
Collective Investment Vehicles (e.g. Investment/Mutual Funds)	107	655	762
Structured Instruments	0	0	0

*Traded on an exchange

5. 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 been required by the Russian financial market yet

- **If you have not started yet, please indicate when you will start:**
As soon as it is required by the market or legislation

6. NUMBER OF ACTIVE ISINS

- **How many active ISINs exist as of December 31, 2018 (or today) for:**
  - ⇨ **Listed options and futures:** **0**
  - ⇨ **Commodities** **0**
  - ⇨ **Indices** **132**
  - ⇨ **Interest rates** (e.g. LIBOR) **48**
  - ⇨ **Currencies** **7**

⇨ **Swaps**   **12**

7. ISIN GUIDELINES (actual version on ANNA website under "ISINs & ISO 6166")

- **Do you follow the latest version of the ISIN Guidelines <u>completely</u>**   **Yes** ☒   **No** ☐

- **If no, please indicate which guideline you don't follow (item no.) and reason:**

8. 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 no, please indicate which exception and reason

9. CFI (CLASSIFICATION OF FINANCIAL INSTRUMENTS) - CODE

- **Do you allocate the <u>revised CFI:2015</u> for those instruments for which you are the responsible numbering agency?**   **Yes** ☒   **No** ☐

  - **If yes, since when? May 2, 2017**
  - **If no, please indicate when you will start:**

10. FISN (FINANCIAL INSTRUMENT SHORT NAME) - CODE

- **Do you allocate the FISN for those instruments for which you are the responsible numbering agency?**   **Yes** ☒   **No** ☐

  - **If yes, since when? December 27, 2017**
  - **If no, please indicate when you will start:**

- **Do you provide the FISN to the ASB?   Yes** ☒   **No** ☐

- If yes, since when? **December 27, 2017**
- If no, please indicate when you will start:

11. LEI (LEGAL ENTITY IDENTIFIER) - CODE

- **Do you request an LEI during ISIN allocation?   Yes ☐   No ☒**

  - If yes, since when?
  - If no, please indicate when you will start: **It will be considered and defined later.**

- **Do you provide the LEI to the ASB?   Yes ☒   No ☐**

  - If yes, since when? **November 15, 2014**
  - If no, please indicate when you will start:

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

- **Do you provide MIC (Market Identifier Code - ISO 10383) to the ASB?   Yes ☐   No ☒**

  - If yes, since when?
  - If no, please indicate when you will start: **It will be defined later**

13. 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), ISO 18774 (FISN), ISO 20275:2017 Financial services - Entity legal forms (ELF).

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

IMPROVING OF CUSTODY, SETTLEMENT AND PAYMENT SERVICES,
MAINTAINING A HIGH LEVEL OF CUSTOMER SERVICE:

- NSD was granted Local Operating Unit (LOU) status for issuing and maintaining LEI codes; The number of served jurisdictions for LEI increased from 10 at the beginning of 2018 to 28 at the end of the year
- The new Russian legislation admitting foreign securities with both CFI 2001 and CFI 2015, inculding structured products came into force; an updated services on foreign securities meeting the legislation was launched on the NSD's website; start of issuing ISIN, CFI and FISN codes for the Russian structured bonds
- Start of issuing ISIN, CFI and FISN codes for Moldavian securities according to responsibility of Substitute Numbering Agency
- Switch to payments through the Bank of Russia's Prospective Payment System (PPS)
- UIT Units Platform integrated with QUIK Trade Terminal
- A new functionality was implemented for a User Account to speed up and simplify the process of document submission to NSD
- In course of the transition to WEB technologies, Web-client for depository and clearing services (DCS) replacing previous functionality was launched. Integration with the OTC System (the MOEX's platform) was completed
- Together with MTS and Sberbank CIB, a project which involved the offering of RUB-denominated commercial papers using the blockchain technology was completed
- Launch of the service for opening individual securities accounts within ICSD (10 accounts were opened)

REGISTRAR OF FINANCIAL TRANSACTIONS:
- A prototype was implemented, a project was launched, pilot trades were conducted via NSD's Trade Repository

INFRASTRUCTURE FOR DIGITAL ASSETS:
- Testing of the issue of tokens in the framework of the Bank of Russia's sandbox (ICO Level One project)
- Pilot transaction between AddCapital and Lykke (UK) D3 Ledger using D3 Ledger, an international blockchain platform for digital assets

COLLATERAL MANAGEMENT OF GLOBAL CREDITORS, CAPITAL MARKET PARTICIPANTS, INSURANCE AND PENSION MARKETS:
- "Single Account" launched (automated securities and cash transfers between accounts held with NSD and CCP NCC)
- Launch of REPO trades with the Federal Treasury at a floating rate
- The first tri-party repo trade in the world based on blockchain between Sberbank and BC Region was conducted

DEVELOPMENT OF BOTH THE NSD INFORMATION CENTER AND INFORMATION ECOSYSTEM «RU.CLOUD»:
- "Single Disclosure Window" launched
- New products were rolled out: RU DATA PRICE (together with Interfax and Thomson Reuters); Getnews (structured news); calculation of current fair value for mortgage bonds and Ministry of Finance's Eurobonds using NSD's in-house methodology

MAINTAINING A HIGH LEVEL OF OPERATIONAL RELIABILITY.
STRENGTHENING INFORMATION SECURITY CONTROLS.
- The 1st phase of the cyber security project was completed, with the implementation of a quarterly integrated cyber security assessment methodology

• **The 2nd phase of implementation of centralized technical monitoring of infrastructure systems and parameters was completed (the coverage of infrastructure systems and parameters monitored was expanded)**
• **New vulnerability scanner MaxPatrol was deployed (provides information about vulnerabilities of systems and components of NSD infrastructure)**

15. 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. The legislation covers only several types of non-Russian securities, such as: shares, bonds, structured products, units of collective investment vehicles and depository receipts with shares/bonds/units as underlying securities. These securities can be admitted to the Russian market if they have ISIN and CFI allocated in accordance with the relevant ISO standards.

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

17. COMMENTS ON ANY OF THE QUESTIONS ABOVE: COMMENT ON QUESTION N° 4

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
The figures for No 4 and No 6 are provided as of March 28, 2019

Country Report completed by

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