

**THE CENTRAL BANK OF THE RUSSIAN FEDERATION
(BANK OF RUSSIA)**

DIRECTIVE

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Moscow

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"On the Procedure for the Qualification of Foreign Financial Instruments as Securities"

This Directive establishes the procedure for qualifying foreign financial instruments as securities pursuant to sub-paragraph 2 paragraph 1 Article 51.1 of the Federal Law No. 39-FZ "On the Securities Market" dated 22 April 1996 (hereinafter referred to the Federal Law "On the Securities Market") (Collected Legislation of the Russian Federation, 1996, No. 17, Article 1918; 2001, No. 33, Article 3424; 2002, No. 52, Article 5141; 2004, No. 27, Article 2711; No. 31, Article 3225; 2005, No. 11, Article 900; No. 25, Article 2426; 2006, No. 1, Article 5; No. 2, Article 172; No. 17, Article 1780; No. 31, Article 3437; No. 43, Article 4412; 2007, No. 1, Article 45; No. 18, Article 2117; No. 22, Article 2563; No. 41, Article 4845; No. 50, Article 6247; 2008, No. 52, Article 6221; 2009, No. 1, Article 28; No. 18, Article 2154; No. 23, Article 2770; No. 29, Article 3642; No. 48, Article 5731; No. 52, Article 6428; 2010, No. 17, Article 1988; No. 31, Article 4193; No. 41, Article 5193; 2011, No. 7, Article 905; No. 23, Article 3262; No. 29, Article 4291; No. 48, Article 6728; No. 49, Article 7040; No. 50, Article 7357; 2012, No. 25, Article 3269; No. 31, Article 4334; No. 53, Article 7607; 2013, No. 26, Article 3207; No. 30, Article 4043, Article 4082, Article 4084; No. 51, Article 6699; No. 52, Article 6985; 2014, No. 30, Article 4219; 2015, No. 1, Article 13; No. 14, Article 2022; No. 27, Article 4001; No. 29, Article 4348, Article 4357; 2016, No. 1, Article 50, Article 81; No. 27, Article 4225; 2017, No. 25, Article 3592; No. 27, Article 3952; No. 30, Article 4444).

1. Foreign financial instruments to which an International Securities Identification Number (hereinafter referred to as ISIN) and an international code of classification of financial instruments (hereinafter referred to as CFI) have been assigned in accordance with sub-paragraph 1 paragraph 1 Article 51.1 of the Federal Law "On the Securities Market" shall be qualified as securities in compliance with the procedure established by this Directive.

2. Foreign financial instruments with CFI values established by sub-paragraph 4.1 paragraph 4 of this Directive shall be qualified as securities by a person interested in such qualification, including a foreign issuer (a foreign organization liable for foreign financial instruments), a holder of foreign financial instruments, a person entitled to demand performance of financial instrument liabilities (hereinafter referred to as the Interested Person) in accordance with paragraph 4 of this Directive.

3. Foreign financial instruments with CFI values different from those established by sub-paragraph 4.1 paragraph 4 of this Directive shall be qualified as securities by the Bank of Russia (the Corporate Relations Department (hereinafter referred to as the Authorized Department)) pursuant to paragraphs 5 - 14 of this Directive.

4. An Interested Person shall qualify foreign financial instruments as securities by making the following actions:

Determining the presence of ISIN and CFI assigned to foreign financial instruments;

Determining the presence of information or a document verifying the value of the foreign financial instruments' CFI established by sub-paragraph 4.1 of this paragraph;

Matching CFI values of the foreign financial instruments with the values established by sub-paragraph 4.2 of this paragraph.

4.1. The value of CFI of a foreign financial instrument for qualifying this foreign financial instrument as a security shall be verified by:

information about CFI based on data containing in the information resource of an organization which has

assigned this code placed on the Internet, and, if this information resource is not accessible – based on the document issued by this organization which verifies the presence of CFI assigned to this financial instrument;

a document of the professional securities market participant performing depository operations or of a foreign organization recording rights to foreign financial documents which verifies the presence of CFI assigned to the foreign financial instrument based on information or documents specified in item two of this sub-paragraph.

4.2. An Interested Person shall qualify a foreign financial instrument as a security if CFI assigned to the foreign financial instruments has the following values:

4.2.1. as shares, if the first letter is "E," and the second letter is "S," "P," "R," "C," "F" or "V", except for the cases where the sixth letter is "Z" or "A".

4.2.2. as depository receipts representing shares, if:

the first letter is "E," the second letter is "S," "P," "R," "C," "F" or "V", and the sixth letter is "Z" or "A"; and

the first letter is "E," the second letter is "D," and the third letter is "S," "P," "C" or "F".

4.2.3. as investment funds' units or shares, if:

the first letter is "E," the second letter is "U," except for the cases where the sixth letter is "Z" or "A";

the first letter is "C," and the sixth letter is "X".

4.2.4. as investment funds' units, if the first letter is "C," and the sixth letter is "U" or "Y".

4.2.5. as investment funds' shares, if the first letter is "C," and the sixth letter is "S" or "Q".

4.2.6. as depository receipts representing investment funds' units or shares, if the first letter is "E," the second letter is "U," and the sixth letter is "Z" or "A".

4.2.7. as bonds, if the first letter is "D," the second letter is "B," "C," "T," "Y," "G," "A" or "N," except for the cases where the sixth letter is "Z" or "A".

4.2.8. as depository receipts representing bonds, if:

the first letter is "D," the second letter is "B," "C," "T" or "Y," and the sixth letter is "Z" or "A";

the first and second letters are "D," and the third letter is "B," "C," "T," "Y," "G," "A" or "N".

5. The Bank of Russia (the authorized department) shall qualify foreign financial instruments as securities based on the application for qualifying foreign financial instruments as securities of the Interested Person (hereinafter referred to as the Application) and a document (a copy of the document) prepared in compliance with the foreign issuer's (foreign organization liable for foreign financial instruments) personal law and containing the description of rights provided (secured, verified) by foreign financial instruments regarding which the Application has been submitted (hereinafter referred to as the document describing rights to foreign financial documents) (hereinafter, when mentioned together – documents for qualifying foreign financial instruments), presented to the Bank of Russia (the authorized department).

6. The Application shall specify the following information:

6.1. Information about the Interested person who submitted the Application (hereinafter referred to as the Applicant) (for a Russian legal entity – a full name and a short name (if any), the primary state number; for a foreign legal entity – a full name, a number in a trade register or an accounting register of the state in which the legal entity has been registered, the legal entity's state registration date or a date when the registration number has been assigned, the country where the legal entity is located (registered); for an individual – family name, name and patronymics (if any), and a registration place).

6.2. The Applicant's (authorized representative's) address for receiving post (if any), and email (if any).

6.3. ISIN and CFI of the foreign financial instruments regarding which the Application has been filed.

6.4. If the Application is submitted in hard copy – information about the preferable procedure for sending Bank of Russia's (the authorized department's) notices specified in paragraphs 9, 10 and 13 of this Directive: by post to the address specified in the Application or by courier delivery to the Applicant (the Applicant's authorized representative).

7. Documents for qualifying foreign financial instruments shall be submitted to the Bank of Russia (the authorized department) in one of the following formats:

in hard copy;

as electronic documents signed by the enhanced qualified electronic signature pursuant to the Federal Law dated 6 April 2011 No. 63-FZ "On the Electronic Signature" (Collected Legislation of the Russian Federation, 2011, No. 15, Article 2036; No. 27, Article 3880; 2012, No. 29, Article 3988; 2013, No. 14, Article 1668; No. 27, Article 3463, Article 3477; 2014, No. 11, Article 1098; No. 26, Article 3390; 2016, No. 1, Article 65; No. 26, Article 3889) (hereinafter referred to as the Federal Law "On the Electronic Signature").

Documents for qualifying foreign financial documents shall be submitted in Russia, and if a document describing rights to foreign financial instruments is in the foreign language, a Russian translation of the document verified by the Applicant's (his/her authorized representative's) signature and seal, or in accordance with the procedure established by Russian Federation laws, shall be enclosed.

A document describing rights to foreign financial instruments shall also be legalized in accordance with the procedure established by Russian Federation laws, unless otherwise stipulated in international agreements concluded by the Russian Federation and the country where the Applicant being a foreign issuer (a foreign organization liable for foreign financial instruments) is located (registered).

The Application shall be signed by the Applicant (his/her authorized representative) and verified by the Applicant's (his/her authorized representative's) seal (if any).

Documents for qualifying foreign financial instruments submitted in hard copy and having more than one sheet shall be numbered, sewn together and sealed in the back side of the last sheet with the verifying note where the number of sheets is indicated in letters and figures; the note shall be signed by the person who wrote it; the person's family name, name and patronymics (if any) shall be specified on the note, as well as the person's position and the date of verification; the note shall also be certified by a seal (if any) of the Russian or foreign legal entity.

The hard copy of the document describing rights to foreign financial instruments shall be signed by the Applicant (the authorized representative) and certified by the Applicant's (the authorized representative's) seal (if any), or in accordance with the procedure established by Russian Federation laws.

8. The Bank of Russia (the authorized department) shall qualify foreign financial instruments as securities by taking the following steps:

Reviewing documents for qualifying foreign financial instruments;

Checking the presence of ISIN and CFI assigned to foreign financial instruments;

Establishing the scope of the rights provided (secured, verified) by foreign financial instruments;

Checking the compliance of the scope of the rights provided by foreign financial instruments with the scope of the rights provided by securities in accordance with Russian Federation laws on securities.

If as a result of these steps the Bank of Russia (the authorized department) finds that the scope of the rights provided (secured, verified) by foreign financial instruments complies with the scope of the rights provided by securities in accordance with Russian Federation laws on securities, it shall make a decision to qualify foreign financial instruments as securities within 30 days since the day next to the day when documents for qualifying foreign financial instruments were received. If the last day of this 30-day period is a holiday, the next business day shall be considered the day of the period's end.

9. Within three business days since the day next to the day when a decision to qualify foreign financial

instruments as securities was made, the Bank of Russia (the authorized department) shall send (deliver) a notice of foreign financial instruments qualification as securities which includes the date of the decision and the type of securities for the qualified foreign financial instruments.

10. If requirements for the format and (or) contents of documents for qualifying foreign financial instruments have not been met, and (or) if the Application or the document describing rights to foreign financial instruments (if documents for qualifying foreign financial documents have been submitted in accordance with the notice specified in this paragraph) have not been submitted, the Bank of Russia (the authorized department) shall send to the Applicant (the authorized representative) a written notice containing the revealed violations or requirements for the format and (or) contents of the documents for qualifying foreign financial documents, and (or) indicating the absence of the Application or the document describing rights to foreign financial instruments, as well as the deadline for submitting corrected and (or) missing documents for qualifying financial documents (hereinafter referred to as the notice of the revealed violations) within 30 days since the day next to the day when the documents for qualifying foreign financial instruments were received.

11. The Bank of Russia (the authorized department) shall review the corrected and (or) newly submitted documents for qualifying foreign financial documents and the accompanying letter submitted by the Applicant (the authorized representative) in response to the notice of the revealed violations within 30 days since the day next to the day of the receipt of these documents. If the last day of the period required for reviewing the documents is a holiday, the next business day shall be considered the last day of the period.

12. If as a result of taking steps described in paragraph 8 of this Directive, the Bank of Russia (the authorized department) finds that the scope of rights provided (secured, verified) by foreign financial instruments does not comply with the scope of rights provided by securities in accordance with Russian Federation laws on securities, the Bank of Russia (the authorized department) shall decide not to qualify foreign financial instruments as securities within 30 days since the day next to the day when documents for qualifying foreign financial instruments or documents for qualifying foreign financial instruments in response to the notice of the revealed violations were received. If the last day of this 30-day period is a holiday, the next business day shall be considered the last day of the period.

A decision not to qualify foreign financial instruments as securities shall be made based on the following:

12.1. Non-compliance of the scope of the rights provided (secured, verified) by foreign financial instruments with the scope of the rights provided by securities in accordance with Russian Federation laws on securities.

Such non-compliance shall be a ground for making a decision not to qualify foreign financial instruments as securities if it misleads an investor and (or) a holder of foreign financial instruments regarding the scope of the rights provided (secured, verified) by these foreign financial instruments.

12.2. Non-submission of corrected and (or) missing documents for qualifying foreign financial documents by the Applicant within 30 days since the day next to the day when a notice of the revealed violations was sent.

13. The Bank of Russia (the authorized department) shall send (deliver) to the Applicant (the authorized representative) a notice of non-qualification of foreign financial instruments as securities within three business days since the day next to the day when the decision specified in paragraph 12 was made; the notice shall indicate the date when the decision was made.

14. The Bank of Russia's (the authorized department's) notices specified in paragraphs 9, 10 and 13 of this Directive shall be sent to the Applicant (the authorized representative) in one of the following formats:

in hard copy in accordance with the procedure specified in the Application, pursuant to sub-paragraph 6.4 paragraph 6 of this Directive, - if the documents for qualifying foreign financial instruments have been submitted in hard copy;

as electronic documents signed by the enhanced qualified electronic signature pursuant to the Federal Law "On the Electronic Signature" - if the documents for qualifying foreign financial instruments have been submitted in the electronic format.

15. This Directive comes into effect in 10 days after its official publication.

16. Once the Directive comes into effect, the following documents shall be no longer effective:

The Decree of the Federal Securities Market Commission No. 03-48/ps "On the Procedure for Qualifying Securities," dated 24 December 2003, registered by the Ministry of Justice of the Russian Federation on 17 February 2004 (No. 5555);

The Order of the Federal Financial Markets Service No. 07-105/pz-n "On Approving the Regulations on the Qualification of Foreign Financial Documents as Securities," dated 23 October 2007, registered by the Ministry of Justice of the Russian Federation on 11 December 2007 (No. 10673);

The Order of the Federal Financial Markets Service No. 08-2/pz-n "On Amending Russia's FFMS Order dated 23 October 2007 No. 07-105/pz-n "On Approving the Regulations on the Qualification of Foreign Financial Documents as Securities," dated 22 January 2008, registered by the Ministry of Justice of the Russian Federation on 21 February 2008 (No. 11203).

Governor of the Central Bank of the Russian Federation

Elvira Nabiullina