



NATIONAL
SETTLEMENT
DEPOSITORY
MOSCOW EXCHANGE GROUP

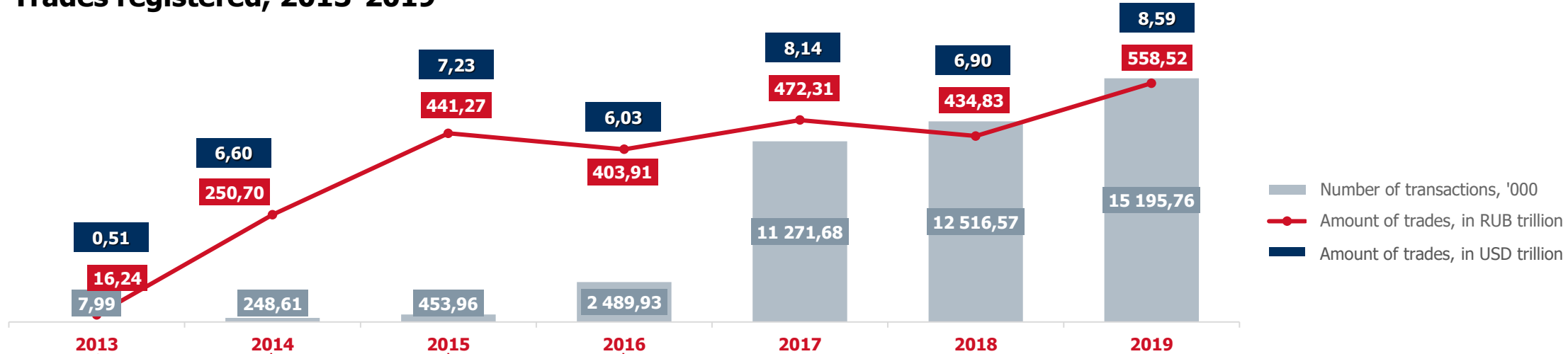
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NSD'S TRADE REPOSITORY ESTABLISHMENT AND OPERATION PRACTICES

HISTORY OF EVOLUTION AND MILESTONES

Trades registered, 2013-2019

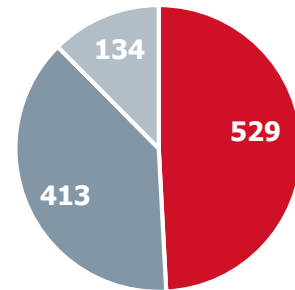


■ Number of transactions, '000
—●— Amount of trades, in RUB trillion
■ Amount of trades, in USD trillion

Milestones

- NSD becomes the first Trade Repository in Russia
- Launch of mandatory reporting for repo and currency swap trades under master agreements
- NDS becomes the only systemically important Trade Repository in Russia
- Introduction of LEI codes as a mandatory detail to be specified in reporting forms
- Launch of mandatory reporting for all derivative trades under master agreements
- Introduction of UTIs as a mandatory detail to be specified in reporting forms
- Launch of mandatory reporting for all repo and derivative trades regardless of whether a master agreement exists
- Launch of mandatory reporting for mark-to-market valuation and margin payments

Number of clients (as of 1 January 2020):
1,076 participants



■ Credit institutions
■ Other financial market participants (Russian residents)
■ Russian non-residents

* Yearly average weighted USD exchange rate: 2013 – RUB 32; 2014 – RUB 38; 2015 – RUB 61; 2016 – RUB 67; 2017 – RUB 58; 2018 – RUB 63; 2019 – RUB 65

REPORTING SPECIFICS (1/2)

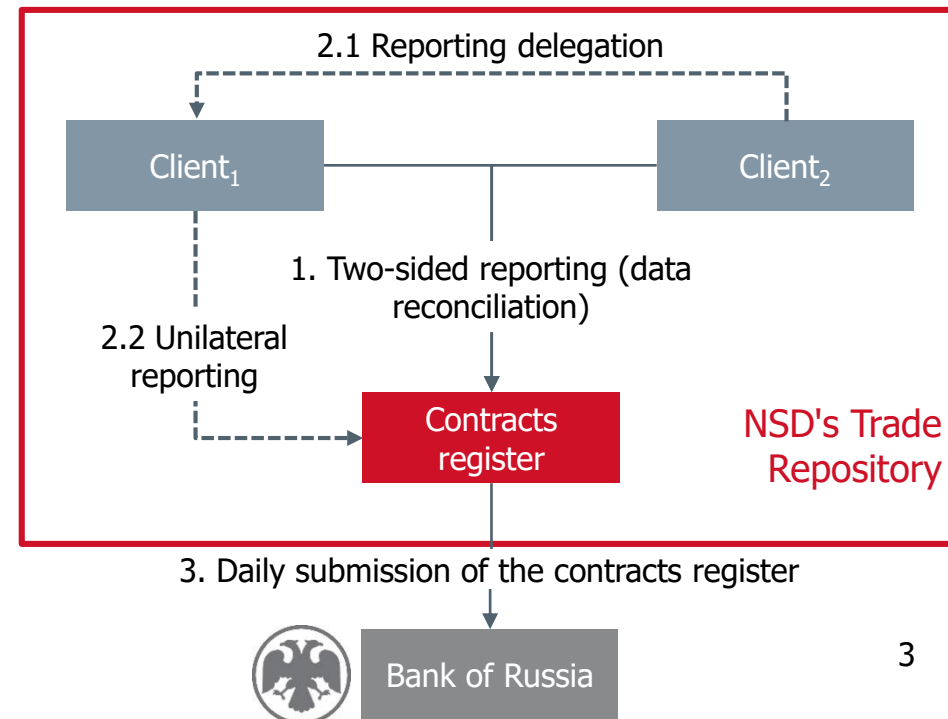
INTERACTION WITH PARTICIPANTS

Russian and global reporting practices

Russia	Global practices
A trade must be reported no later than T+3 after the trade date	A trade must be reported no later than T+1 after the trade date or 'as soon as possible'
A single trade is reported to one trade repository only. No data reconciliation between trade repositories	Each party may choose its own trade repository for reporting purposes. Data reconciliation between different trade repositories
On-exchange trades are not reported to a trade repository	Both on-exchange and OTC trades must be reported to a trade repository
Repo trades became reportable as soon as the relevant law took effect	Repo trade reporting is expected to be launched in 2020
There are participant categories (legal entity types) which are required to report their trades	All legal entities are required to report their derivative trades
Closeout netting is 'linked' to master agreement reporting to a trade repository	Closeout netting is not dependent on reports to a trade repository
LEIs and UTIs must be used	

Reporting practices at NSD's Trade Repository:

- A trade between two parties is reported to one trade repository only
- Reporting duties may be delegated to a counterparty or a third party
- If a trade is reported by both parties, the trade parameters are reconciled: either the trade must be confirmed by the counterparty, or the trade parameters reported by the two parties are verified by the Trade Repository
- Persons who are not obliged to report their trades are not required to become clients of the Trade Repository



REPORTING SPECIFICS (2/2)



REGULATORY REQUIREMENTS

WHO?

- Professional securities market participants
- Corporations (as soon as specific limits are reached)

WHAT?

- Master agreements and OTC contracts:
- repo contracts
- derivative contracts
- Mark-to-market valuation and margin payment reports

WHEN?

- No later than T+3 after the date the contract is made, changed, or terminated



NSD'S TECHNOLOGY SOLUTIONS

Interface solution

- Trade Repository's WEB-client (Rus/Eng)

Solutions for integration with clients' software

- File Gateway
- Web-Service



SPECIFICS OF INTERACTION WITH NSD

WHO?

- Clients
- Reporting agents
- Observers

WHAT?

Different formats:

- Trade-by-trade reporting
- Bulk reporting
- 'Automatic' trade closure

WHEN?

- Information registration 24/7
- Operational day from 00:00 to 23:59



NSD'S ADDITIONAL SERVICES

- LEI assignment and verification
- UTI generation
- Information and advisory services
- Issuance of customized statements

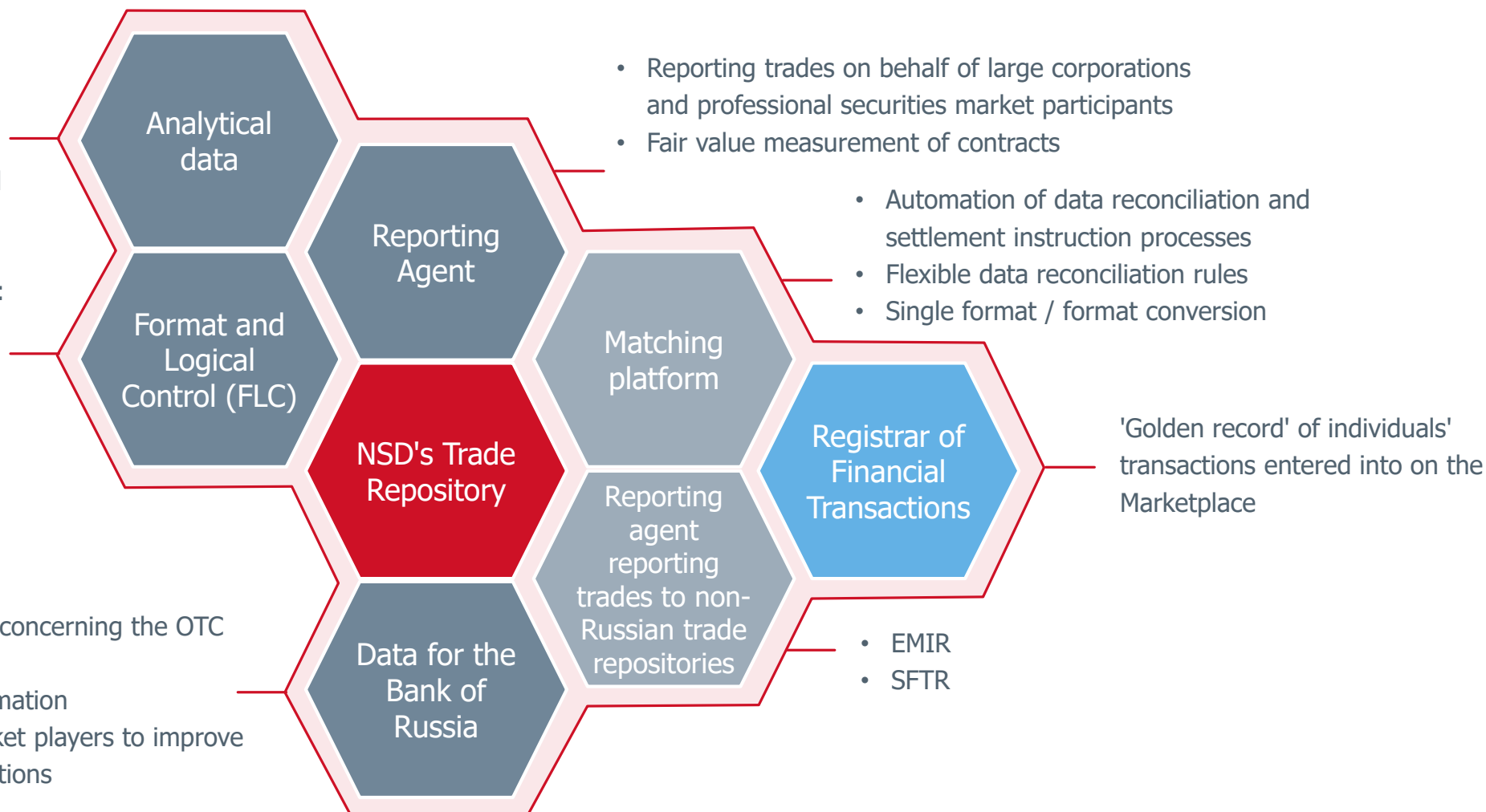
SERVICES OF NSD'S TRADE REPOSITORY

- In respect to any contract parameters
- Customized data available for download by clients

Reporting quality control:

- 'soft' control
- 'hard' control

- Source of information concerning the OTC market
- Online access to information
- Cooperation with market players to improve trade repository operations

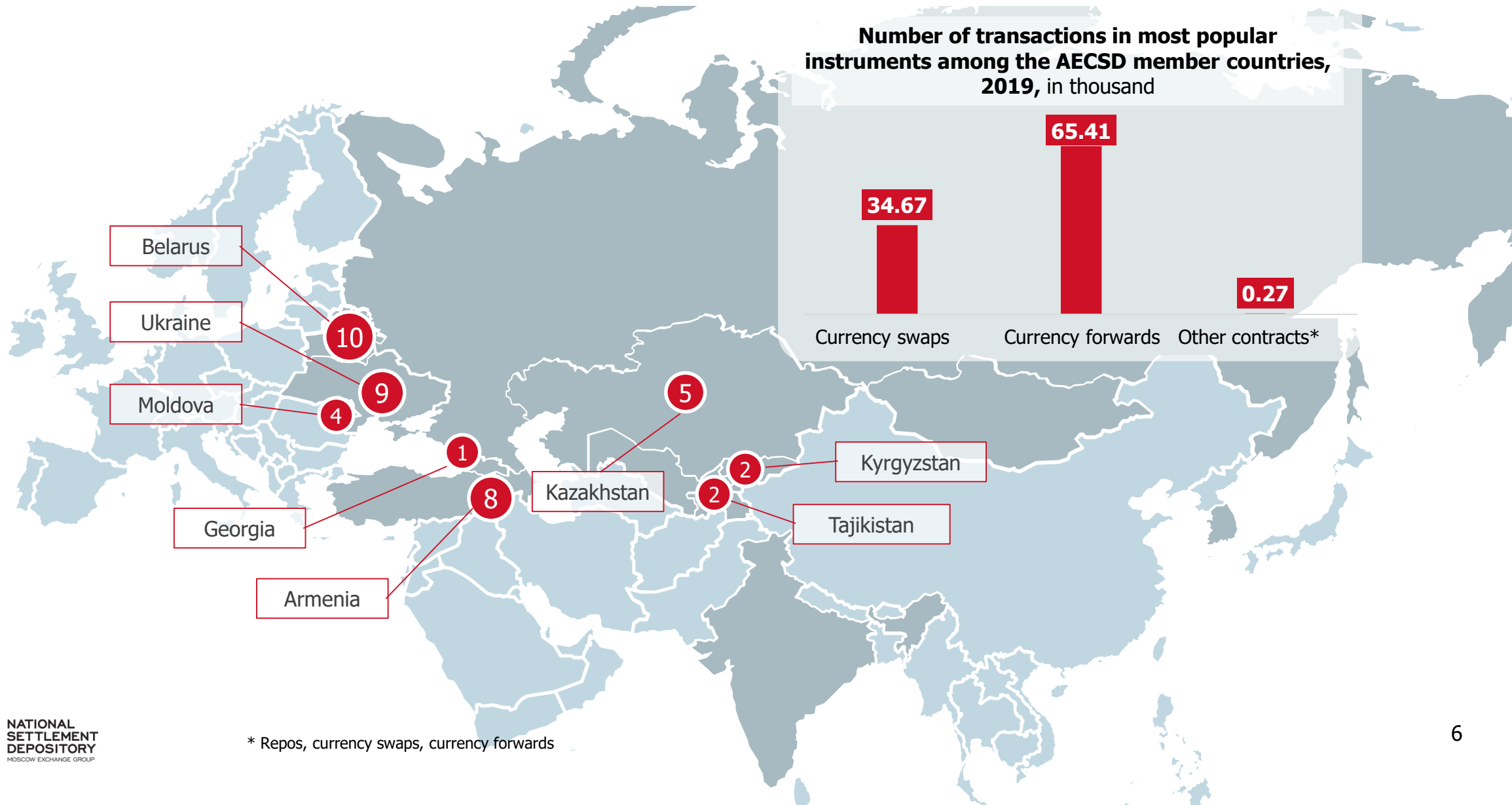


■ – existing services

■ – prospective services under development

■ - service under development, potential separate business line

NUMBER OF NSD'S TRADE REPOSITORY'S CLIENTS IN THE AECSD MEMBER COUNTRIES



COOPERATION OPPORTUNITIES

OUR UNIQUE ADVANTAGES:

- 7 years in the business
- Vast client base
- Unique experience in data collection, storage, control, and structuring
- Well-established processes:
 - Reporting data collection
 - Data disclosure to the regulator and public authorities
- Experience in market data analysis
- Tried-and-true IT solutions



WE OFFER:

- Experience sharing, advisory sessions, and expertise in data reporting formats and methods
- NSD as reporting agent:
 - Reporting agent reporting trades to non-Russian trade repositories under EMIR and SFTR
 - Reporting agent reporting trades to NSD's Trade Repository
- NSD's IT solutions
- Development of data-based analytical services
- NSD's role as Trade Repository or regional center for trade reporting and registration under the laws of the AECSD member countries*

THANK YOU!



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 - Changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets
 - Competition increase from new players on the Russian market
 - The ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers
 - The ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness
 - The ability to attract new customers on the domestic market and in foreign jurisdictions
 - The ability to increase the offer of products in foreign jurisdictions
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