

DVP SETTLEMENTS AT NSD

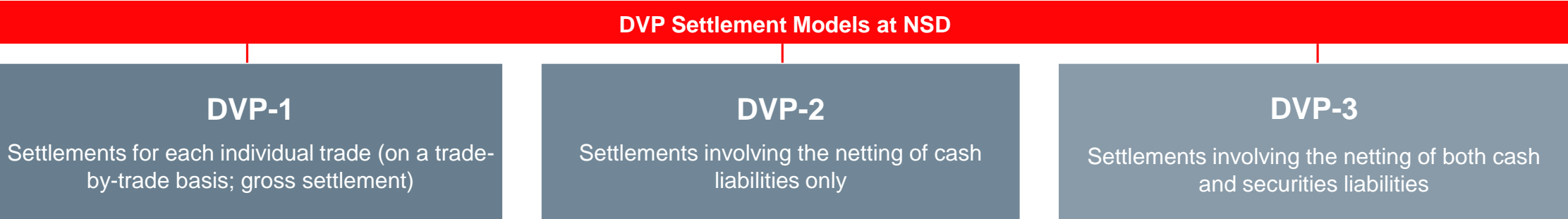


DVP SETTLEMENTS

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DVP SETTLEMENT MODELS

DVP (delivery versus payment) is a settlement principle applicable to securities trades, in accordance with which securities are finally transferred at the same time as and against the final and irrevocable payment.



Accounts and Settlement Currencies

For DVP settlements, clients may use either bank accounts held with NSD, or a correspondent account held with the Bank of Russia:

ACCOUNTS	AVAILABLE MODELS	AVAILABLE CURRENCIES
Bank account with NSD	DVP-1, DVP-2, DVP-3	RUB, USD, CNY, HKD, GBP
Correspondent account with the Bank of Russia	DVP-1, DVP-2, DVP-3	RUB

CLEARING SESSIONS

A clearing pool is built for **matched** instructions with respect to which **supporting documents required for foreign exchange control purposes** are received.

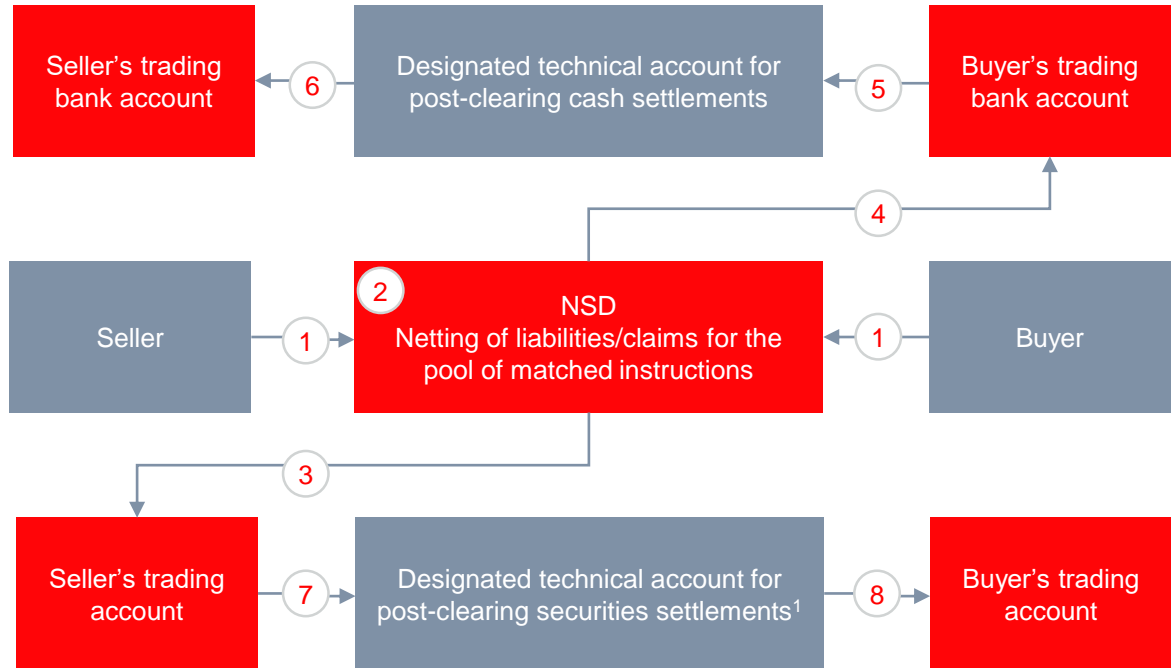
Liabilities to be terminated (discharged) and/or settled both on the DVP-2 and DVP-3 basis can be included in the clearing pool.

During a business day, NSD runs **9 clearing sessions**:

BANK ACCOUNTS WITH NSD	CORRESPONDENT ACCOUNTS WITH THE BANK OF RUSSIA
10:00, 12:00, 13:00, 14:00, 15:00, 16:00, 18:00, 18:45, 19:40	10:00*, 12:00, 13:00*, 14:00*, 15:00*, 16:00, 18:00*, 18:45*, 19:40

* DVP-2/3 in CBR money have been included in these clearing batches starting from the 10th of January 2022.

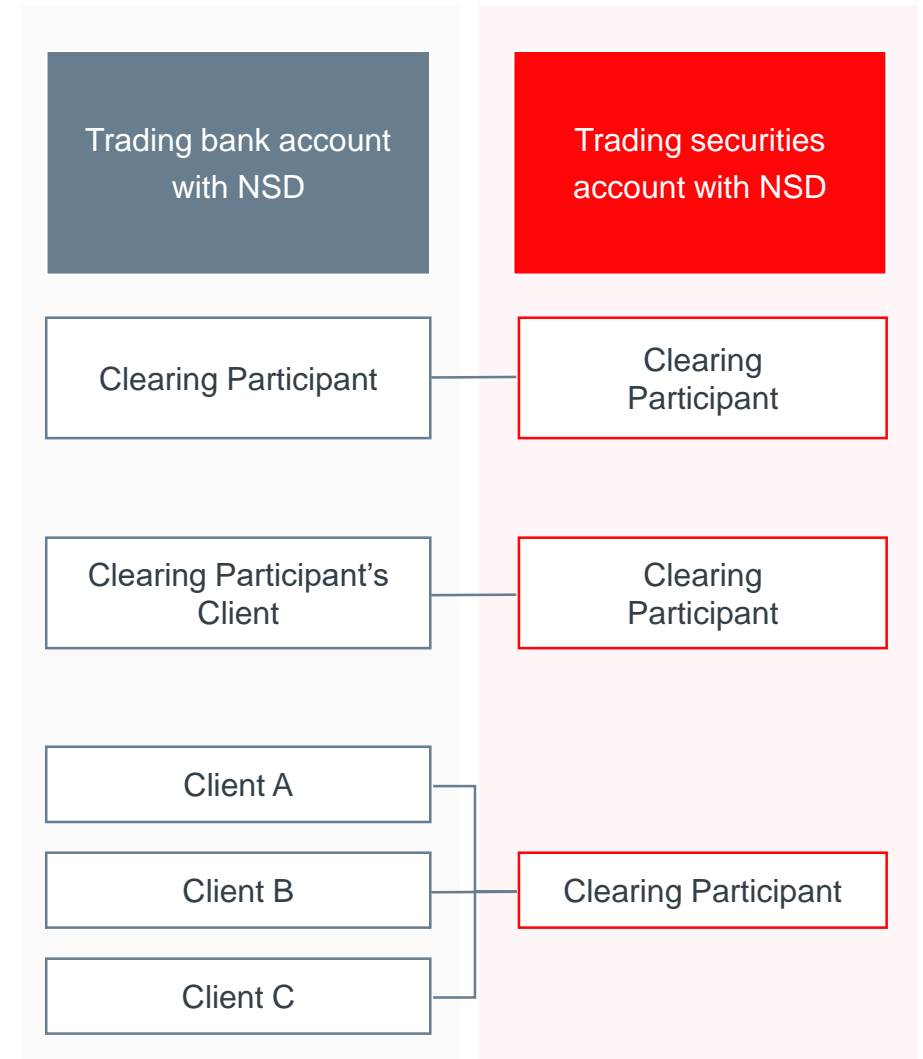
DVP SETTLEMENTS THROUGH ACCOUNTS HELD WITH NSD



1. The Buyer and the Seller give matching DVP instructions to NSD.
2. The instructions are matched by NSD, and NSD performs the netting of the relevant claims and liabilities.
3. NSD blocks the securities in the Seller's trading account.
4. At the same time, NSD blocks the cash funds in the Buyer's trading account.
- 5-6. NSD transfers the cash funds from the Buyer's trading bank account to the Seller's account.
- 7-8. At the same time, NSD transfers the securities from the Seller's trading account to the Buyer's account.

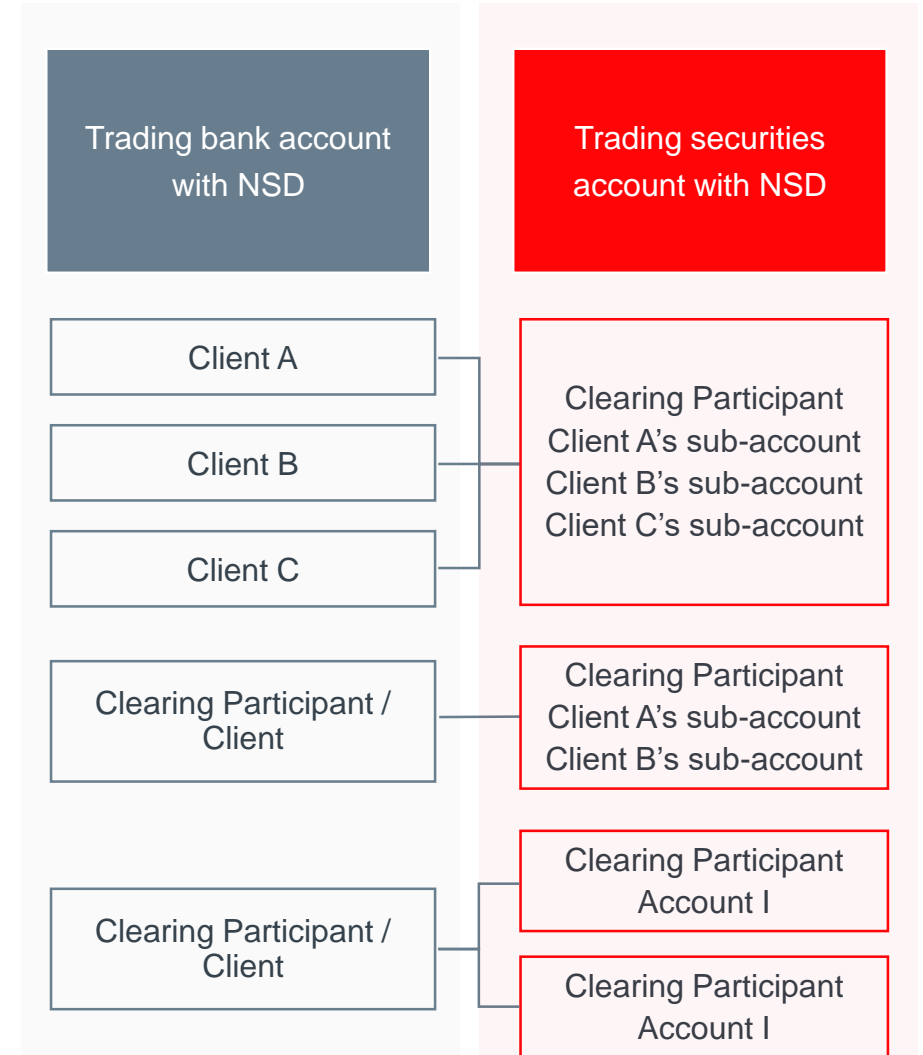
LINKAGE OPTIONS BETWEEN BANK ACCOUNTS AND SECURITIES ACCOUNTS

1. Both the bank account and the securities account are owned by the **Clearing Participant**
2. The bank account of the **Clearing Participant's Client** is linked to the **Clearing Participant's** securities account
3. The bank accounts of **several Clearing Participant's Clients** are linked to the **same** securities account of the **Clearing Participant**



LINKAGE OPTIONS BETWEEN BANK ACCOUNTS AND SECURITIES ACCOUNTS

4. The bank accounts of **several Clearing Participant's Clients** are linked to the **Clearing Participant's segregated** securities account
5. The bank account of the **Clearing Participant / Clearing Participant's Client** is linked to the **Clearing Participant's segregated** securities account
6. The bank account of the **Clearing Participant / Clearing Participant's Client** is linked to **several** securities accounts owned by the **same Clearing Participant**



DVP SETTLEMENTS WITH CASH RESERVATION

A Clearing Participant may determine the preferred sequence of execution of its clearing instructions to receive securities (transaction 19/1)*.



Key characteristics:

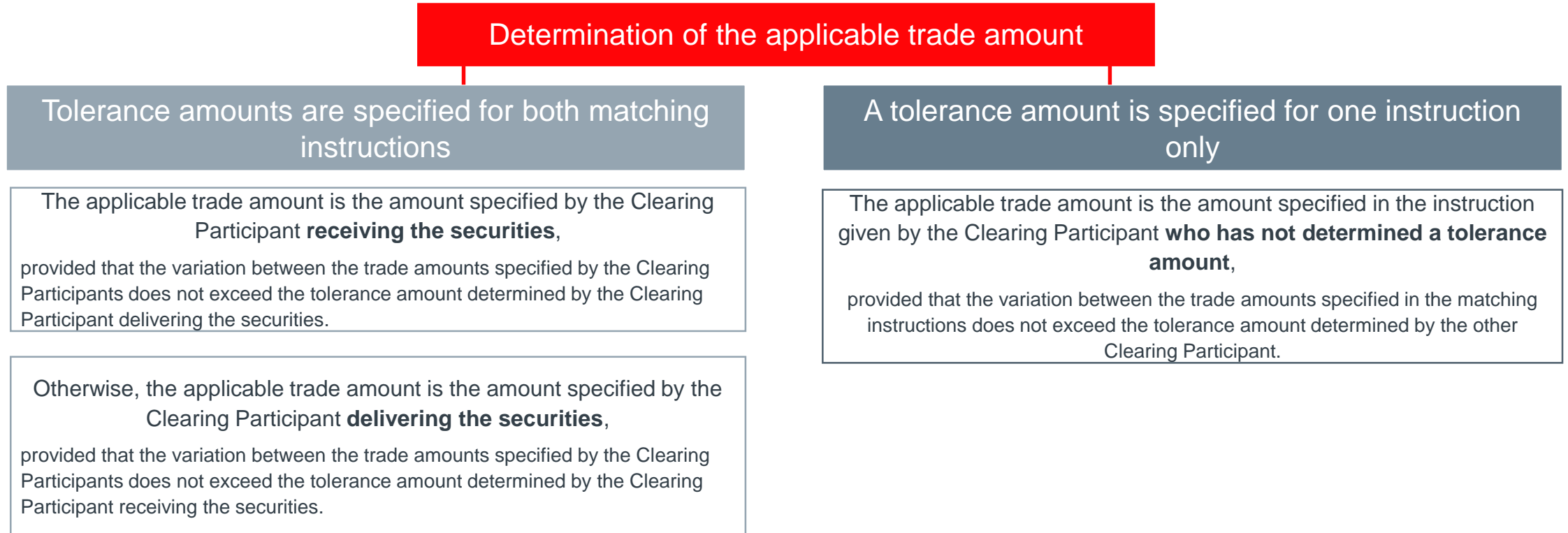
- If the cash funds available are not sufficient for execution of the instruction first in the queue, the other instructions will not be executed.
- The priority determined for instruction execution is taken into account on the settlement date with respect to both matched and non-matched instructions.
- If there are several instructions with the same priority, the instructions are put on the queue first on the basis of their respective execution commencement time and then on the basis of their respective registration time.
- Before the launch of the last clearing session, the cash funds reserved for any non-matched instructions are released.
- An instruction has a priority with respect to the bank account to be debited
- If an instruction has the 'hold' status, the cash funds reserved are released.

A note “With cash reservation” must be put in the applicable field in the MF190 Form, or by specifying the code /RSVD/ in the field :70E::SPRO// of the TRADDET block in a SWIFT MT 541 message.

TOLERANCE AT NSD

Tolerance is an acceptable level of variation between the trade amounts specified in the Clearing Participants' matching instructions. The instructions will be matched, and the trade will be settled, provided that the variation between the amounts does not exceed the tolerance level.

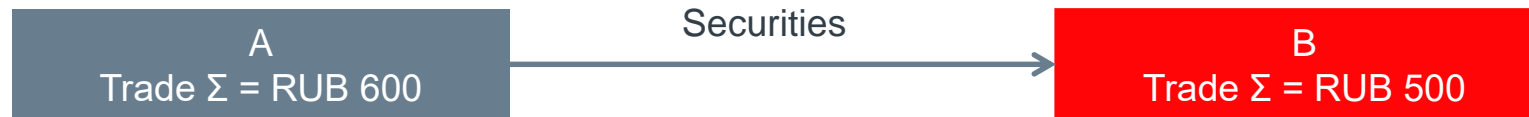
For matching instructions for which tolerance amounts are specified, the trade amount specified by the Clearing Participant **receiving** the securities has a priority.



TOLERANCE AT NSD

- A tolerance amount is determined by each Clearing Participant at its own discretion and specified when the Clearing Participant applies for registration of its bank account details.
- The maximum tolerance amount* is USD 25 or RUB 800.
- The currency of the tolerance amount must be the same as the account currency. Otherwise, the tolerance amount cannot be applied.

Examples:



1	Tolerance A Σ = RUB 150	Tolerance B Σ = RUB 150	The variation is RUB 100; $100 < 150 \Rightarrow$ the trade will be settled at the price B (RUB 500)
2	Tolerance A Σ = RUB 50	Tolerance B Σ = RUB 120	The variation is RUB 100; $100 > 50 < 120 \Rightarrow$ the trade can be settled at the price A (RUB 600), but cannot be settled at the price B (RUB 500) \Rightarrow the trade will be settled at the price A (RUB 600)
3	Tolerance A Σ = RUB 150	Tolerance B Σ is not determined	The variation is RUB 100; $100 < 150 \Rightarrow$ the trade will be settled at the price B (RUB 500)
4	Tolerance A Σ = RUB 50	Tolerance B Σ is not determined	The variation is RUB 100; $100 > 50 \Rightarrow$ the trade will not be settled

* If a tolerance amount is determined in any other currency, it cannot exceed the equivalent of USD 25 at the Bank of Russia's exchange rate in effect on the date preceding the execution date of the instruction for registration of bank account details.

** Σ is an amount

FOREIGN EXCHANGE CONTROL

Supporting documents for foreign exchange control purposes are required*	Supporting documents for foreign exchange control purposes are not required
Russian residents (non-credit institutions) that intend to make settlements in a foreign currency	Russian non-residents
Russian residents (non-credit institutions) that intend to make settlements in RUB with a Russian non-resident	Credit institutions

* Supporting documents are to be provided either at the same time when giving a DVP settlement instruction, or in advance, before the settlement date.

MAIN STATEMENTS PROVIDED TO CLIENTS (SECURITIES HOLDERS) VIA DCS WEB-CLIENT, LUCH, SWIFT, OR FILE GATEWAY

<p>1. Statements of potentially matching instructions</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form GS036)• Via SWIFT (MT 548 message)	<p>6. Statements of client's non-settled instructions (stating the reason for their non-execution)</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form MS007)• Via SWIFT (MT 537 message)
<p>2. Notices of availability / non-availability of a matching instruction</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form GS036)• Via SWIFT (MT 548 or MT 578 message)	<p>7. Statements of a securities transfer upon clearing</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form MS102)• Via SWIFT (MT 544 or MT 546 message)
<p>3. Statements issued upon the matching of clearing instructions</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form GS116)• Via SWIFT (MT 548 or MT 537 message)	<p>8. Statements of non-execution of a clearing instruction (due to its expiry)</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form GS001)• Via SWIFT (MT 548 message)
<p>4. Statements issued upon the execution of a clearing instruction</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form MS190)• Via SWIFT (MT 545 or MT 547 message)	<p>9. Statements issued upon the cancellation of a non-executed instruction</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form GS070 or GS001)• Via SWIFT (MT 541 or MT 543 message)
<p>5. Statements issued upon completion of settlements in a clearing session</p> <ul style="list-style-type: none">• Via DCS Web-client, LUCH, or File Gateway (Form MS009)• Via SWIFT (MT 575* message)	<p>10. Bank account statements</p> <ul style="list-style-type: none">• Via SWIFT (MT 950 message) or through the Bank-Client System

CONTACTS

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section [DVP Settlements](#)

section [DVP Settlements in Central Bank Money](#)

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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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