

REGISTERED

By Bank of Russia

24 May 2021

APPROVED

**by the Supervisory Board of NSD
(Minutes No. 4/2021 dated**

22 April 2021)

CLEARING RULES OF NATIONAL SETTLEMENT DEPOSITORY

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PART 1. GENERAL PROVISIONS

1. Key Terms and Definitions

- 1.1. **"Bank Account"** shall mean a Trading Bank Account, or a Bank Account with a Foreign Bank, or a Correspondent Account.
- 1.2. **"Agreement"** shall mean a clearing services agreement entered into with a Clearing Participant, terms and conditions of which are provided for by the Clearing Rules.
- 1.3. **"EDI Agreement with Moscow Exchange"** shall mean an electronic data interchange agreement entered into by the Clearing House or a Clearing Participant with Moscow Exchange.
- 1.4. **"EDI Agreement"** shall mean an electronic data interchange agreement.
- 1.5. **"Clearing Law"** shall mean Federal Law No. 7-FZ "On Clearing, Clearing Activities and a Central Counterparty" dated 7 February 2011.
- 1.6. **"Application for Accession"** shall mean an application filed by a Clearing Participant for accession to the clearing services agreement in the form required by Appendix 1 to the Clearing Rules.
- 1.7. **"Clearing Participant's Client"** shall mean a legal entity or an individual registered by the Clearing House as a client of a Clearing Participant in accordance with these Clearing Rules.
- 1.8. **"Clearing Bank Account"** shall mean a bank account opened for a Clearing House in Settlement Organization, which is intended to keep records of cash that may be used for the purposes of settling (secured) liabilities eligible for clearing or liabilities to pay fees to the Clearing House or other institutions under the Clearing Law.
- 1.9. **"Clearing House"** shall mean NSD performing clearing activities.
- 1.10. **"Clearing Pool"** shall mean a group of liabilities eligible for clearing and to be fully discharged by netting and/or otherwise in accordance with these Clearing Rules and/or by settlement.
- 1.11. **"Clearing System"** shall mean a set of hardware and software, databases, telecommunications, and other equipment and software applications being used by the Clearing House in its clearing activities.
- 1.12. **"Clearing Session"** shall mean a period of time during which the Clearing House performs the actions provided for by paragraphs 28.3 and 43.8 of these Clearing Rules.
- 1.13. **"NSD"** shall mean National Settlement Depository.
- 1.14. **"Operational Day"** shall mean a time period during which Clearing Participant's Instructions and/or a Trades Register can be executed.
- 1.15. **"Market Operator"** shall mean an entity that provides on-exchange trading services. The term "on-exchange trading" shall be used herein within the meaning set out in the Russian laws.
- 1.16. **"List of Forms"** shall mean List of Documents to be submitted by and provided to Clearing Participants in Accordance with the Clearing Rules of NSD, posted on the Web site.
- 1.17. **"Instruction"** shall mean a document submitted to the Clearing House, containing a Clearing Participant's instructions to the Clearing House, and constituting the basis for clearing of trades.
- 1.18. **"Clearing Rules"** shall mean the Clearing Rules of National Settlement Depository approved by the Supervisory Board of NSD and incorporating the terms and conditions of the Agreement and setting out the requirements to Clearing Participants.
- 1.19. **"Settlement Depository"** shall mean NSD performing transactions related to the execution of liabilities to transfer securities upon clearing of a trade.
- 1.20. **"Settlement Organization"** shall mean an organization performing cash settlement of trades

upon their clearing. The list of Settlement Organizations is available on NSD's official web site at www.nsd.ru.

- 1.21. **"Trades Register"** shall mean a register of trades made.
- 1.22. **"Web site"** shall mean Clearing House's official web site at www.nsd.ru.
- 1.23. **"Cash Settlement System"** shall mean a set of software and hardware, databases, telecommunications, and other equipment and software applications being used for the purposes of executing banking transactions in Trading Bank Accounts.
- 1.24. **"EDI System"** shall mean NSD's EDI System.
- 1.25. **"NSD's Fee Schedule"** shall mean the Fee Schedule and Payment Guidelines for Clearing Services of National Settlement Depository, the document approved by NSD's Supervisory Board, which sets out the fees payable for clearing services by Clearing Participants and the payment procedure.
- 1.26. **"Trading Bank Account"** shall mean a bank account opened for a Clearing Participant or a Clearing Participant's Client with NSD, which is intended to keep records of cash that may be used to settle (secure) liabilities eligible for clearing or liabilities to pay fees to the Clearing House or other institutions under the Clearing Law.
- 1.27. **"Trading Securities Account"** shall mean a securities account opened for a Clearing Participant with NSD as Settlement Depository, which is intended to keep records of cash that may be used to settle (secure) liabilities eligible for clearing.
- 1.28. **"Authorized Representative"** shall mean the Bank of Russia, Public Creditor, Market Operator, Clearing Participant or another person authorized to provide a Trades Register to the Clearing House for clearing purposes.
- 1.29. **"Clearing Participant"** shall mean a person to which NSD as the Clearing House provides clearing services under a clearing services agreement entered into with such person.
- 1.30. Other terms shall be used within the meanings provided for by legislation of Russian Federation, EDI Agreement, parts of the Clearing Rules and NSD documents that describe the collateral management services process.

2. Main Provisions

- 2.1. These Clearing Rules establish the procedures for clearing activities by the Clearing House operating under licence for clearing activities No. 045-00004-000010 dated 20 December 2012. The Clearing Rules govern relationships arising in connection with the registration, determination, and execution of eligible-for-clearing liabilities, and other relationships arising in the course of NSD's clearing activities in the securities market.
- 2.2. These Clearing Rules are developed in accordance with the laws of the Russian Federation.
- 2.3. Special conditions of clearing transactions are provided in Parts II and III of the Clearing Rules. In case of contradiction to other provisions of the Clearing Rules, the provisions of Parts II and III, respectively, of the Clearing Rules shall apply.
- 2.4. NSD combines its clearing activities with depository activities performed under Professional Securities Market Participant Licence No. 045-12042-000100 dated 19 February 2009 for depository activities, and also performs banking transactions under Banking Licence No. 3294 dated 04 August 2016, assigns international securities identification numbers to Russian securities, and is engaged in other types of activities, subject to the restrictions imposed by the laws of the Russian Federation.
- 2.5. NSD acts as Clearing House, Settlement Depository, and Settlement Organization. Such activities are performed through separate business units of NSD.
- 2.6. Execution upon a Clearing Participant's or another person's assets held in a trading and/or clearing account or suspension of trading account or clearing account transactions shall not be

allowed with respect to any assets that are required for the settlement (discharge) of liabilities eligible for clearing no later than the business day next to the date when the Clearing House receives, in the manner provided for by the Clearing Law, a copy of the document that constitutes the ground for such execution upon assets or transaction suspension. Such execution upon assets or transaction suspension shall be possible with respect to the debtor's assets remaining following the settlement (discharge) of the Clearing Participant's liabilities upon their clearing, no later than the business day next to the date of receipt of the said document by the Clearing House.

- 2.7. The bank or another credit institution, or the securities depository, as the case may be, with which the trading account and/or clearing account holding the debtor's assets is held, shall comply with the writ of execution issued with respect to the relevant cash funds or securities, after the settlement of the Clearing House's instruction required to settle (discharge) the relevant liabilities under the Clearing Law using the account, but in any event no later than three days of the receipt of the writ of execution from the execution creditor or enforcement officer. The bank, or such other credit institution, or the securities depository, as the case may be, shall send a copy of the writ of execution to the Clearing House no later than the same day when the writ of execution is received.
- 2.8. The institution with which the trading or clearing account is held shall immediately comply with the seizure order issued with respect to the debtor's assets and provide the enforcement officer with the details of the debtor's accounts, the amount of debtor's cash funds and/or quantity of debtor's securities seized in each account, and inform the Clearing House of such seizure on the same day when the seizure is enforced.
- 2.9. No seizure of a debtor's assets cash or securities held in a trading or clearing accounts shall prevent from making, upon Clearing House's orders, any transactions required to settle (discharge) liabilities under the Clearing Law. In the event if such transactions are made, the institution with which the trading or clearing account is held shall be required to inform the enforcement officer of the amount of debtor's cash and/or quantity of debtor's securities remaining in the account following the completion of such transactions, no later than the next business day following their completion.
- 2.10. Information on the start and end times (duration) of an Operational Day shall be posted on the Web site. Information on time limits applicable to the acceptance of Clearing Participants' Instructions to clear certain types of trades, a Trades Register, or any other documents; time limits applicable to the issuance of reports/statements or any other documents; and time limits applicable to the execution of transactions shall be posted on the Web site.

3. Amendments to the Clearing Rules and NSD's Fee Schedule

- 3.1. Clearing House may unilaterally amend these Clearing Rules or NSD's Fee Schedule.
- 3.2. These Clearing Rules, NSD's Fee Schedule and any amendments hereto or thereto shall be approved in the prescribed manner by the Supervisory Board of NSD.
- 3.3. These Clearing Rules and any amendments hereto shall be subject to registration with the Bank of Russia. These Clearing Rules and any amendments hereto shall only take effect upon such registration.
- 3.4. These Clearing Rules, NSD's Fee Schedule and any amendments hereto or thereto shall take effect not earlier than five days after the disclosure of the Clearing Rules or such amendments in accordance with article 19 of the Clearing Law. Any amendments to these Clearing Rules related to the deletion from these Clearing Rules of arbitration provisions or to a change in the arbitration forum shall take effect not earlier than three months after the disclosure of such amendments in accordance with article 19 of the Clearing Law.
- 3.5. Clearing House shall notify any and all amendments to these Clearing Rules or to NSD's Fee Schedule to Clearing Participants by posting such amendments and a new version of these Clearing Rules or of NSD's Fee Schedule on Clearing House's Web site. Any such notice shall be deemed to have been given on the date when the relevant information is posted on Clearing

House's Web site. Clearing Participants shall be solely responsible for monitoring such information on Clearing House's Web site, and for receiving such information.

- 3.6. Clearing House shall allow free access to these Clearing Rules and NSD's Fee Schedule by any interested party (regardless of the purpose of receipt of such information), by posting these Clearing Rules or NSD's Fee Schedule, as the case may be, on the Clearing House's Web site.

4. Conclusion and Termination of the Agreement. Rights and Obligations of the Clearing House and Clearing Participants

- 4.1. Rights and obligations of the Clearing House and Clearing Participants shall be governed by the Agreement. Fees payable for clearing services and the payment procedure shall be set out in NSD's Fee Schedule.
- 4.2. Entering into the Agreement, constituting an accession agreement within the meaning of Article 428 of the Russian Civil Code, shall be performed by way of acceding to the clearing services agreement, terms and conditions of which are provided for by the Clearing Rules.
- 4.3. To accede to the Agreement, the Clearing Participant shall provide the following documents to the Clearing House:
- 4.3.1. an Application for Accession (Appendix 1 to these Clearing Rules) in electronic format via the User Account, or, if it cannot be submitted in electronic format, then in hard copy in two (2) originals;
- 4.3.2. Documents in accordance with the List of Documents to Be Submitted by Clients – Legal Entities to NSD, posted on the Web site.
- 4.4. If a Clearing Participant has already submitted all the necessary documents according to List of Documents to Be Submitted by Clients – Legal Entities to NSD, the Clearing Participant shall only be required to submit any documents and/or amendments thereto that have not been submitted earlier.
- 4.5. Within the time period not exceeding ten (10) business days, the Clearing House shall check the documents referred to in these Clearing Rules for completeness and accuracy of the information contained in the documents. Where it is necessary to provide any additional information and/or documents, the Clearing House may extend the said time period for no more than ten (10) business days following the date of receipt of the additional information and/or documents. Where the Clearing Participant has failed to provide or to provide in full required information and/or documents, the check thereof shall be deemed to have failed.
- 4.6. Provided that the Clearing House is satisfied with the check of the information and/or documents, the Clearing House shall, within two (2) business days after the completion of the check, notify the Clearing Participant of the Agreement entered into between the Clearing House and the Clearing Participant, either via the User Account or by mail.
- 4.7. Contractual relations between the Clearing House and the Clearing Participant under the Agreement shall arise with effect from the date specified in the notice of the Agreement.
- 4.8. The Clearing House shall provide clearing and related services to the Clearing Participant, and the Clearing Participant shall pay for such services.
- 4.9. Where the Clearing Participant has any objections against any fees charged for the clearing services, the Clearing Participant shall, by the 10th (tenth) day of the month next to the month in which the clearing services were provided, submit to the Clearing House a written declaration of objections stating the amounts challenged by the Clearing Participant. In January, a declaration of objections shall be submitted to the Clearing House no later than the 6th (sixth) business day of the month. If no declaration of objections is received by the Clearing House within the said timeframe, the fees shall be deemed to have been accepted, and the clearing services shall be deemed to have been provided in full.
- 4.10. A Clearing Participant may terminate the Agreement only if the Clearing Participant has no financial liabilities under the Agreement, or any unexecuted liabilities eligible for clearing, by

giving notice to the Clearing House in writing at least ten days prior to the proposed termination date.

- 4.11. The Clearing House may unilaterally terminate the Agreement, *inter alia*, if the Clearing Participant is in breach of these Clearing Rules and/or NSD's Fee Schedule, by giving notice to the Clearing Participant at least ten days prior to the proposed termination date. In this case the Clearing House shall not be required to reimburse the Clearing Participant for any damages incurred by the Clearing Participant as a result of such termination.
- 4.12. The Clearing House may terminate the Agreement with a Clearing Participant if the Clearing Participant fails to comply with the requirements imposed by these Clearing Rules on Clearing Participants. In this case the Clearing House shall not be required to reimburse the Clearing Participant for any damages incurred by the Clearing Participant as a result of such termination.
- 4.13. The Agreement shall terminate in the event of dissolution of the Clearing Participant as a result of its liquidation or reorganization, or as a result of the inactive Clearing Participant being struck off the Unified State Register of Legal Entities, save for reorganization through corporate reconstruction.
- 4.14. credit institutionThe termination of the Agreement shall not release the Clearing Participant or the Clearing House of their respective obligations which arose prior to the termination of the Agreement.

5. Provision of Information for the Purposes of Clearing Participant Identification or Currency Control, Information Security

- 5.1. Within the time limits specified in a Clearing House's request (but no less than three business days), a Clearing Participant shall provide the Clearing House with a copy of Clearing Participant's balance sheets, profit and loss accounts, corporate income tax and value added tax returns (stamped by the relevant tax authority to confirm their receipt), or any other documents or information specified in the Clearing House's request, including for the purposes of Clearing Participant or its clients identification, or for the purposes of compliance by the Clearing House with the requirements of the anti-money laundering and terrorist financing laws of the Russian Federation. The Clearing House may suspend transactions or terminate the Agreement should the Clearing Participant fail to provide documents requested by the Clearing House.
- 5.2. Where the laws of the Russian Federation require that a Clearing Participant, for the purposes of clearing, has to provide any documents, including documents governing legal relationships between the Clearing Participant and its clients, such documents shall be provided by the Clearing Participant to the Clearing House before the commencement of Instruction execution. Documents governing legal relationships between the Clearing Participant and its clients shall be provided by the Clearing Participant before the registration of its client's bank account details in accordance with Article 22 of these Clearing Rules.
- 5.3. The list of the documents required to be submitted to the Clearing House for the purposes of currency control is posted on the Clearing House's Web site. A Clearing Participant shall be allowed to submit such documents in electronic format in the manner prescribed by the EDI Agreement between the Clearing House and the Clearing Participant. If documents are submitted in hard copy, they must be authenticated by the Clearing Participant in the manner prescribed. In the absence of any documents required for currency control purposes, the Clearing House may extend the period of time for the execution of an Instruction received from the Clearing Participant or reject such Instruction.
- 5.4. Where a Clearing Participant, as a client, has already (upon entering into a securities account agreement) submitted all the necessary documents, and such documents have, as at the Agreement execution date, neither ceased to be in effect nor been amended, and the same persons continue to be authorized to give Instructions, such documents shall not be required to be re-submitted.
- 5.5. The Clearing House may request any additional documents from a Clearing Participant, and the Clearing Participant shall be required to provide such documents within the timeframe

specified in such request, which shall be no less than three business days of the receipt of such request.

- 5.6. A Clearing Participant shall ensure that all documents provided in accordance with Clearing Rules are up-to-date, accurate, and complete. A Clearing Participant shall promptly notify the Clearing House of any amendments to any documents submitted by the Clearing Participant upon entering into the Agreement, provide the Clearing House with documents supporting such amendments, and make necessary changes to the relevant details forms. Where a Clearing Participant fails to notify the Clearing House of any amendments made to any documents or provides incomplete or inaccurate information about such amendments, the Clearing House shall not be liable for any resulting damage sustained by the Clearing Participant.
- 5.7. Where a power of attorney is revoked before the expiry of its term of validity, the Clearing Participant shall, no later than the Operational Day preceding the revocation date, submit to the Clearing House a letter in any form notifying the Clearing House of the revocation date. Upon expiry of the term of validity of a power of attorney or upon appointment of a replacement attorney, a new power of attorney must be submitted to the Clearing House. On the business day immediately following the expiry date of a power of attorney, the Clearing House shall cease accepting Instructions and other documents from the Clearing Participant which are signed or submitted by the person whose power of attorney has expired, nor will any reports or other documents be issued to the person whose power of attorney has expired.
- 5.8. Where it is necessary to make any changes to a document confirming the appointment of an officer authorized to act on behalf of a Clearing Participant without a power of attorney, or to the bank details card, the Clearing Participant shall submit to the Clearing House such amended documents, at which point the earlier submitted documents will automatically cease to have any force or effect.
- 5.9. For the purpose of obtaining information on a legal entity, the Clearing House may use information concerning such legal entity from any official source, including from the Russian Federal Tax Service's electronic database.

6. The Procedure for Suspension or Discontinuance of a Clearing Participant's Access to Clearing Services

- 6.1. The Clearing House may suspend a Clearing Participant's access to clearing services in any of the following circumstances:
 - 6.1.1. if the Clearing House becomes aware of any circumstances that, in accordance with the Russian Federation laws or with the laws of the jurisdiction of incorporation of the Clearing Participant (if the Clearing Participant is a Russian non-resident), prevent the Clearing Participant from performing its obligations under transactions;
 - 6.1.2. if the Clearing Participant is in violation of the requirements set out in Article 5 of these Clearing Rules;
 - 6.1.3. upon restrictions by the authorized institutions in relation to the Clearing Participant for violation of the legislation of the Russian Federation;
 - 6.1.4. if the Clearing House becomes aware of a decision made by a foreign competent authority to suspend any special permit (license or similar authorization) held by the non-resident Clearing Participant, or of the termination of the international treaty under which the non-resident Clearing Participant is incorporated, or of any other circumstances affecting the non-resident Clearing Participant, as a result of which the provision of further services to such Clearing Participant becomes impossible;
 - 6.1.5. if, upon review of documents submitted by the Clearing Participant, there is any reason to suspect that the Clearing Participant has violated any laws;
 - 6.1.6. if the Clearing Participant fails to perform, or performs improperly, any of its obligations to the Clearing House under the Agreement;

- 6.1.7. if any restrictions are imposed on the dealing in securities held in the relevant Trading Securities Accounts;
- 6.1.8. if any restrictions are imposed on the dealing in cash funds held in the relevant Bank Accounts, including if cash funds held in Bank Accounts have been seized, or if transactions in the Bank Account are suspended. In this case, the sufficiency of the remaining cash funds for satisfaction of the Clearing Participants' existing liabilities shall be assessed subject to paragraphs 2.6 and 2.9 of these Clearing Rules.
- 6.2. As soon as the Clearing House becomes aware of the cessation of the circumstances that caused the Clearing Participant's access to clearing services to be suspended, the Clearing House shall resume the Clearing Participant's access to clearing services.
- 6.3. The Clearing House may discontinue a Clearing Participant's access to clearing services in any of the following circumstances:
 - 6.3.1. if the Securities Account Agreement (if any) with the Clearing Participant is terminated;
 - 6.3.2. if the professional securities market participant's license held by the Clearing Participant is revoked (cancelled);
 - 6.3.3. if a foreign competent authority institutes bankruptcy proceedings against the non-resident Clearing Participant (including an international organization), or the special permit (license or similar authorization) held by the non-resident Clearing Participant is withdrawn (cancelled), provided that such withdrawal results in bankruptcy proceedings, or if the international treaty under which the non-resident Clearing Participant is incorporated is terminated;
 - 6.3.4. if information is posted on a competent authority's official web site, according to which the Clearing Participant has been put on the list of organizations known to be involved in extremism or terrorism, or according to which a decision has been made to freeze cash or any other assets owned by the Clearing Participant who is reasonably suspected to be involved in terrorism (including financing of terrorism) where no ground exists for the Clearing Participant to be put on the aforementioned list;
 - 6.3.5. if a temporary administration is appointed to manage the business of a Clearing Participant being a credit institution, as part of measures taken to prevent its bankruptcy;
 - 6.3.6. if the Clearing Participant, on two or more occasions during a year, violated the requirements set out in these Clearing Rules.
- 6.4. The Clearing House shall discontinue a Clearing Participant's access to clearing services in any of the following circumstances:
 - 6.4.1. revocation (cancellation) of the Clearing Participant's banking licence;
 - 6.4.2. if the Clearing Participant being a non-credit institution is declared bankrupt by an arbitrazh court, and bankruptcy proceedings are instituted against the Clearing Participant;
 - 6.4.3. liquidation of the Clearing Participant.
- 6.5. Suspension of access to clearing services implies that the Clearing Participant may not give Instructions and/or that the Clearing House cannot accept for execution a Trades Register containing trades of the Clearing Participant whose access to clearing services has been suspended. If the Clearing Participant's access to clearing services is suspended, the Clearing House shall continue to clear the Clearing Participant's trades made before the Clearing Participant's access to clearing services has been suspended.
- 6.6. The Clearing House shall notify the Clearing Participant of suspension/discontinuance or resumption of the Clearing Participant's access to clearing services no later than the business day next to the business day when the Clearing Participant's access to clearing services was suspended/discontinued or resumed.

7. **Emergencies**

- 7.1. An emergency may include any situation or event that prevents the Clearing House from providing clearing services to Clearing Participants and/or performing its obligations to Clearing Participants, including:
 - 7.1.1. events that cause and/or set the scene for a failure of equipment operated by the Clearing House and/or that directly prevent the normal operation of such equipment (including force majeure events, as well as failures or malfunctions of telecommunication, power supply, or other vital systems, or any other events);
 - 7.1.2. military operations, acts of terrorism, subversion or sabotage, mass unrest, strikes, political regime change, or other political woes, either in the Russian Federation or in any other countries;
 - 7.1.3. decisions made by state authorities, agencies, instrumentalities, or organizations of the Russian Federation and/or any other countries;
 - 7.1.4. fires or other accidents, destructions, or significant damage affecting any premises occupied by the Clearing House;
 - 7.1.5. any other event that poses or may pose a threat to life or health of Clearing House's employees and/or Clearing Participants' employees.
- 7.2. A situation may be treated by the Clearing House as an emergency at the Clearing House's discretion.
- 7.3. Where the Clearing House decides to treat a situation as an emergency, the Clearing House shall:
 - 7.3.1. report the emergency and the measures being taken by the Clearing House in connection therewith to the Bank of Russia and Clearing Participants by using any means available to the Clearing House in the circumstances;
 - 7.3.2. upon approval by the Bank of Russia (provided that the obtainment of such approval was possible in the circumstances), suspend clearing services to Clearing Participants.
- 7.4. To respond to an emergency, the Clearing House may decide to:
 - 7.4.1. change the method, procedure, or dates of performance of obligations by Clearing Participants and/or by the Clearing House (upon approval by the Bank of Russia);
 - 7.4.2. take any other steps to deal with the emergency.
- 7.5. When making decisions for the purpose of responding to an emergency, the Clearing House may:
 - 7.5.1. set forth time limits for, and a method of, complying with Clearing House's decisions by Clearing Participants and the Clearing House;
 - 7.5.2. stipulate conditions for Clearing House's decisions to take effect.
- 7.6. Any measures taken by the Clearing House to respond to an emergency shall be reported to Clearing Participants no later than the date when such measures are taken, by any means of communications available to the Clearing House.
- 7.7. Until the end of an emergency, the Clearing House and Clearing Participants shall follow procedures stipulated by Clearing House's decisions upon approval by the Bank of Russia.
- 7.8. A decision stating that an emergency has come to an end shall be made by the Clearing House and communicated to Clearing Participants and the Bank of Russia.
- 7.9. The Clearing House shall not be liable for failure to perform or improper performance of its obligations under a clearing services agreement, provided that such failure or improper performance is caused by an emergency.

8. Confidentiality

- 8.1. The Clearing House and Clearing Participants shall treat any information that constitutes

commercial secret or is protected by bank secrecy or otherwise protected by law, information concerning any obligations cleared, and information concerning Trading Securities Accounts or Trading Bank Accounts and transactions therein, and information recorded in clearing registers, of which the Clearing House or Clearing Participants became aware in the course of clearing services, as confidential information and shall not disclose it to any third parties, other than Clearing Participant's and Clearing House's auditors, competent state authorities, and as required in accordance with the requirements of the laws of the Russian Federation, unless otherwise expressly agreed upon between the Clearing Participant and the Clearing House.

8.2. Confidential information may also be disclosed to:

- 8.2.1. Clearing Participants and their authorized representatives in connection with their own and their clients' trades, or to Clearing Participants in their capacity as counterparties under such trades;
- 8.2.2. Market Operator in connection with the clearing of trades made on a stock exchange;
- 8.2.3. the Bank of Russia within the scope of its jurisdiction, in connection with audits performed with respect to the Clearing House;
- 8.2.4. courts, law enforcement, and tax authorities, as well as to any other competent state authorities in connection with their activities in accordance with the laws of the Russian Federation;
- 8.2.5. the parent organization of the bank holding, of which the Clearing House is a member (in accordance with Article 26 of the Federal Law of 02.12.1990 No. 395-1 "On Banks and Banking Activities");
- 8.2.6. Moscow Exchange in connection with the performance of the EDI Agreement and/or the EDI Agreement with Moscow Exchange;
- 8.2.7. other persons with the consent of Clearing Participants.

9. Clearing Risks Management Measures

- 9.1. Clearing risk management and mitigation measures mean an array of interconnected activities intended to identify and prevent the occurrence of adverse events and to minimize damage caused by such events in the course of the conduct of clearing transactions and combining clearing activities with other types of activities.
- 9.2. A system of measures intended to manage risks inherent to clearing activities shall include activities aimed at the mitigation of the following types of risks: legal, operational, reputational, credit, system, market, custody, commercial, liquidity, and other risks, including risks arising from combining clearing activities with other types of activities. Such risks shall be managed in accordance with the applicable regulations issued by the Bank of Russia. To implement the risk management system, the Clearing House has established a separate department responsible for risk management. The key principle of risk management shall be the principle according to which risk management should be adequate to the scope and nature of transactions carried out by the Clearing House.
- 9.3. The measures intended to mitigate risks inherent to clearing activities shall include, without limitation, the following measures:
 - 9.3.1. the conduct of clearing activities by an independent department the exclusive functions of which include the conduct of clearing activities;
 - 9.3.2. keeping separate records for liabilities of each Clearing Participant in Clearing Registers;
 - 9.3.3. preparation of reports upon clearing of Clearing Pool trades for each Clearing Participant and issuance of such reports to Clearing Participants;
 - 9.3.4. imposition of initial requirements on Clearing Participants in accordance with these Clearing Rules;
 - 9.3.5. execution of trades on a "delivery versus payment" basis;

- 9.3.6. execution of trades (transfer of securities from / to Trading Securities Accounts and/or transfer of cash funds to / from Bank Accounts) only after the verification and confirmation of availability of sufficient quantity of securities in such Trading Securities Account and/or of cash amounts in such Bank Accounts for execution of trades;
- 9.3.7. for REPO contracts, where collateral has been provided for management by the Clearing House, the Clearing House, using the collateral management system and in the manner provided for by the applicable collateral management services agreement, has such collateral marked-to-market on a daily basis and makes margin calls if the collateral value is not sufficient in view of the changing market conditions;
- 9.3.8. imposition of restrictions on the use of temporarily free cash funds, with a breakdown by maturity and investment instruments and based on the liquidity analysis;
- 9.3.9. monitoring of spreads and liquidity ratios.
- 9.4. To ensure uninterrupted clearing activities in the event of emergencies, measures have been implemented, including a business continuity policy and other internal regulations, a business continuity management process, a backup office and a backup data processing center.
- 9.5. A complete list of clearing risks management measures is provided in the Clearing House's internal regulations defining the rules of organizing risk management system in the course of the conduct of clearing transactions and combining clearing activities with other types of activities.

10. Anticorruption provision

- 10.1. In compliance with the Russian laws, the Clearing House and Clearing Participants have in place and applies measures aimed at prevention of and fight against corruption. The Clearing House and Clearing Participants do not make anything that would be treated in accordance with the Russian laws as the giving or acceptance of a bribe or commercial bribery, and neither the Clearing House and Clearing Participants pay or provide or offer to pay or provide any cash or valuables, either directly or indirectly, to any person to exert influence on such person's behaviour or decisions with a view to obtaining any undue advantages or achieving any other inappropriate goals, or makes any other thing in violation of the Russian anticorruption laws.

11. Interaction between the Clearing House and Settlement Organizations, the Settlement Depository and Market Operators

- 11.1. Interaction between NSD's business units responsible for clearing operations and NSD's business units acting as a Settlement Organization that makes settlements in Trading Bank Accounts shall be governed by the Clearing House's internal regulations. Interaction shall be maintained in electronic form between the Clearing System and the Cash Settlement System.
- 11.2. Interaction between the Clearing House and other Settlement Organizations, document formats to be exchanged between them, and document transmission methods, shall be governed by agreements between the Clearing House and such Settlement Organizations, as well as by the terms and conditions of settlement services provided by each particular Settlement Organization. Information on Settlement Organizations shall be disclosed by the Clearing House in accordance with the laws of the Russian Federation on the Clearing House's Web site.
- 11.3. Interaction with the Bank of Russia in connection with post-clearing cash settlements through Correspondent Accounts shall be governed by agreements entered into by the Bank of Russia with the Clearing House and with Clearing Participants/ Clearing Participants' Clients, subject to Article 41 above that describes the procedure for clearing of trades in connection with cash settlements using Clearing Participants' / Clearing Participants' Clients' Correspondent Accounts with the Bank of Russia.
- 11.4. Interaction between NSD's business units responsible for clearing operations and NSD's business units acting as the Settlement Depository that makes post-clearing settlements of securities trades in Trading Securities Accounts shall be governed by the Clearing House's internal regulations. Interaction shall be maintained in electronic form between the Clearing

System and the Recordkeeping System.

- 11.5. Interaction between the Clearing House and a Market Operator in the course of clearing of trades made through the Market Operator, including document formats to be exchanged between them, and document transmission methods, shall be governed by the relevant agreement entered into between the Clearing House and the Market Operator. The list of Market Operators is available on Web site according to legislation of Russian Federation.

12. Resolution of Disputes

- 12.1. Any and all disputes, dissents, or claims arising out of the Agreement or directly or indirectly relating to the Agreement, including those relating to its execution, existence, amendment, performance, violation, termination, or validity, shall be resolved in arbitration by the Arbitration Center at the Russian Union of Industrialists and Entrepreneurs in accordance with its rules in effect on the date of the filing of the statement of claim. Any rulings issued by the arbitral tribunal shall be final and binding on the parties and may not be disputed.

13. Registration of Clearing Participants

- 13.1. The Clearing House shall only provide clearing services to Clearing Participants registered in accordance with the procedure set forth by these Clearing Rules.
- 13.2. The Clearing House shall register Clearing Participants in the Clearing System and assign to each Clearing Participant a unique code that will be used to identify the Clearing Participant. The code of a Clearing Participant shall be assigned by the Clearing House upon entering into an Agreement with the Clearing Participant. The Clearing Participant's details shall be recorded in the register of Clearing Participants.
- 13.3. Codes shall be assigned to Clearing Participants in accordance with the laws of the Russian Federation.
- 13.4. The Clearing House shall notify a Clearing Participant of the code assigned to the Clearing Participant by issuing to such Clearing Participant, at the Clearing Participant's request, an IS420 Form report along with the legal entity's details form stating the code assigned to the Clearing Participant.
- 13.5. Each Clearing Participant shall also be assigned a twelve-digit code by the Clearing House when registering the legal entity's details form, and each Clearing Participant shall be required to state such identification code in its Instructions. The twelve-digit identification code of the Clearing Participant's details form may be the same as the depository code assigned to the Clearing Participant upon entering into a securities account agreement with the Clearing Participant. A Clearing Participant may be assigned more than one identification code. Such codes are intended for identification of Clearing Participants in connection with the submission of Instructions and issuance of reports.

14. Maintenance of Clearing House's Clearing Registers

- 14.1. Within the Clearing System a database shall be kept in which information on the preparation and maintenance of the following registers shall be recorded on each Operational Day:
- 14.1.1. a register of Clearing Participants;
- 14.1.2. a register of Clearing Participants' Clients / clients of a Clearing Participant's Clients.
- 14.2. The register of Clearing Participants intended for identification of Clearing Participants shall include the following information:
- 14.2.1. Clearing Participant's full name;
- 14.2.2. Clearing Participant's code;
- 14.2.3. Clearing Participant's registered office;
- 14.2.4. Clearing Participant's telephone number, fax number, and e-mail address;
- 14.2.5. last name, first name, patronymic name, and the capacity of the Clearing Participant's chief

executive officer;

- 14.2.6. date of registration as a Clearing Participant;
- 14.2.7. information on the removal of the Clearing Participant from the register of Clearing Participants.
- 14.3. The register of Clearing Participants' Clients / clients of a Clearing Participant's Clients intended for identification of Clearing Participants' Clients / clients of a Clearing Participant's Clients shall include the following information:
 - 14.3.1. Clearing Participant's code;
 - 14.3.2. Clearing Participant's Client's code / the code of a client of the Clearing Participant's Client;
 - 14.3.3. taxpayer identification number (INN) of the Clearing Participant's Client / a client of the Clearing Participant's Client (series and number of the passport, or the code assigned by the Clearing Participant / a client of a Clearing Participant's Client – applicable to Russian non-residents and some other entities as provided for by the laws of the Russian Federation).
- 14.4. Clearing House's Registers shall be maintained in electronic format. Registers may be updated upon receipt from the Clearing Participant of information on any changes in any data provided earlier.
- 15. Termination of Access to Clearing Services and Termination of Liabilities as a Result of Bankruptcy of Clearing Participant, Determination of Net Liabilities**
 - 15.1. The Clearing House shall discontinue access to clearing services for a Clearing Participant being a credit institution (save for the calculation by the Clearing House of the Clearing Participant's net liabilities and, if necessary, the recording of the termination of the Clearing Participant's liabilities for any transactions made before the license revocation date) in the event of the revocation of the Clearing Participant's banking license, no later than the date next to the date of its revocation by the Bank of Russia.
 - 15.2. Liabilities under any transactions made by the Clearing Participant being a credit institution prior to the license revocation date shall terminate in full on the date next to the date of the Clearing Participant's banking license revocation.
 - 15.3. The revocation of the banking license held by the Clearing Participant as a credit institution shall be confirmed by a written or electronic notice sent to the Clearing House by the Bank of Russia or by the information on the Bank of Russia's decision to revoke the Clearing Participant's banking license, as posted on the Bank of Russia's official website.
 - 15.4. The Clearing House shall discontinue access to clearing services for a Clearing Participant that is not a credit institution (the "non-credit Clearing Participant") where the non-credit Clearing Participant is adjudicated bankrupt by an arbitrazh court and put into receivership, from the date next to the date of the arbitrazh court's ruling adjudicating the non-credit Clearing Participant bankrupt and putting the non-credit Clearing Participant into receivership (save for the calculation by the Clearing House of the non-credit Clearing Participant's net liabilities, or, where applicable, the recording of termination of the non-credit Clearing Participant's liabilities under any transactions entered into before the date of the arbitrazh court's ruling adjudicating the non-credit Clearing Participant bankrupt and putting the non-credit Clearing Participant into receivership).
 - 15.5. Liabilities under any transactions made by the non-credit Clearing Participant shall terminate in full on the date next to the date of the arbitrazh court's ruling adjudicating the non-credit Clearing Participant bankrupt and putting the non-credit Clearing Participant into receivership.
 - 15.6. If a decision is taken to discontinue access to clearing services under paragraph **Ошибка!** **Источник ссылки не найден.** of these Clearing Rules, the Clearing House shall discontinue access to clearing services for a Clearing Participant that is either a Russian non-resident or an international organization (the "non-resident Clearing Participant") from the date next to the date when the Clearing House became aware of a foreign competent authority's decision to

initiate bankruptcy proceedings against the non-resident Clearing Participant, or next to the date of revocation (cancellation) of the special permit (license or another authorization) where such revocation results in the initiation of bankruptcy proceedings, or upon termination of the international treaty under which the non-resident Clearing Participant is established (save for the calculation by the Clearing House of the Clearing Participant's net liabilities or, where applicable, the recording of termination of the non-resident Clearing Participant's liabilities under any transactions entered into before the date when the Clearing House became aware of a foreign competent authority's decision to initiate bankruptcy proceedings against the non-resident Clearing Participant, or before the date of revocation (cancellation) of the special permit (license or another authorization) where such revocation results in the initiation of bankruptcy proceedings, or before termination of the international treaty under which the non-resident Clearing Participant is established).

- 15.7. Liabilities under any transactions made by the non-resident Clearing Participant shall terminate in full on the date next to the date when the Clearing House became aware of the foreign competent authority's decision to initiate bankruptcy proceedings against the non-resident Clearing Participant, or next to the date of revocation (cancellation) of the special permit (license or another authorization) where such revocation results in the initiation of bankruptcy proceedings, or upon termination of the international treaty.
- 15.8. If a temporary administration is appointed to manage the business of a Clearing Participant being a credit institution, as part of measures taken to prevent its bankruptcy, the Clearing House may, on the date when such temporary administration is appointed, decide to:
 - 15.8.1. discontinue such Clearing Participant's access to clearing services;
 - 15.8.2. terminate the liabilities under any transactions to which such Clearing Participant is a party;
 - 15.8.3. calculate such Clearing Participant's net liabilities in accordance with Clearing Rules.
- 15.9. Where a decision is made in accordance with paragraph 15.8 of Clearing Rules, the liabilities under the transactions to which such Clearing Participant is a party shall terminate in full on the date next to the date when such decision is made.
- 15.10. The Clearing House shall give notice to such Clearing Participant of the decision made in accordance with paragraph 15.8 of Clearing Rules. Such notice shall be given no later than the date when the decision is made, by electronic data interchange.
- 15.11. Liabilities terminate when net liabilities or net claims of Clearing Participant arise against other Clearing Participants and its counterparties in relation to trades settled in accordance with Clearing Rules.
- 15.12. Special conditions of net liabilities determination are provided in **Ошибка! Источник ссылки не найден.** and **Ошибка! Источник ссылки не найден.** of these Clearing Rules. Where a Clearing Participant's net liabilities are to be determined for trades made in more than one market, a common procedure shall be used to determine such net liabilities.
- 15.13. Where the net liabilities calculated are positive, it means that the Clearing Participant has a net claim against the counterparty Clearing Participant. Where the net liabilities calculated are negative, it means that the Clearing Participant has net liabilities to the counterparty Clearing Participant.
- 15.14. The Clearing House shall give notice of the net liabilities under the transactions to the Clearing Participant within three Operational Days following the liabilities termination date, unless the net liabilities are calculated subject to the preliminary calculation of net liabilities made by Central Counterparty National Clearing Centre (CCP NCC) under CCP NCC's Clearing Rules and provided to the Clearing House in accordance with paragraph 23.6 of these Clearing Rules.
- 15.15. The Clearing House shall also give notice of the net liabilities under the transactions to the counterparty Clearing Participants within the same time limits.

PART II CLEARING IN THE SECURITIES MARKET

16. Key Terms and Definitions of clearing in the securities market

- 16.1. **“DVP-1”** shall mean a settlement type without the netting of matching liabilities in respect of securities transfers and cash payments (settlements for each individual trade, in real time, on a trade-by-trade basis).
- 16.2. **“DVP-2”** shall mean a settlement type with the netting of matching liabilities in respect of cash payments, but without the netting of matching liabilities in respect of securities transfers.
- 16.3. **“DVP-3”** shall mean a settlement type with the netting of matching liabilities in respect of securities transfers and cash payments.
- 16.4. **“Bank Account with a Foreign Bank”** shall mean a bank account opened for a Clearing Participant or a Clearing Participant’s Client with a Foreign Bank and intended for cash settlements upon clearing of a trade.
- 16.5. **“Public Creditor”** shall mean an executive authority or any financial institution in charge of cash management with respect to cash funds owned by the Russian Federation.
- 16.6. **“Foreign Bank”** shall mean a foreign bank with which Bank Accounts are opened for Clearing Participants or Clearing Participants’ Clients, intended for cash settlements upon clearing of a trade, with respect to which NSD as a Clearing House is authorized to execute transactions and receive reports.
- 16.7. **“Correspondent Account”** shall mean a Clearing Participant’s / Clearing Participant’s Client’s correspondent account with the Central Bank of the Russian Federation (the “Bank of Russia”), with respect to which the Clearing House is authorized to submit requests for cash reservation and requests for discontinuance of cash reservation, receive information on cash reservations, and submit collection orders for the discharge of liabilities upon clearing of a trade, in accordance with an agreement entered into with the Clearing House for cash settlement of securities trades cleared by NSD.
- 16.8. **“Recordkeeping System”** shall mean a set of software and hardware, databases, telecommunications, and other equipment and software application being used for the purposes of depository operations at the Settlement Depository.
- 16.9. **“Designated Technical Account”** shall mean an account which is intended to be used for the purpose of settling liabilities upon clearing of trades. A Designated Technical Account is not intended to be used for the purpose of keeping records of rights to securities.
- 16.10. **“List of Subjects of Liabilities”** shall mean a list of subjects of liabilities under contracts entered into other than in the course of on-exchange trading.

17. Clearing Methods in the securities market

- 17.1. The Clearing House shall clear trades wherein liabilities are identified and settlements in securities and cash are made for each individual trade.
- 17.2. The Clearing House shall clear trades wherein liabilities of each Clearing Participant are identified and settlements in securities and cash are made for all Clearing Pool trades.
- 17.3. The Clearing House shall clear trades without involvement of a central counterparty.
- 17.4. The Clearing House shall clear trades without using collateral to secure liabilities eligible for clearing. A sufficient amount of cash required for trade settlement shall be available in Bank Accounts, and a sufficient quantity of securities shall be available in Trading Securities Accounts, as at the start of trade settlement or as at the start of building up a Clearing Pool.
- 17.5. The Clearing House shall clear trades made on stock exchanges, as well as OTC trades.
- 17.6. Trades may be cleared as follows:
 - 17.6.1. without the netting of matching liabilities in respect of securities transfers and cash payments (settlements for each individual trade, on a trade-by-trade basis) (DVP-1);

- 17.6.2. with the netting of matching liabilities in respect of cash payments, but without the netting of matching liabilities in respect of securities transfers (DVP-2);
- 17.6.3. with the netting of matching liabilities in respect of securities transfers and cash payments (DVP-3).
- 17.7. DVP-1 settlements shall be made during the Operational Day, within the following time limits:

Time	Description of actions
T	Check of the sufficiency of cash funds and securities for execution of Instructions
T + 15 min.	Preparation of a summary list of cash liabilities upon clearing of trades
	Preparation of an instruction for the performance of a depository transaction called "Transfers upon clearing of trades by NSD" (transaction code – 18/k)
	Preparation of settlement documents on the basis of a summary list of liabilities upon clearing of trades, and sending such documents to the Settlement Organization
S	Receipt of information from the Settlement Organization regarding the crediting and/or debiting of cash funds
S + 15 min.	Sending a Clearing House's instruction for the performance of a depository transaction called "Transfers upon clearing of trades by NSD" (transaction code – 18/k) in the Recordkeeping System, and effecting transfers of securities
	Issuance of settlement reports to Clearing Participants

- 17.8. DVP-2 or DVP-3 settlements shall be made during Clearing Sessions with the building up of a Clearing Pool.
- 17.9. A Clearing Participant shall be liable for consequences that may result from inaccurate or erroneous information, or any other information inconsistent with the terms and conditions of a contract, in the Clearing Participant's Instruction.
- 17.10. For the purpose of clearing trades made by the Bank of Russia, the provisions of these Clearing Rules shall apply subject to the requirements set forth by the Russian laws on the Central Bank of the Russian Federation.
- 17.11. For the purpose of clearing trades made by the Federal Treasury that, in accordance with these Clearing Rules, acts as a Public Creditor, the provisions of these Clearing Rules shall apply subject to the requirements of the Russian Federation laws on the Federal Treasury.
- 17.12. For the purpose of clearing trades made by any other Public Creditor, the provisions of these Clearing Rules shall apply subject to the requirements of the Russian Federation laws that govern activities of such Public Creditor.

18. Electronic Data Interchange of clearing in the securities market

- 18.1. Information and documents in electronic format shall be interchanged in accordance with the EDI Agreement entered into with a Clearing Participant. For electronic data interchange with the Clearing House, a Clearing Participant may use NSD's electronic data interchange system ("NSD's EDI System") and/or SWIFT. Procedures for electronic data interchange and the use of a particular channel for communication with the Clearing House, procedures for the use of an electronic signature or other equivalents of handwritten signatures, codes, passwords, or other authentication means allowing to verify the authorship and ensuring the integrity and confidentiality of electronic documents shall be governed by the EDI Agreement. A standard form of the EDI Agreement and electronic message formats (specifications), as well as other documents setting forth terms and conditions for electronic data interchange between the Clearing House and Clearing Participants are available on the Clearing House's Web site.
- 18.2. In addition to the electronic documents listed in the EDI Agreement, Clearing Participants may

prepare and send to the Clearing House, using the agreed electronic communication channels specified in the EDI Agreement, electronic documents listed and described in Table 1 below, and the Clearing House may prepare and send to Clearing Participants electronic documents listed and described in Table 2 below. In all other respects, the procedures for preparing files containing an electronic document(s) shall meet the general requirements of the EDI Agreement.

Table 1

Electronic Document Name (Document Type)	1st Character in the File Name	5th and 6th Characters in the File Name	7th and 8th Characters in the File Name	Electronic Document Category
Instruction (appendices to the Instruction, if necessary)	K	Transaction code	Unique number of the file containing the electronic document for the date specified	Γ

Table 2

Electronic Document Name (Document Type)	1st Character in the File Name	Electronic Document Category
Transactions Report (Instruction Non-Execution Report)	Z	B
Notice of Acceptance (Rejection) of an Instruction/Order for Execution	K	B

- 18.3. Formats and specifications of electronic messages to be interchanged between the Clearing House and Clearing Participants are described in the EDI Agreement and on the Clearing House's Web site. To view electronic documents received via NSD's EDI System and to print them out, the Clearing House and Clearing Participants may use the software specified in Table 3 below.

Table 3.

Electronic Document Name (Document Type)	Software for Viewing Electronic Documents and Printing them out
Instruction	NSD's EDI System's Local Interface Software
Transactions Report (Instruction Non-Execution Report)	NSD's EDI System's Local Interface Software
Notice of Acceptance (Rejection) of an Instruction/Order for Execution	NSD's EDI System's Local Interface Software

- 18.4. Electronic documents shall be prepared, transmitted, received, and processed by the Clearing House and Clearing Participants using the SWIFT network in accordance with the EDI Agreement.
- 18.5. In the course of electronic data interchange between the Clearing House and Clearing Participants or other persons in accordance with the applicable laws of the Russian Federation and these Clearing Rules, it shall be allowed to use an equivalent of a handwritten signature, codes, passwords, or other authentication means required to ascertain that a message comes from a person, who has a right to sign this document.
- 18.6. For the purpose of verifying the authorship and ensuring integrity and confidentiality of electronic documents sent via NSD's EDI System, the Clearing House and Clearing Participants shall use cryptographic tools, cryptographic keys (the relevant electronic signature verification key certificates) received in the manner provided for by the EDI Agreement.
- 18.7. When issuing, certifying, or replacing, as scheduled, cryptographic keys, or in the event that cryptographic keys are compromised, the Clearing House and Clearing Participants shall follow the requirements of the EDI Agreement.
- 18.8. Electronic documents (messages) interchanged between the Clearing House and a Clearing Participant and signed either with an electronic signature of the Clearing House or the Clearing Participant in NSD's EDI System, or with its equivalent in the SWIFT system, shall have the same validity as hard copy documents signed by representatives and under the corporate seals of the Clearing House and/or the Clearing Participant (regardless of whether or not such documents also exist in hard copy).
- 18.9. A Clearing House's or Clearing Participant's representatives shall be authorized to sign electronic documents with an electronic signature in NSD's EDI System by virtue of law and/or under their respective constituent documents, or under a power of attorney.
- 18.10. A Clearing House's or Clearing Participant's representative acting by virtue of law and/or under the their respective constituent documents shall be authorized to sign any and all electronic documents originating from the Clearing House or the Clearing Participant, as the case may be, in NSD's EDI System (including any and all transit electronic documents) in the course of performance of any agreement between the Clearing Participant and NSD.
- 18.11. A Clearing House's or Clearing Participant's representative acting under a power of attorney shall be authorized to sign only those types of electronic documents in NSD's EDI System which are specified by the Clearing House or the Clearing Participant, as the case may be, in the power of attorney.
- 18.12. The Clearing House or a Clearing Participant may also sign any and all electronic documents originating from the Clearing House or the Clearing Participant (as the case may be) (including any and all transit electronic documents) in the course of performance of any agreement between the Clearing Participant and NSD by using an electronic signature key the electronic signature verification key certificate owner with respect to which is the Clearing Participant as a legal entity. When activating such electronic signature verification key certificate in NSD's EDI System, NSD may record, in NSD's EDI System, a Clearing Participant's representative acting by virtue of law and/or under the Clearing Participant's constituent documents as the owner of such certificate.
- 18.13. A Clearing House's or Clearing Participant's representative shall have the above authority to sign electronic documents with an electronic signature by using any and all then valid electronic signature keys, and such certificates are owned by the Clearing House's or Clearing Participant's representative (as the case may be), as well as by the Clearing House or the Clearing Participant (as the case may be) as a legal entity.
- 18.14. The Clearing House and Clearing Participants acknowledge that cryptographic tools being used by them for the purpose of generating an electronic signature and the data encryption process are sufficient to ensure electronic document confidentiality and to make sure that the relevant electronic document:

- 18.14.1. is originated by the Clearing House or the Clearing Participant (electronic document authorship verification);
- 18.14.2. has not been changed in the course of electronic data interchange between the Clearing House and the Clearing Participant (electronic document integrity verification).
- 18.15. In the course of electronic data interchange via SWIFT, the Clearing House and Clearing Participants shall use cryptographic tools and valid keys prescribed in the SWIFT network for use by the Clearing House or the Clearing Participant (as the case may be). Procedures for the use of cryptographic tools in the SWIFT network shall be governed by the SWIFT rules. Specific procedures for electronic data interchange between the Clearing House and the Clearing Participant via SWIFT shall be governed by the EDI Agreement.

19. Requirements to Clearing Participants of clearing in the securities market

- 19.1. The Clearing House shall provide clearing services to legal entities that meet the following requirements:
 - 19.1.1. they must have entered into an Agreement with the Clearing House;
 - 19.1.2. they must have entered into a securities account agreement with the Settlement Depository;
 - 19.1.3. they must have entered into an EDI Agreement with the Clearing House;
 - 19.1.4. they must conclude a collateral management services agreement with NSD (only for REPO transactions clearing services);
 - 19.1.5. they must comply with the Clearing House's requirements, including the requirements to provide documents and information in accordance with Clearing Rules.
- 19.2. To make cash settlements upon clearing of trades, a Clearing Participant / Clearing Participant's Client shall open a Trading Bank Account with NSD, or a Bank Account with a Foreign Bank, or a Correspondent Account with the Bank of Russia.
- 19.3. The Clearing House shall assign the Federal Treasury the following Clearing Participant category: "Federal Treasury".
- 19.4. Other requirements to Clearing Participants, as well as Clearing Participant's rights and obligations, are set out in Part II of these Clearing Rules.

20. Registration of Clearing Participants' Clients (Clients of a Clearing Participant's Clients)

- 20.1. The Clearing House shall clear liabilities that may be settled at the expense of Clearing Participants' Clients.
- 20.2. A Clearing Participant may register such Clearing Participant's Clients with the Clearing House. Where cash settlements upon clearing of trades are to be made through Bank Accounts opened in the name of Clearing Participant's Clients, such Clearing Participants' Clients must also be registered with the Clearing House.
- 20.3. To register a Clearing Participant's Client, the Clearing Participant shall submit, either in electronic format or in hard copy, an Instruction to register the details form of the Clearing Participant's Client (Form AF005), accompanied by a legal entity's details form (Form AA001) or an individual's details form (Form AA006), as the case may be, which must specify the unique identification code assigned to the Clearing Participant's Client by the Clearing Participant in accordance with the requirements of the laws of the Russian Federation. The Guidelines for Registration of Clearing Participants' Clients and Assignment of Clearing Participants' Clients Codes at NSD are available on the Clearing House's Web site. The Clearing Participant shall be responsible for ensuring that the client's code generated by the Clearing Participant is unique and authentic. Upon completion of a transaction, the Clearing Participant shall be issued a report (Form AS005) accompanied by the details form of the Clearing Participant's Client, as registered in the Clearing System, and stating the code assigned to the Clearing Participant's Client. Details of Clearing Participants' registered Clients shall be recorded in the register of Clearing Participants' Clients.

- 20.4. A Clearing Participant's Client shall be assigned a unique code in the Clearing System. In addition, the Clearing Participant's Client shall be assigned a twelve-digit identification code of the details form, which the Clearing Participant shall be required to state in Instructions for the purpose of identifying its client. The twelve-digit identification code of the Clearing Participant's Client's details form will also be specified in reports issued to the Clearing Participant.
- 20.5. If the details form for a particular Clearing Participant's Client has already been registered with the Settlement Depository as a details form of the client of the Settlement Depository's client who is also a Clearing Participant, and the twelve-digit code has already been assigned to such client in accordance with these Clearing Rules, it shall not be required to re-submit the details form for such Clearing Participant's Client. It shall be sufficient to submit an Instruction to make changes in the earlier registered details form by specifying the code of the Clearing Participant's Client assigned in accordance with the laws of the Russian Federation. Where the twelve-digit code of the client was generated other than in accordance with these Clearing Rules, it shall be required to submit a new details form for such Clearing Participant's Client.
- 20.6. Where it is necessary to provide additional information to the Clearing House for the purposes of identification of a Clearing Participant's Client, the Clearing Participant must provide such information requested by the Clearing House within the time limits specified in such request.
- 20.7. Upon request by a Clearing Participant, the Clearing House shall register a client of a Clearing Participant's Client. The client of the Clearing Participant's Client shall be registered on the basis of a Clearing Participant's Instruction (Form AF005), accompanied by a legal entity's details form (Form AA001) or an individual's details form (Form AA006), as the case may be, for the client of the Clearing Participant's Client, which must specify the unique identification code assigned to the client of the Clearing Participant's Client by the Clearing Participant in accordance with the requirements of the laws of the Russian Federation. The identification code of the client of the Clearing Participant's Client shall be generated and registered in the same manner as applicable to registration of Clearing Participants' Clients and to assignment of identification codes to them.
- 20.8. In addition, the client of the Clearing Participant's Client shall be assigned a twelve-digit identification code of the details form, which the Clearing Participant shall be required to state in Instructions for the purpose of identifying the client of the Clearing Participant's Client. The twelve-digit identification code of the client of the Clearing Participant's Client's details form will also be specified in reports issued to the Clearing Participant.

21. Trading Accounts of clearing in the securities market

- 21.1. The Clearing House may use Trading Bank Accounts and Trading Securities Accounts with NSD for holding cash and securities, respectively, earmarked for the execution of liabilities eligible for clearing in accordance with these Clearing Rules. When opening trading accounts, the Clearing House shall be designated as an entity authorized to issue orders with respect to such trading accounts. Transactions in trading accounts shall be carried out either pursuant to orders issued by the Clearing House, without orders from the person in whose name the trading account is opened, or pursuant to orders issued by the person in whose name the trading account is opened, with the consent of the Clearing House.
- 21.2. The Clearing House shall give its consent to transactions in a trading account pursuant to an order issued by the person in whose name the trading account is opened, or by any other person in the cases provided for by the Russian laws, provided that such transaction will not result in a violation of any provisions of these Clearing Rules, as related to the execution of liabilities upon clearing of the relevant trade.
- 21.3. The procedure for opening Trading Securities Accounts, their types, and procedures for making Trading Securities Account transactions shall be set out in a securities account agreement between the Settlement Depository and a Clearing Participant.
- 21.4. The following types of Trading Securities Accounts may be opened for Clearing Participants:

- 21.4.1. an Owner Trading Securities Account intended for recording a Clearing Participant's title to or any other interest in securities;
- 21.4.2. a Trustee Trading Securities Account intended for recording a trustee's rights in and to securities held by a Clearing Participant in trust;
- 21.4.3. a Nominee Trading Securities Account intended for recording rights in and to securities that are not owned by a Clearing Participant but held by such Clearing Participant as a nominee on behalf of its clients;
- 21.4.4. a Foreign Nominee Trading Securities Account intended for recording rights in and to securities that are not owned by a foreign Clearing Participant but held by such foreign Clearing Participant as a nominee on behalf of its clients;
- 21.4.5. a Trading Treasury Securities Account intended for recording rights of an issuer (or a person liable for such securities) with respect to securities issued by such issuer (person).
- 21.5. More than one Trading Securities Account of the same type may be opened for a Clearing Participant.
- 21.6. For the purpose of holding securities that may be used in the execution of liabilities upon clearing of trades, the following types of sub-accounts may be opened within a Trading Securities Account: "Main", "Main Client's", "Main (Additional)", or "For Settlement of Repo Transactions".
- 21.7. Transfers of securities to and from Trading Securities Accounts shall be made either on the basis of orders issued by the Clearing House or with the Clearing House's consent in the manner provided for in the securities account agreement entered into with the Clearing Participant. The Clearing House shall give its consent to transactions in a Trading Securities Account on the basis of a Clearing Participant's instruction, subject to compliance with all of the terms and conditions of such transactions and with these Clearing Rules, *inter alia*, provided that a sufficient quantity of securities is available in the securities sub-account specified in the instruction. The time limit for the execution of a depository transaction may be extended by the time required to verify the availability of a sufficient quantity of securities and cash and to build up a Clearing Pool in accordance with these Clearing Rules.
- 21.8. The Clearing House shall give its consent to any transactions involving the transfer of securities to a Trading Securities Account pursuant to an instruction issued by the person in whose name the Trading Securities Account is opened.
- 21.9. The transfer of securities from Trading Securities Accounts with NSD pursuant to a Clearing Participant's instruction shall not be allowed during the period when a Clearing Pool is being built up and settlements are being made upon clearing of trades. At any other time, the Clearing House shall give its consent to the transfer of securities from Trading Securities Account without any further request to the Clearing House.
- 21.10. When transferring securities to or from a Nominee Trading Securities Account or a Foreign Nominee Trading Securities Account held by a Clearing Participant with NSD, such transactions shall be carried out through trading securities accounts opened with the Clearing Participant's securities depositories for which NSD is designated as a Clearing House.
- 21.11. The Clearing House shall give its consent to any transaction in a trading securities account opened with a Clearing Participant's securities depository, including the closing of the trading securities account. Such consent shall be valid until being revoked by the Clearing House from the said securities depository, or until the Clearing House gives to the said depository another order setting forth different terms and conditions of making transactions in the said trading securities account.
- 21.12. A Clearing Participant shall immediately notify the Clearing House of any seizure of any securities held in a trading securities account with such Clearing Participant's securities depository. Such notice shall be given in the manner required by the applicable nominee's securities account agreement or foreign nominee's securities account agreement.

- 21.13. A Trading Securities Account held with the Settlement Depository may be closed with the consent of the Clearing House. The Clearing House may withhold its consent to the closing of a Clearing Participant's Trading Securities Account only if it is necessary to complete settlements upon clearing of trades.
- 21.14. Trading Securities Account transactions for the performance of which no instruction is required from the Clearing Participant in whose name such Trading Securities Account is opened, including transactions carried out on the basis of a decision of the issuer (or the person liable for such securities) when consolidating securities issues due to the cancellation of an individual number (code) of an additional issue of securities or due to the acquisition of securities of an open joint-stock company at the request of the person who has acquired more than 95 per cent of shares in the open joint-stock company, or in any other cases stipulated by the Russian Federation laws, shall be carried out without the consent of the Clearing House.
- 21.15. A Designated Technical Account may be used for the execution of liabilities upon clearing of trades in securities, which is not intended for recording of rights to securities. Transfers of securities to or from a Designated Technical Account may only be made on the basis of Clearing House's orders issued upon clearing of trades. No securities may be left in the Designated Technical Account after the execution of liabilities upon clearing of trades.
- 21.16. To make cash settlements upon clearing of trades it shall be allowed to use Trading Bank Accounts opened for Clearing Participants or for their clients with NSD acting as a Settlement Organization. Trading Bank Accounts may include a special brokerage account or a special trading account of the Clearing Participant.
- 21.17. A procedure for opening Trading Bank Accounts and for transfer of cash to or from such Trading Bank Accounts shall be governed by these Clearing Rules and by bank account agreements between NSD and Clearing Participants' Clients. A Trading Bank Account shall be opened on the basis of an application filed by a Clearing Participant or a Clearing Participant's Client.
- 21.18. In order to be able to participate in settlements upon clearing of trades, a Clearing Participant or a Clearing Participant's Client shall transfer cash to a Trading Bank Account.
- 21.19. The following types of Trading Bank Accounts may be used to make settlements upon clearing of trades:
- 21.19.1. Trading Bank Accounts of Russian residents / non-residents in Russian rubles;
- 21.19.2. Trading Bank Accounts of Russian residents / non-residents in a foreign currency.
- 21.20. The list of currencies in which cash funds held in Trading Bank Accounts may be denominated is set out in NSD's List of Subjects of Liabilities, as posted on the Clearing House's Web site.
- 21.21. Before executing a Clearing Participant's Instruction, the Clearing House shall verify that the Trading Bank Account registered by the Clearing Participant for the performance of settlements upon clearing of trades has neither been closed, nor blocked.
- 21.22. For the purpose of debiting cash funds from a Trading Bank Account, the Clearing Participant or the Clearing Participant's Client in whose name the Trading Bank Account is opened shall submit to NSD an order to transfer cash funds in the manner prescribed by laws of the Russian Federation and the bank account agreement. Trading Bank Account transactions shall be executed with the consent of the Clearing House in accordance with these Clearing Rules and the relevant bank account agreement.
- 21.23. The Clearing House shall give its consent to the Settlement Organization for the crediting of cash funds to Trading Bank Accounts.
- 21.24. The Clearing House shall give its consent to the debiting of cash funds from a Trading Bank Account from the moment of completion of cash settlements in the last Clearing Session on the then current Operational Day until the moment when information on the cash balances in Bank Accounts is submitted to the Clearing System before the commencement of the first Clearing

Session on the next business day.

- 21.25. For the execution of cash liabilities upon clearing of trades, separate accounts opened with the Clearing House to record clearing results (*i.e.*, to record liabilities of Clearing Participants and other persons upon clearing of trades) shall be used.

22. Registration of Bank Account Details of clearing in the securities market

- 22.1. For the purpose of cash settlements upon clearing of trades, a Clearing Participant shall register the details of the Bank Accounts to be used in such settlements in the Clearing System by submitting, either in hard copy or in electronic format, an Instruction for Registration of Bank Account Details (Form AF005) accompanied by a Notice of Bank Account Details (Form GF088) (transaction code – 07, code of the purpose of bank account details – 14 “For clearing settlements”). The transaction shall be completed subject to submission to the Clearing House of the following documents:
- 22.1.1. a notice (Form D03). By submitting such notice, a Clearing Participant acknowledges that the Clearing Participant is authorized to specify in Instructions the details of the Bank Account stated in the notice, and that the terms and conditions of the Bank Account allow the Clearing House to receive Bank Account balance statements and statements showing debit and credit transactions;
- 22.1.2. a document confirming the right of the Clearing House to process transactions through the Bank Account of the Clearing Participant or of the Clearing Participant’s Client when making settlements upon clearing of trades (if applicable);
- 22.1.3. documents establishing legal relationships between the Clearing Participant and its clients (such documents are to be submitted only if such documents are necessary for the performance by the Clearing House of the functions of a currency control agent in accordance with the laws of the Russian Federation).
- 22.2. If a Trading Bank Account is owned by a Clearing Participant’s Client, the notice (Form D03) must be signed by the Clearing Participant and the Clearing Participant’s Client.
- 22.3. Bank Account details shall be registered in relation to a particular sub-account within a Trading Securities Account through which settlements in respect of securities are to be made. A single notification may contain Bank Account details for several sub-accounts within Trading Securities Accounts.
- 22.4. Where it is necessary to make changes to the earlier registered Bank Account details for the purpose of clearing settlements or for registration of Bank Account details for new Clearing Participant’s Clients, the Clearing Participant shall submit a new Instruction for Registration of Bank Account Details accompanied by a new Notice of Bank Account Details. Upon completion of such transaction, the earlier registered Bank Account details corresponding to the specified securities sub-account under purpose code 14 “For clearing settlements” will be cancelled. The new notice must state both the new Bank Account details corresponding to the specified securities sub-account and the Bank Account details which continue to apply to that securities account.
- 22.5. Where a Clearing Participant is a credit institution and entered into a master agreement with the Bank of Russia under which REPO transactions are to be made, or a master agreement for purchase (sale) of securities under REPO contracts with the Federal Treasury or another Public Creditor, the Clearing Participant shall be also required, before entering into its first transaction with the Bank of Russia or the Federal Treasury or such other Public Creditor, to register the details of the Trading Bank Accounts which will be used to make cash settlements, by submitting to the Clearing House an Instruction for Registration of Bank Account Details (transaction code – 07, code of the purpose of bank account details – 17 “For REPO transactions”). The Bank Account details specified in the said Instruction must have been earlier registered by the Clearing Participant as the Bank Account details for clearing settlements (code of the purpose of bank account details – 14) in respect of the Clearing Participant’s owner securities account. Where it is necessary to make changes to the earlier

registered Bank Account details, the Clearing Participant shall submit a new Instruction for Registration of Bank Account Details accompanied by a new Notice of Bank Account Details. Upon completion of such transaction, the earlier registered Bank Account details corresponding to the specified securities sub-account under purpose code 17 “For REPO transactions” will be cancelled.

- 22.6. Where a Clearing Participant needs to deregister (delete) any earlier registered Bank Account details (regardless of the purpose of their registration), the Clearing Participant shall submit an Instruction (Form AF005) along with a Notice of Bank Account Details (Form GF088), and the latter must state the Bank Account details to be deregistered (transaction code – 07, code of the purpose of bank account details – 13 “Deregistration of bank account details”).

23. Determination of Net Liabilities of clearing in the securities market

- 23.1. The Clearing House shall calculate net liabilities (in Russian rubles) of the Clearing Participant referred to in Article 15 of Clearing Rules towards other Clearing Participants being the former Clearing Participant’s counterparties under transactions, separately for the following transaction types:

- 23.1.1. transactions made at the cost of the Clearing Participant;
- 23.1.2. transactions made at the cost of Clearing Participant’s Client(s);
- 23.1.3. transactions made by the Clearing Participant in its capacity as a trustee (separately for each trustee Trading Securities Account).

- 23.2. The Clearing House shall calculate net liabilities (either negative or positive) of the Clearing Participant in relation to another Clearing Participant – counterparty, with the value (either negative or positive) of such net liabilities being equal to the sum of:

- 23.2.1. the value of liabilities under the securities provided under the REPO transaction as at the date preceding the liabilities termination date, as calculated as the sum of products of the quantity of securities in each issue and their market price (in Russian rubles) including the accumulated coupon interest. The value of liabilities under the securities shall be calculated without decreasing their market price by an initial discount, other than for REPO transactions with a Public Creditor. The value of liabilities under the securities in REPO transactions with a Public Creditor shall be calculated with decreasing their market price by an initial discount, unless otherwise provided for by the master agreement of the Public Creditor;
- 23.2.2. the value of cash liabilities for cash transferred (received) under REPO transactions, as calculated as the amount of cash paid (received) by the Clearing Participant in the first leg of the REPO transaction:
- 23.2.2.1. plus the amount of interest accrued at the REPO rate for each day from the date of execution of liabilities in the first leg of the REPO transaction (inclusive of such date) until the date preceding the license revocation date (inclusive of such date preceding the license revocation date),
- 23.2.2.2. minus the amount of cash margins paid (received) by the Clearing Participant following the revaluation of liabilities under the collateral management services agreement;
- 23.2.3. cash and securities liabilities for REPO transactions, under which the liabilities in the first leg of the transaction have not yet, as at the date of liabilities termination, become due, that equal the trade value (the first leg of the REPO transaction);
- 23.2.4. cash and securities liabilities for other transactions, including transactions for sale and purchase of securities, that equal the trade value specified by the Clearing Participants in their Instructions;
- 23.2.5. income on the securities payable, but not yet paid, to the Clearing Participant by another Clearing Participant – counterparty, or by the Clearing Participant to another Clearing Participant – counterparty, – in accordance with the REPO transaction terms, in relation to securities transferred (received) in the REPO transaction, from the date of execution of

liabilities in the first leg of the REPO transaction until the date of liabilities termination, excluding this date, provided that the transfer of such income is requested in the Clearing Participants' Instructions;

- 23.2.6. income on the securities transferred under the REPO transaction, if the securities were transferred after the record date determined for income payment purposes, and such income transfer date is later than the date preceding the date of liabilities termination, provided that, as at the net liabilities calculation date, the Clearing House has sufficient information on such income, and such information has been communicated to Clearing Participants in accordance with the relevant securities account agreements entered into with such Clearing Participants.
- 23.3. The value of securities shall be calculated on the basis of market prices determined at the end of the liabilities termination date in the order stipulated by the collateral management services agreement.
- 23.4. Cash liabilities and the value of securities expressed in a foreign currency shall be re-calculated at the Bank of Russia's exchange rate in effect as at the liabilities termination date.
- 23.5. It shall be allowed to use a single procedure for determination of net liabilities for all contracts made with the Bank of Russia under the same master agreement, in accordance with these Clearing Rules. The single procedure for determination of net liabilities shall not apply to any transactions for which the master agreement provides for a different method of liabilities termination.
- 23.6. Where, under a master agreement, clearing is made by CCP NCC and the Clearing House, the Clearing House shall calculate final net liabilities within three Operational Days of the receipt of CCP NCC's preliminary calculation. The final net liabilities shall be calculated by the Clearing House subject to the preliminary calculation of net liabilities made by CCP NCC under CCP NCC's Clearing Rules and provided to the Clearing House. The procedure for interaction and data interchange between CCP NCC and the Clearing House for the purposes of a single procedure for determination of net liabilities shall be described in the interaction agreement between the Clearing House and CCP NCC. Information to be provided to the Clearing House by CCP NCC for the purpose of calculating the final net liabilities shall be the same as information to be provided to Clearing Participants in a notice of the net liabilities. The form of a notice of net liabilities is set out in the List of Forms. Upon receipt of CCP NCC's preliminary calculation of net liabilities, the Clearing House shall calculate the net liabilities of the relevant Clearing Participant being a credit institution with respect to its transactions with the Bank of Russia, subject to the preliminary calculation of net liabilities, as received from CCP NCC.
- 23.7. Following the calculation of final net liabilities in accordance with paragraph 23.6 above, a notice of the net liabilities shall be given both to the Bank of Russia and the Clearing Participant within three Operational Days of the receipt of CCP NCC's preliminary calculation of net liabilities.
- 23.8. Where the Clearing Participant has a net claim against the Bank of Russia, the Bank of Russia may satisfy such net claim by transferring to the Clearing Participant (by choice of the Bank of Russia) cash and/or securities received by the Bank of Russia under a REPO transaction on the basis of a Bank of Russia's instruction. Where the net claim is satisfied by the Bank of Russia in a foreign currency, cash liabilities are re-calculated at the Bank of Russia's exchange rate as at the date of liabilities termination. The Bank of Russia determines the type and quantity of the transferred securities.

24. Clearing procedures in the securities market

- 24.1. For the purposes of clearing services with respect to liabilities under contracts the subject matter of which is, inter alia, the transfer of rights in and to securities, and which are entered into other than in the course of on-exchange trading, the Clearing House shall draw up a List of Subjects of Liabilities and post it on the Clearing House's Web site, at which the Clearing House is required to disclose information in accordance with Article 19 of the Clearing Law.

- 24.2. Deletion of a subject of liabilities from the List of Subjects of Liabilities shall not constitute a ground for exclusion of such liabilities from a Clearing Pool.
- 24.3. A liability to deliver or pay for securities shall be executed upon clearing of trades, on a “delivery versus payment” basis. The Clearing Participant shall specify in its Instruction one of the methods of discharging liabilities, as stipulated in Article 17 of these Clearing Rules.
- 24.4. At the time when a contract is made, it shall not be necessary that the Trading Securities Account and the Bank Accounts have a sufficient quantity of securities or a sufficient amount of cash, respectively, for satisfaction of liabilities under the contract. Securities and cash required for the performance of the contracts must be available in the Trading Securities Accounts and the Bank Accounts, respectively, on the date when the Instruction issued by the Clearing Participant is to be executed (or at the date when a Clearing Pool is to be built up).
- 24.5. The Clearing House shall not impose any limits on Clearing Participants in respect of securities or cash funds.
- 24.6. Liabilities under contracts shall be deemed satisfied as at the completion of settlements in respect of cash or securities, as the case may be.
- 24.7. A common procedure shall apply for submission of Instructions for contracts entered into either with or without involvement of a Market Operator. These Clearing Rules may set out special requirements to the execution of Instructions for contracts made through a Market Operator, as well as for REPO contracts with the Bank of Russia, and for contracts with the Federal Treasury or other Public Creditors.
- 24.8. Clearing transactions may be performed with the application of the tolerance principle, meaning that clearing transactions will be performed even if any minor differences (within the tolerance value) have been found between the amounts stated in matching Instructions received from Clearing Participants. The tolerance values shall be determined by each Clearing Participant at its own discretion and specified in a Notice of Bank Account Details (Form GF088) submitted for the purpose of registering Bank Account details. The tolerance value must be stated in the currency of the Bank Account. If the tolerance principle applies, the trade shall be settled using the trade amount stated in one of the Instructions, provided that the trade amount stated in the matching Instruction does not exceed the tolerance value specified in the Notice of Bank Account Details. The trade amount at which the trade is to be cleared shall be determined at the stage of matching the Instructions in accordance with these Clearing Rules. Where the tolerance value and the trade amount are denominated in different currencies, the tolerance principle will not apply. In this case, the trade amount must be the same in the matching Instructions received from the Clearing Participants.
- 24.9. The trade amount may be increased or reduced by the tolerance value. The Clearing House shall determine a maximum tolerance value of twenty-five (25) US Dollars or eight hundred (800) Russian rubles. Where the Bank Account currency is different (e.g. EURO), the tolerance value shall be converted into US Dollars at the exchange rate set by the Bank of Russia for the preceding day and compared to USD 25.
- 24.10. The tolerance interval for a Clearing Participant’s Instruction shall be calculated by the Clearing House. The lower value of the tolerance interval for an Instruction shall be the difference between the trade amount stated in the Clearing Participant’s Instruction and the tolerance value specified in the Notice of Bank Account Details, and the upper value shall be the aggregate of the trade amount stated in the Clearing Participant’s Instruction and the tolerance value specified in the Notice of Bank Account Details.
- 24.11. The Clearing House may provide collateral management services, *inter alia*, pick securities to execute liabilities of the Clearing Participant upon clearing performed by another clearing house, upon the Clearing Participant’s Instruction under collateral management services agreement entered into with the Clearing Participant, and/or upon the clearing house’s Instruction under the cooperation agreement entered into with such clearing house and subject to the collateral management services agreement. Securities for performance of a Clearing

Participant's liabilities upon clearing of trades by the Clearing House shall be selected on the basis of a Clearing Participant's Instruction in accordance with the collateral management services agreement entered into with the Clearing Participant.

25. Clearing Participants' Instructions

- 25.1. Clearing transactions shall be performed on the basis of matching Instructions received from the Clearing Participant acting as the transferor of securities and the Clearing Participant acting as the transferee of securities (Form MF190 or MF194), unless otherwise provided for by these Clearing Rules.
- 25.2. In addition to the data to be specified in mandatory fields, Instructions must contain the following information:
 - 25.2.1. a settlement type (DVP-1 or DVP-2 or DVP-3), unless otherwise provided for by these Clearing Rules.
 - 25.2.2. the number of the Bank Account, if the Clearing Participant has registered more than one Bank Account corresponding to the securities sub-account.
- 25.3. If no settlement type is specified in a Form MF190 Instruction, settlements will be made with the netting with respect to cash payments (i.e., DVP-2 settlement type will be used by default). The Clearing Participant may submit an Application to Determine the Settlement Type (Form D05) in which DVP-1 is determined as the settlement type to be used by default.
- 25.4. The term of validity of an Instruction shall be 30 days of the settlement date specified in the Instruction as the date on which the execution of the Instruction is to commence, unless these Clearing Rules provide for a different execution period for certain transactions. The execution period applicable to clearing Instructions that involve collateral management services shall be set out in the relevant collateral management services agreement. The Clearing House shall execute an Instruction no later than the Operational Day when the conditions triggering the execution of the Instruction arise, unless otherwise provided for in these Clearing Rules. Instructions accepted shall, following their registration with the Clearing House, shall be queued for execution. The processing of the queue during the Business Hours shall involve an attempt to execute all Instructions the execution date of which falls on the then current business day. Where it is impossible to execute the Instruction within the said period of time, the Clearing Participant shall be issued an Instruction Non-execution Report referring to the "expiry of the validity term of the Instruction" as a reason for non-execution.
- 25.5. Document forms to be completed by a Clearing Participant (standard forms of Instructions, details forms, other documents) and clarifications as to how they are to be completed are provided in the List of Forms posted on the Clearing House's Web site. Electronic document formats are provided in the EDI Agreement.
- 25.6. Instructions may be submitted by the Clearing Participant to the Clearing House either in hard copy or in electronic format. If Instructions are issued to the Clearing House in electronic format, cryptographic tools shall be used (electronic signature and encryption). A Clearing Participant who is the owner of a securities account may submit, in accordance with the procedure set out in this Article, a hard-copy Application to Determine the Settlement Type (Form D05) to the Clearing House.
- 25.7. If an Instruction is submitted in electronic format, all mandatory fields of the Instruction form must be completed in accordance with the List of Forms. Only Instructions signed with an electronic signature will be accepted for execution. Instructions shall be registered in the Clearing System and accepted for execution. Execution of Instructions shall begin on the settlement date.
- 25.8. Where it is impossible to accept Instructions and other documents provided for by these Clearing Rules in electronic format, such documents may be accepted in hard copy. Documents submitted in hard copy by a Clearing Participant may be accepted by the Clearing House from 9:30 a.m. to 5:00 p.m. (Moscow time) on each Operational Day. Instructions in electronic

format shall be accepted in the manner provided for by the EDI Agreement. If a Form MF190 Instruction in electronic format is received by the Clearing House later than 6.30 p.m. on the current Operational Day, the Clearing House may execute that Instruction on the immediately next Operational Day.

- 25.9. Instructions in hard copy shall be submitted by a Clearing Participant's representative in duplicate.
- 25.10. All instructions shall be registered upon their receipt by the Clearing House.
- 25.11. An employee of the Clearing House shall put on each Instruction received in hard copy its registration number and return the second original to a Clearing Participant's representative. The first original of the Instruction shall be kept by the Clearing House.
- 25.12. Procedures for acceptance and registration of Instructions issued in electronic format shall be set out by the EDI Agreement.
- 25.13. The Clearing House shall not accept Instructions for execution if:
 - 25.13.1. the Instruction is inaccurate (for the purposes hereof, inaccuracy shall mean, *inter alia*, any non-conformance to the required form or details of an Instruction, or failure to fill in any mandatory field), or the Instruction submitted in hard copy contains any erasures, correction marks, or the like;
 - 25.13.2. the signature of an individual signing the Instruction does not match the specimen signature kept on file with the Clearing House, or there is a significant reason to suspect that the signature is not genuine;
 - 25.13.3. the seal impression on the Instruction does not match the specimen seal impression kept on file with the Clearing House;
 - 25.13.4. in case of the Instruction in electronic format, the electronic signature verification or the document format control has failed, and/or the text of the Instruction is corrupted as a result of which it is not possible to comprehend the meaning of the Instruction, or in any other cases provided for by the relevant EDI agreement;
 - 25.13.5. the Instruction is signed by a person, who has not right to sign the Instruction;
 - 25.13.6. the Instruction is not accompanied by all necessary documents (copies thereof), where such documents are required for execution of the relevant transaction in accordance with the laws of the Russian Federation or these Clearing Rules, or where such documents are required due to the nature of the relevant transaction, or information contained in such documents does not match the information contained in the Instruction, the details form, etc.;
 - 25.13.7. the Instruction was received by the Clearing House later than 15 calendar days upon its issuance (exclusive of the issuance date);
 - 25.13.8. the Instruction was submitted in violation of the requirements set forth by these Clearing Rules, including where the power of attorney issued in the name of the individual submitting the Instruction has expired.
- 25.14. The Clearing House shall reject execution of an Instruction if:
 - 25.14.1. the Instruction's details do not match the information regarding the Clearing Participant or its accounts, or any other Clearing Participants details of which are contained in the Instruction, which information is kept on file with the Clearing House;
 - 25.14.2. execution of the Instruction requires making a transaction not provided for by the laws of the Russian Federation or these Clearing Rules, or the terms and conditions of the relevant transaction, as provided for by these Clearing Rules, have not been complied with;
 - 25.14.3. during the Instruction execution period, there is no sufficient quantity of securities available in the securities sub-account, which is required for settlement upon clearing of trades;
 - 25.14.4. the quantity of securities specified in the Instruction is expressed in the form of a common

fraction;

- 25.14.5. the securities specified in the Instruction are not on the list of securities being serviced, which list shall be posted on the Web site;
- 25.14.6. the Instruction's details do not allow to unambiguously identify securities;
- 25.14.7. the securities (or the issue of securities) are (is) subject to a stop-transfer order;
- 25.14.8. the securities account (or the securities sub-account) is blocked;
- 25.14.9. if cash are held in Bank accounts and has been seized;
- 25.14.10. there is no matching Instruction which is required for the purpose of execution of the relevant transaction;
- 25.14.11. transaction parameters contained in the Instruction do not match the details contained in the matching Instruction;
- 25.14.12. the crediting of the securities to the securities sub-account specified in the Instruction is not provided for by the terms and conditions of the relevant securities account agreement;
- 25.14.13. execution of the Instruction requires making a transaction not provided for by the terms and conditions of the relevant securities account agreement concluded by the Settlement Depository with the Clearing Participant, including the crediting of the securities intended for qualified investors to the Trading Securities Account of the Clearing Participant who is not a qualified investor;
- 25.14.14. a Clearing Participant to/from whose Trading Securities Account securities are to be credited/debited due to the transfer of rights to securities falling under the requirements of (FATCA*, does not participate in FATCA or evades the identification process set out in FATCA pursuant to the securities account agreement concluded by the Settlement Depository with the Clearing Participant;
- 25.14.15. there is no data received from the Settlement Organization regarding the transfer of money, or the Clearing House has received data from the Settlement Organization showing that the money transfer has not been made;
- 25.14.16. the Instruction contains a Settlement Organization's code or Bank Account number which are not registered with the Clearing House;
- 25.14.17. the trade currency does not match the account currency (save for the cases where the trade is made in US Dollars, while the account currency is Russian rubles);
- 25.14.18. the Clearing Participant's Client's code or the code of a customer of the Clearing Participant's Client, as specified in the Instruction, is not registered by the Clearing Participant;
- 25.14.19. the Clearing Participant has failed to submit any supporting documents for the purposes of currency control, or the Instruction's details do not match the details contained in such supporting documents;
- 25.14.20. during the Instruction execution period, no cash amount required for settlement upon clearing of trades is available;
- 25.14.21. the Clearing House has not received a balance statement for a Bank Account, or a balance statement for a Bank Account with a Foreign Bank shows that the balance is negative;
- 25.14.22. liabilities under a contract entered into other than on a stock exchange do not match subjects of liabilities as per the List of Subjects of Liabilities;
- 25.14.23. the Instruction execution date has expired.
- 25.15. Where a hard copy Instruction is not accepted for execution, all originals of the Instruction

* Foreign Accounts Tax Compliance Act.

submitted shall be stamped by the Clearing House to certify its non-acceptance, and the reason for such non-acceptance shall be specified. Where an Instruction submitted in electronic format is not accepted for execution, the Clearing Participant shall, in accordance with the EDI agreement, be provided with a notice of acceptance/non-acceptance of an Instruction for execution in electronic format, which notice shall state the reason for non-acceptance, unless other notification procedure is set out in the EDI agreement. Where execution of an Instruction is rejected, the Clearing House shall provide the Clearing Participant with an Instruction non-execution report stating the reason for non-execution. If necessary, the reason for non-acceptance for execution or non-execution may be stated in more detail in a report to be provided to the Clearing Participant. After the reason for an Instruction non-acceptance for execution ceases to exist, the Clearing Participant shall submit a new Instruction.

- 25.16. Before the execution of a transaction is commenced, or before the Instruction execution stage at which the Instruction cannot be cancelled, the Instruction may be cancelled by the Clearing Participant which initiated the transaction. For this purpose, the Clearing Participant shall submit a cancellation Instruction (Form GF070) to the Clearing House (transaction code – 70). A matching Instruction may only be cancelled, on the basis of a cancellation order submitted by the Clearing Participant acting as the transferor of securities and/or the Clearing Participant acting as the transferee of securities, before the matching of such matching Instructions is completed. After successful completion of the matching process and before the commencement of the trade settlement (transaction), the matching Instructions may only be cancelled on the basis of cancellation Instructions submitted with respect to each of the matching Instructions. The Clearing Participant which initiated the transaction shall be provided with an Instruction cancellation report. An Instruction may be cancelled on the basis of a Clearing House's instruction where the relevant liabilities terminate as a result of insolvency proceedings instituted against the Clearing Participant.

26. Matching of Instructions

- 26.1. The following fields in matching Instructions shall be matched first of all:
- 26.1.1. the Instruction initiator or the owner of the securities account and the counterparty in the matching Instruction;
 - 26.1.2. the number of the securities account and the code of the securities sub-account of the transferor;
 - 26.1.3. the number of the securities account and the code of the securities sub-account of the transferee;
 - 26.1.4. the trade number (to be matched if this field is completed at least in one Instruction);
 - 26.1.5. the trade date;
 - 26.1.6. the securities and their quantity;
 - 26.1.7. the place of the trade;
 - 26.1.8. the date of the Instruction execution commencement (settlement date);
 - 26.1.9. the type of settlement (to be matched only if settlement is to be made in DVP-1);
 - 26.1.10. the trade value, subject to the tolerance values established by both parties;
 - 26.1.11. the trade currency.
- 26.2. The guidelines for filling out fields the values of which must match in matching Instructions are set out in the List of Forms.
- 26.3. If an optional field is filled out in a Clearing Participant's Instruction, and that field is required to be matched, the data in that field must match the data in the corresponding field in the matching Instruction.
- 26.4. An Instruction shall only be executed provided that the currency of the Bank Account to be

debited is the same as the currency of the Bank Account to be credited.

- 26.5. The Clearing House shall match Instructions by applying the tolerance principle, save for Instructions that involve collateral management services. For matching instructions in respect of Bank Accounts for which the tolerance values were specified, if the trade values stated in the Instructions differ, then the trade value stated in the Instruction issued by the Clearing Participant acting as the transferee of securities shall prevail. The matching and the determination of the trade value shall be performed as follows:
- 26.5.1. the Instructions shall be deemed successfully matched, and the trade value shall be taken to be equal to that specified in the Instruction received from the Clearing Participant acting as the transferee of securities, if the difference between the trade values specified in the matching Instructions does not exceed the tolerance value established by the Clearing Participant acting as the transferor of the securities, otherwise:
- 26.5.2. the Instructions shall be deemed successfully matched, and the trade value shall be taken to be equal to that specified in the Instruction received from the Clearing Participant acting as the transferor of the securities, if the difference between the trade values specified in the matching instructions does not exceed the tolerance value established by the Clearing Participant acting as the transferee of securities.
- 26.6. For matching instructions in respect of Bank Accounts, if the tolerance value was established only for one of such Bank Accounts and if there is a difference between the trade values stated in the Instructions, then the matching and the determination of the trade value shall be performed as follows: the Instructions shall be deemed successfully matched, and the trade value shall be taken to be equal to that specified in the instruction of the Clearing Participant who did not establish a tolerance value for the Bank Account specified in the Notice of Bank Account Details, if the difference between the two trade values specified in the matching Instructions does not exceed the tolerance value for the Bank Account specified in the Instruction issued by the Clearing Participant who specified the tolerance value in its Notice of Bank Account Details.
- 26.7. Where an Instruction provides neither the number of the Bank Account to be used to make cash settlements, nor the code of the Clearing Participant's Client, the Clearing House shall identify such details from the information on the account number and code of the Clearing Participant's Client, as provided by the Clearing Participant in the Instruction for Registration of Bank Account Details in accordance with Article 22 of these Clearing Rules.
- 26.8. When executing an Instruction, the Clearing House may identify the payment amount (where settlements are to be made based on the tolerance principle and where the trade currency is to be converted into the payment currency), by reference to the information provided in the Instruction for Registration of Bank Account Details in accordance with Article 22 of these Clearing Rules. Where the account is denominated in Russian rubles, it shall be permitted to state the trade value in US Dollars.
- 26.9. Upon successful completion of the matching process, the Clearing Participants shall be issued a report (Form GS116) on the Instructions matched. At the end of the Operational Day, the Clearing Participants shall be issued a report on all Instructions that were matched (but not executed as at the end of the Operational Day) and not matched during that Operational Day.
- 26.10. If the data in the Instructions in which the trade number is stated does not match (following the comparison of information on securities trades), the relevant Instructions shall not be accepted for execution. The Clearing House shall issue a report to the Clearing Participant indicating the differences found. The report shall also state the fields the data in which does not match. A separate report shall be issued for each reason of differences. The Clearing Participant whose Instruction contains an error shall issue an Instruction cancelling the erroneous Instruction (Form GF070) (transaction code – 70), and, after receiving an Instruction cancellation report, issue a new Instruction.
- 26.11. Additionally, the Clearing Participants may be provided with the following:

- 26.11.1. either a notice of non-availability of a matching Instruction (Form GS036) – to be issued to the Clearing Participant who initiated the Instruction; and a notice of availability of a matching Instruction (Form GS036) – to be issued to the Clearing Participant who is required to issue a matching Instruction with respect to the Instruction that has already been issued by the other Clearing Participant;
- 26.11.2. or a notice of availability of potentially matching Instructions (Form GS036) (where the data field “Trade Number” in the Clearing Participant’s Instruction is not completed). In this case, the Clearing Participant may choose additional reports to be provided to the Clearing Participant upon matching of matching Instructions, by submitting an Instruction to make changes in the securities account’s details form (transaction code – 93).

27. Crediting of Cash and Securities

- 27.1. The rights in and to any securities that are necessary to perform Clearing Participants’ liabilities eligible for clearing shall, as at the commencement of settlement of the transaction or as at the commencement of the building up of a Clearing Pool, be recorded in Trading Securities Accounts.
- 27.2. Cash that is necessary to perform Clearing Participants’ liabilities eligible for clearing shall, as at the commencement of settlement of the transaction or as at the commencement of the building up of a Clearing Pool, be available in Bank Accounts.
- 27.3. Clearing Participants shall ensure sufficiency of cash in their Bank Accounts and sufficiency of securities in the relevant sub-accounts of the Trading Securities Accounts as at the Instruction execution date, which are required to perform the liabilities eligible for clearing. Cash and securities shall be credited to such Bank Accounts and Trading Securities Accounts, respectively, in accordance with the agreements entered into by Clearing Participants or a Clearing Participant’s Clients with NSD or other organizations.

28. Clearing Sessions of clearing in the securities market

- 28.1. Clearing Sessions for DVP-2 or DVP-3 settlements shall start at the following times: 10.00 a.m., 12.00 (midday), 1.00 p.m., 2.00 p.m., 3.00 p.m., 4.00 p.m., 6.00 p.m., 6.45 p.m., and 7.40 p.m., provided that:
 - 28.1.1. Clearing Sessions at 12.00 (midday), 2.00 p.m., 4.00 p.m., and 7.40 p.m. shall be run using Trading Bank Accounts with NSD or Correspondent Accounts.
 - 28.1.2. Clearing Sessions at 10.00 a.m., 1.00 p.m., 3.00 p.m., 6.00 p.m., and 6.45 p.m. shall be run using Trading Bank Accounts with NSD, Bank Accounts with Foreign Banks, or Correspondent Accounts
- 28.2. Where it is impossible to execute an Instruction(s) during a Clearing Session, the Clearing House may run an additional Clearing Session beyond the established time limits. During the same Operational Day, the Clearing House may start running a new Clearing Session regardless of whether post-clearing settlements in the previous Clearing Session were completed.
- 28.3. During a Clearing Session, the following actions shall be performed:
 - 28.3.1. suspension of the execution of Instructions resulting in changes in the balance of securities in a sub-account in respect of which settlements are to be made upon clearing of trades, and suspension of cash transfers;
 - 28.3.2. building up of a Clearing Pool. When checking accounts for sufficiency of cash required for execution of Instructions, data from clearing registers shall be used. When checking accounts for sufficiency of securities required for execution of Instructions, data from clearing registers on the balance of securities of particular issues in the relevant sub-accounts within Trading Securities Accounts shall be used. A single Clearing Pool may include liabilities denominated in different currencies, however the netting of liabilities shall be performed only in respect of liabilities denominated in the same currency;
 - 28.3.3. netting of liabilities;

- 28.3.4. blocking of the quantity of securities of particular issues and/or of the amount of cash required for settlement upon clearing of trades;
- 28.3.5. preparing a summary list of cash liabilities upon clearing of trades; preparing an instruction for the performance of a depository transaction called “Transfers upon clearing of trades by NSD” (transaction code – 18/k);
- 28.3.6. preparing settlement documents on the basis of a summary list of liabilities upon clearing of trades, and sending such documents to the Settlement Organization;
- 28.3.7. receipt of information from the Settlement Organization regarding the crediting and/or crediting of cash funds;
- 28.3.8. sending a Clearing House’s instruction for the performance of a transaction called “Transfers upon clearing of trades by NSD” (transaction code – 18/k) in the Recordkeeping System, and effecting transfers of securities;
- 28.3.9. preparation of reports for Clearing Participants;
- 28.3.10. performing actions prescribed by these Clearing Rules if an Instruction cannot be executed as part of the above actions.

29. Obtainment of Information on the Quantities/Amounts and Flows of Cash Funds and Securities

- 29.1. In the course of a clearing transaction, the Clearing House shall obtain the following information regarding cash balances and flows:
 - 29.1.1. account statements and other documents confirming Bank Account balances;
 - 29.1.2. documents confirming the debiting or crediting of cash funds from/to Bank Accounts.
- 29.2. In the course of a clearing transaction, the Clearing House shall obtain the following information regarding securities balances and flows:
 - 29.2.1. information regarding the quantity of securities available in Trading Securities Accounts;
 - 29.2.2. information confirming the debiting or crediting of securities from/to Trading Securities Accounts.
- 29.3. Information on securities balances in Trading Securities Accounts and cash balances in Bank Accounts, as well as information on the debiting/crediting of securities/cash from/to such accounts, shall be recorded in the clearing registers corresponding to each such account, save for any information on cash balances in Correspondent Accounts.
- 29.4. Cash funds can only be used for settlement upon clearing of trades, if a report issued by the Settlement Organization on the crediting of such cash funds to the relevant Bank Account is received before the beginning of the relevant Clearing Session.

30. Verification of Accounts for Sufficiency of Securities and Cash Funds for Execution of Instructions (for Execution of Clearing Pool Trades)

- 30.1. Sufficiency of cash funds and securities for execution of Clearing Pool trades shall be verified by the Clearing House for matching Instructions that have been successfully matched.
- 30.2. The Clearing House shall verify sufficiency of cash and securities for the execution of Instructions on the basis of:
 - 30.2.1. information on the quantity of securities and the trade value specified in the Instructions, subject to established tolerance values;
 - 30.2.2. information on the current balances of securities and cash specified in the Instructions, as recorded in the clearing registers;
 - 30.2.3. information contained in the Notices of Bank Account Details or other documents provided for by these Clearing Rules.

- 30.3. Sufficiency of cash and securities for the execution of Instructions shall be verified in the same sequence in which the Instructions were subjected to the matching registration procedure, subject to the settlement date, the priority status and other details of certain types of Instructions as provided for in these Clearing Rules.
- 30.4. The relevant securities shall be blocked until the Clearing House's payment transfer instruction is executed.
- 31. Identification of liabilities to be Satisfied which are included in a Clearing Pool**
- 31.1. Only those Instructions that have been successfully matched and checked for sufficiency of cash and securities shall be executed.
- 31.2. Liabilities shall be included in a Clearing Pool in the following order:
- 31.2.1. first, liabilities under REPO trades with the Bank of Russia or Public Creditors, which involve collateral management services;
- 31.2.2. second, liabilities under high-priority securities trades on a 'delivery versus payment' basis;
- 31.2.3. third, liabilities under other REPO trades involving collateral management services;
- 31.2.4. liabilities under other securities trades.
- 31.3. Subject to paragraph 31.2 above, liabilities under REPO trades involving collateral management services shall be included in a Clearing Pool in the following order:
- 31.3.1. first, liabilities to transfer income on securities received under REPO trades, the settlement date of which falls on or after the then current Operational Day. Such liabilities shall be included in the Clearing Pool in the descending order in terms of the value of such liabilities;
- 31.3.2. second, liabilities in the second leg of the REPO trades (in the descending order in terms of the value of such liabilities). Where several trades have the same value of liabilities, Instructions under which the liabilities arose, which have the earliest date and time of Instructions matching, shall be executed first;
- 31.3.3. third, liabilities in the first leg of REPO trades, subject to the date and time of matching of Instructions under which such liabilities arose.
- 31.4. Subject to paragraph 31.2 above, liabilities under high-priority securities trades on a 'delivery versus payment' basis and liabilities under other securities trades shall be included in the Clearing Pool subject to the priorities assigned to the Instructions under which such liabilities arose, which have been assigned in accordance with the procedure prescribed by the List of Forms. Liabilities shall be included in the Clearing Pool, provided that such liabilities arise under Instructions for delivery of securities, which are submitted with respect to a particular sub-account within the Trading Securities Account for securities of a particular issue, or with respect to a particular Bank Account, with a higher execution priority specified by the Clearing Participant for such Instruction. Where more than one Instruction is submitted by the Clearing Participant with the same execution priority, Instructions with the earliest settlement date and time (the earliest date and time of the Instruction execution commencement) shall be executed first, with the priority to be given to such Instructions with the earliest registration date and time, provided that the sufficient quantity of securities required for the settlement is available in the Trading Securities Account, and such Instructions have a 'For execution' status. The Clearing Participant may change the Instruction priority execution determined earlier by submitting the relevant Instruction to the Clearing House.
- 31.5. The Clearing Participant may pool several Instructions and pre-determine their execution priority. Instructions within such pool shall be executed in the sequence determined in accordance with the conditions pre-defined in the Instructions. For instance, the Clearing Participant may pre-determine the sequence of execution of Instructions for receipt or delivery of securities.
- 31.6. If at the time when an Instruction is to be executed, there are insufficient securities in the

Trading Securities Account or insufficient cash in the Bank Account of the Clearing Participant or the Clearing Participant's Client (as applicable), the execution of the Instruction shall be suspended until the quantity of securities or the amount of cash in such accounts increases to a sufficient level.

- 31.7. If there are insufficient securities or cash funds, the verification of accounts for their sufficiency shall be repeated during the same Operational Day until all of the Instructions successfully pass such procedure, or until all of the Instructions fail to pass such procedure. Instructions which have not passed the verification process shall continue to be verified on subsequent business days during the Instruction execution period until they pass the verification procedure or until they are cancelled.
- 31.8. After the obstacles for execution of the Instructions are removed, the Instructions which have not been executed on the settlement date shall be executed in the order of priority, subject to specific terms and conditions set out for certain types of Instructions by these Clearing Rules.
- 31.9. The Clearing House shall identify liabilities to be satisfied upon clearing of the Clearing Pool separately for each Clearing Participant and separately for each client of Clearing Participants.
- 31.10. In accordance with a collateral management services agreement, liabilities pursuant to Instructions issued by a Clearing Participant who have entered into such collateral management services agreement may be changed or excluded from clearing.

32. Execution of Clearing House's Orders When Settling Securities Trades upon Clearing of Trades

- 32.1. Clearing House's orders for the transfer of securities upon clearing of trades shall be executed in accordance with the Terms and Conditions of Depository Operations of NSD, following the receipt of a payment execution report, subject to specific terms and conditions set forth in these Clearing Rules. Settlements shall be performed using a Designated Technical Account at the Recordkeeping System. Following the completion of depository transactions upon clearing of trades, Clearing Participants, in their capacity as clients of the Settlement Depository, shall be issued a report on the completion of transfers (Form MS102).

33. Execution of Transactions in Bank Accounts during a Clearing Session of clearing in the securities market

- 33.1. Transactions in accounts shall be executed on the basis of Instructions accepted for clearing in a Clearing Session and which have passed the verification procedure for sufficiency of cash or securities required for the execution of such Instructions.
- 33.2. Pursuant to Instructions which have passed the verification procedure for sufficiency of cash or securities, the Clearing House shall prepare, upon completion of each session, a summary list of cash liabilities containing information on the Clearing Participants' liabilities and claims. Payments must be made in the currency of the Bank Account specified in the Notice of Bank Account details or in the Instruction. For Bank Accounts denominated in Russian rubles, trade values may be specified in US Dollars. In this case, the conversion of the payment amount from one currency into the other shall be made at the exchange rate set by the Bank of Russia for the date preceding the actual settlement date.

34. Steps to Be Taken by the Clearing House in the Event of Impossibility to Execute an Instruction in the Course of a Clearing Session

- 34.1. Where it is impossible to obtain information on the execution of payment Instructions within the applicable time limits, the Clearing House shall:
 - 34.1.1. send to the Settlement Organizations payment instructions aimed at getting back the cash funds debited earlier;
 - 34.1.2. deliver to the Settlement Depository information in accordance with the relevant securities are to be unblocked due to the impossibility to execute the Instructions;
 - 34.1.3. reschedule the execution of all Instructions to the nearest Clearing Session or to an additional

Clearing Session.

- 34.2. Where the Settlement Organization fails to make any payment during a Clearing Session, or where it is impossible to make any transfer of securities in Trading Securities Accounts after the completion of all payments during the Clearing Session, the Clearing House shall:
 - 34.2.1. send to the Settlement Organization payment instructions aimed at getting back the cash funds debited earlier;
 - 34.2.2. deliver to the Settlement Depository information in accordance with which the relevant securities are to be unblocked due to the impossibility to execute the Instruction;
 - 34.2.3. reschedule the execution of non-executed Instructions to the nearest Clearing Session or to an additional Clearing Session.
- 35. Issuance by the Clearing House of Clearing Reports to Clearing Participants of clearing in the securities market**
 - 35.1. Where a Clearing Participant interchanges documents with the Clearing House in electronic format, such Clearing Participant shall be provided with reports in electronic format on the same day when the relevant transaction was executed. Reports in electronic format shall be provided in the manner set forth by the EDI agreement, provided that the Clearing Participant has necessary software and cryptographic tools. Reports in electronic format shall be sent either via NSD's EDI System or SWIFT. If, upon completion of a transaction, the provision of a report in electronic format is impossible, the Clearing House may provide such report in hard copy in the manner and within the time limits prescribed for the provision of hard copy reports.
 - 35.2. A hard copy report related to a clearing transaction shall be provided to the Clearing Participant on the next Operational Day: from 9.30 am to 5.00 pm. When issuing a hard copy report to a Clearing Participant, it shall be allowed to use a facsimile signature of a Clearing House's authorized officer.
 - 35.3. It shall be mandatory to provide a report to the clearing transaction initiator. Where a transaction upon clearing of trades was initiated neither by the Clearing Participant, nor by a Clearing Participant's authorized representative, a report shall also be provided to the Clearing Participant in whose securities account the depository transaction upon clearing of trades has been made. Where the authority to submit instructions with respect to the securities account in accordance with the Terms and Conditions of Depository Operations of NSD, as well as the authority to submit clearing Instructions were delegated by the Clearing Participant to a securities sub-account operator (securities account operator) who is also a Clearing Participant, a report shall be provided to the securities account operator.
 - 35.4. The Clearing Participant shall designate authorized representatives acting under a power of attorney to receive hard copy reports from the Clearing House. The Clearing Participant shall provide the Clearing House with the powers of attorney issued in the name of the Clearing Participant's authorized representatives upon submission of a set of documents required to enter into an Agreement. Where the authority of any of the Clearing Participant's authorized representatives is revoked, the Clearing Participant shall submit to the Clearing House a new power of attorney issued in the name of its authorized representatives. Until such new power of attorney is received, documents shall be provided to the Clearing Participant's authorized representative named in the power of attorney held on file by the Clearing House. Upon provision of any document, the details contained in the power of attorney (including the authorized representative's specimen signature) shall be compared to the details contained in the authorized representative's ID document.
 - 35.5. Hard copy reports shall be provided to a Clearing Participant's authorized representative against his/her signature.
 - 35.6. Report forms to be provided to Clearing Participants are provided in the List of Forms posted on the Clearing House's Web site. Electronic document formats are provided in the EDI Agreement.

36. Forms of Internal Records of clearing in the securities market

- 36.1. The Clearing House shall keep internal records in accordance with the requirements of the laws of the Russian Federation.
- 36.2. The Clearing House shall keep internal records using electronic media, provided, however, relevant information may also be provided in hard copy.
- 36.3. In accordance with these Clearing Rules, the Clearing House shall issue to Clearing Participants reports containing, *inter alia*, information on Clearing Participants' liabilities eligible for clearing and assets intended for meeting such liabilities.
- 36.4. The Clearing House shall keep records of Clearing Participants' liabilities, as well as records of information on securities and cash funds intended for meeting liabilities, in special journals ("Clearing Registers"). Clearing Registers maintained by the Clearing House shall be intended for recording:
 - 36.4.1. information on securities and cash funds intended for meeting liabilities upon clearing of trades;
 - 36.4.2. liabilities of each Clearing Participant in respect of securities and cash funds.
- 36.5. The Clearing House shall determine and keep records of liabilities broken down by Clearing Participants' liabilities and liabilities of Clearing Participants' Clients, and, accordingly, shall maintain separate Clearing Registers for each Clearing Participant and its clients. Each Trading Securities Account and each Bank Account of a Clearing Participant and its clients shall correspond to a separate Clearing Register.
- 36.6. For each Clearing Participant, the Clearing House shall open and maintain the following Clearing Registers:
 - 36.6.1. for recording information on securities owned by the Clearing Participant and held in the Clearing Participant's owner Trading Securities Accounts and intended for meeting the Clearing Participant's liabilities;
 - 36.6.2. for recording information on securities owned by the Clearing Participant's Clients / clients of the Clearing Participant's Clients and held in the Clearing Participant's nominee or foreign nominee Trading Securities Accounts and intended for meeting liabilities of the Clearing Participant's Clients;
 - 36.6.3. for recording information on securities held by the Clearing Participant on trust in the Clearing Participant's trustee Trading Securities Accounts and intended for meeting the Clearing Participant's liabilities;
 - 36.6.4. for recording information on cash funds in Bank Accounts of the Clearing Participant or the Clearing Participant's Clients;
 - 36.6.5. for recording the Clearing Participant's liabilities in respect of securities;
 - 36.6.6. for recording the Clearing Participant's Clients' liabilities / liabilities of clients of the Clearing Participant's Clients in respect of securities;
 - 36.6.7. for recording the Clearing Participant's liabilities in respect of cash funds;
 - 36.6.8. for recording the Clearing Participant's Clients' liabilities / liabilities of clients of the Clearing Participant's Clients in respect of cash funds;
 - 36.6.9. for recording claims in respect of securities by the Clearing Participant;
 - 36.6.10. for recording claims in respect of securities by the Clearing Participant's Clients / clients of the Clearing Participant's Clients;
 - 36.6.11. for recording claims in respect of cash funds by the Clearing Participant;
 - 36.6.12. for recording claims in respect of cash funds by the Clearing Participant's Clients / clients of the Clearing Participant's Clients.

- 36.7. Information on securities shall be recorded in Clearing Registers with a breakdown by Trading Securities Accounts, securities sub-accounts, and securities issues.
- 36.8. Clearing Registers intended for recording liabilities and claims of a Clearing Participant (or a Clearing Participant's Clients / clients of a Clearing Participant's Clients) shall be used to record information on the quantity of securities or cash amounts to be delivered or received by the Clearing Participant (or a Clearing Participant's Client / clients of a Clearing Participant's Clients) pursuant to the Clearing Participant's Instruction.
- 36.9. Clearing Registers intended for recording information of cash funds shall be used to record information on a Clearing Participant's or Clearing Participant's Clients' Bank Account, cash balances, and account currencies. Clearing Registers intended for recording information on cash funds shall be opened upon registration of bank account details for clearing settlements (when carrying out a bank account details registration transaction, transaction code – 14 "For clearing settlements"). A separate Clearing Register shall be maintained for each registered Bank Account.
- 36.10. Information on securities and/or cash balances shall be recorded in Clearing Registers on the basis of account statements containing information on securities balances in sub-accounts of Trading Securities Accounts and on cash balances in Bank Accounts, respectively. Information on securities or cash balances in Clearing Registers shall be updated by the Clearing House in the course of Clearing Sessions, upon making settlements of particular trades beyond Clearing Sessions (DVP-1), upon debiting or crediting, with the Clearing House's consent, of securities or cash funds from/to trading accounts on the basis of instructions given by the person in whose name the Trading Securities Account or the Trading Bank Account is opened, or given by any other person in the cases provided for by the Russian laws.
- 37. Transferring Funds from Bank Accounts with a Foreign Bank**
- 37.1. For the purpose of debiting cash funds from a Bank Account held by a Clearing Participant or a Clearing Participant's Client with a Foreign Bank, the Clearing Participant shall submit to the Clearing House an instruction (Form MF199) for withdrawal of funds (transaction code – 19/9). In the Instruction, the Clearing Participant must state:
- 37.1.1. whether the funds are to be withdrawn once only or daily;
- 37.1.2. whether a specified amount only or the entire amount available in the Bank Account with the Foreign Bank is to be withdrawn.
- 37.2. An Instruction execution period may be either one day or the entire execution period specified in the Instruction. In the latter case, cash funds will be transferred on a daily basis during the entire period specified in the Instruction on the days when the cash balance in the corresponding ledger called "Available" is more than zero.
- 37.3. Both Instructions to transfer funds during the entire specified period (i.e. daily during the specified period), and Instructions to transfer funds on a recurring basis may be simultaneously issued and accepted for execution.
- 37.4. Where an Instruction contains a note saying "at the end of the operational day", the balance of cash funds available in the Bank Account with the Foreign Bank as at the time of completion of post-trade clearing settlements shall be transferred upon completion of post-trade clearing settlements. Where no such indication appears in an Instruction, execution of the Instruction shall start on the date and at the time specified in the field called "Date/time of the Instruction execution commencement", and cash funds shall be transferred in the course of the performance of such transaction.
- 37.5. Where an Instruction specifies the amount of cash funds to be transferred, the frequency of transfer can only be "once only". Where the specific amount to be transferred from the account is not available in the relevant ledger called "Available", the Instruction shall not be executed and an Instruction non-execution report shall be issued stating the following reason of non-execution: "Insufficiency of cash funds in the account".

37.6. An Instruction requesting a daily debiting of funds from a Bank Account with a Foreign Bank shall not apply to amounts credited to the Bank Account with the Foreign Bank during the then current day, unless the option “today” is ticked in the instruction for the crediting of the Bank Account with the Foreign Bank. Such cash funds shall not be used in settlements upon clearing of trades on the date when such cash funds are credited to the account.

38. Clearing of Clearing Participants' REPO Contracts

38.1. Clearing Participants' REPO contracts shall be cleared either on the basis of Clearing Participants' matching Instructions (Form MF194), or on the basis of a Contracts Register in the cases provided for by these Clearing Rules. With respect to REPO contracts entered into by a Clearing Participant with the Bank of Russia or with a Public Creditor, the provisions of this Article shall apply subject to the provisions of Article 40 of these Clearing Rules.

38.2. Clearing of Clearing Participants' REPO contracts shall involve collateral management services. In order to be able to receive collateral management services from the Clearing House, a Clearing Participant shall enter into a collateral management services agreement with the Clearing House, a standard form of which is available on the Clearing House's Web site.

38.3. REPO contracts may be cleared with the DVP-1 or DVP-3. By default, settlements shall be made with the DVP-3.

38.4. Clearing of REPO contracts with the DVP-3 shall be performed:

38.4.1. in the course of Clearing Sessions beginning at 12:00 pm, 2:00 pm, 4:00 pm and 7:40 pm using the Trading Bank Accounts with NSD, or Correspondent Accounts;

38.4.2. in the course of Clearing Sessions beginning at 10:00 am, 1:00 pm, 3:00 pm, 6:00 pm and 6:45 pm using Trading Bank Accounts with NSD, and Bank Accounts with Foreign Banks. Liabilities on those contracts in which at least one party uses the Bank Account with a Foreign Bank for settlements upon clearing of trades shall be included in the Clearing Pool.

38.5. Clearing of REPO contracts shall be performed without using the tolerance principle and without cash reservation in Trading Bank Accounts, as provided for by Article 39 of these Clearing Rules.

38.6. Cash settlement of Clearing Participants' REPO contracts shall be performed using the Trading Bank Accounts with NSD, Bank Accounts with Foreign Banks, or Correspondent Accounts. Registration of Trading Bank Account details to be used for cash settlement for REPO contracts – 17 “For REPO transactions” – is not required.

38.7. Clearing Participants' REPO contracts may be cleared either in Russian rubles or in a foreign currency. The list of currencies in which OTC REPO contracts may be entered into is set out in the Clearing House's List of Subjects of Liabilities, as posted on the Web site.

38.8. Clearing Participants' REPO contracts entered into on a stock exchange shall be cleared on the basis of a Contracts Register received by the Clearing House from the Market Operator, which register shall be considered by the Clearing Participants to constitute bilateral Instructions (Form MF194) for clearing and settlement of REPO contracts.

38.9. Clearing Participants' OTC REPO contracts shall be cleared either on the basis of matching Instructions (Form MF194), or on the basis of a Contracts Register received by the Clearing House from Authorized representative, which register shall be considered by the Clearing Participants to constitute bilateral Instructions (Form MF194) for clearing and settlement of REPO contracts.

38.10. The list of Market Operators whose trading facilities are used to enter into contracts to be cleared by the Clearing House is available on the Clearing House's official web site at www.nsd.ru. The process of interaction between the Clearing House and a Market Operator shall be set out in an agreement between the Clearing House and the Market Operator.

38.11. The process of interaction between the Clearing House and the Authorized representative shall be set out in an agreement between the Clearing House and the Authorized representative. The

process of interaction between the Clearing Participant and the Authorized representative shall be set out in an agreement between the Clearing Participant and the Authorized representative.

39. Clearing pursuant to Instructions Containing a Request for «Cash Reservation»

- 39.1. Clearing Participants shall be allowed to set a priority order for the execution of their Instructions that allow the debiting of funds during their execution. If in an Instruction submitted by a Clearing Participant acting as the transferee of securities for the performance of a transaction “Performance of a securities trade. Receipt of securities” (transaction code 19/1) the field “With cash reservation” is filled out, such Instruction shall be executed first, *i.e.*, it shall have a priority over any other Instructions of that Clearing Participant, which have become due to be settled, in respect of the account to be debited (Trading Bank Account, or Bank Account with a Foreign Bank) specified in the said Instruction or in the Instruction for registration of bank account details. The priority order shall be checked for registered instructions for which the settlement date (the date of the beginning of their execution) has already occurred. If there are several Instructions from the same Clearing Participant in which the field “With cash reservation” is filled out, the Instruction with the earliest settlement date (execution commencement date) shall have the first priority. If there are not enough cash funds for the execution of an Instruction in which the field “With cash reservation” is filled out and which has the earliest settlement date (execution commencement date) and would have otherwise be executed first, no Instruction with a lower priority shall be executed.
- 39.2. The execution of an Instruction containing a note “With cash reservation” requires the reservation of cash funds in the Trading Bank Account, or Bank Account with a Foreign Bank, and the Clearing House shall keep separate records in respect of the reserved cash funds and the available cash funds. The reserved cash funds and the available cash funds shall be recorded in the same Trading Bank Account, or Bank Account with a Foreign Bank.
- 39.3. The order of priority established by the Clearing Participant shall be observed regardless of during which of the Clearing Sessions during the day such Instructions will be processed. Instructions which do not contain a note “With cash reservation” shall not be executed until cash funds are reserved for all priority Instructions containing such note submitted by the Clearing Participant, except for the priority Instructions which have not passed the matching procedure after the completion of the last Clearing Session, which has to be run using the Trading Bank Accounts or Bank Accounts with Foreign Banks, as specified in such Instructions. Cash funds reserved for execution of such Instructions shall be released and may be applied for execution of other Instructions.

40. Clearing Trades under REPO Transactions with the Bank of Russia or Public Creditors

- 40.1. NSD shall provide collateral management services when clearing REPO trades with the Bank of Russia or Public Creditors on-exchange trades, as well as OTC trades.
- 40.2. When clearing trades that involve the provision of collateral management services, securities settlements shall be made in the Clearing Participant’s Trading Securities Accounts held with NSD as the Settlement Depository, and cash settlements shall be made in the Clearing Participant’s Correspondent Accounts or Trading Bank Accounts held with NSD acting as an organization that makes cash settlements upon clearing of trades.
- 40.3. REPO contracts entered into on a stock exchange under a master agreement under which REPO transactions are to be made, made between a Clearing Participant and the Bank of Russia or with a Public Creditor, shall be cleared on the basis of a Contracts Register received by the Clearing House from the Market Operator, which register shall be considered by the Clearing Participants to constitute bilateral Instructions (Form MF194) for clearing and settlement of REPO contracts.
- 40.4. A Clearing Participant's OTC REPO contracts entered into with the Bank of Russia or with a Public Creditor shall be cleared on the basis of a Contracts Register received by the Clearing House from the Authorized representative, which register shall be considered by the Clearing Participants to constitute bilateral Instructions (Form MF194) for clearing and settlement of

REPO contracts.

- 40.5. Clearing that involves the provision of collateral management services may be performed with DVP-1 or DVP-3. Clearing that involves the provision of collateral management services and the DVP-3 shall be performed in the course of Clearing Sessions beginning at 12:00 (midday), 2:00 pm, 4:00 pm and 7:40 pm. By default, settlements shall be made with the DVP-3.
- 40.6. Clearing that involves the provision of collateral management services shall be performed without using the tolerance principle.
- 40.7. Clearing with collateral management services shall be performed with respect to REPO transactions both in Russian rubles, and in a foreign currency. The list of currencies in which repo transactions with collateral management may be entered into is set out in NSD's List of Subjects of Liabilities, as posted on the Web site. When clearing FX repo transactions, the Clearing House may, before the commencement of a Clearing Session for repo transactions, verify whether the Clearing Participant has sufficient funds needed to execute the second leg of the repo transaction, and, until the completion of settlements in the Clearing Session, the Clearing House is authorized not to give its consent to debit the relevant Trading Bank Account with the amount of funds needed to execute the second leg of the repo transaction, subject to the netting of liabilities eligible for clearing.
- 40.8. When clearing trades that involve collateral management services, a special sub-account called "For settlement of REPO contracts" (sub-account type code – BR) in a Trading Securities Account, which is intended for recording securities transferred to a Clearing Participant in the first leg of a REPO contract may be used. Procedures for opening and closing such type of sub-account and transactions that can be made in such sub-account are described in the Guidelines on the Procedure for Interaction between the Depository and Clients in the Course of Performance under the Terms and Conditions of Depository Operations of National Settlement Depository, being an appendix to the securities account agreement between the Clearing Participant, as a client, and the Settlement Depository. A sub-account of this type may be opened within the owner Trading Securities Account, for each Clearing Participant.
- 40.9. Securities transferred to the Bank of Russia, the Federal Treasury or another Public Creditor, as the case may be, in the first leg of a REPO contract may be replaced with other securities pursuant to the collateral management services agreement. Such replacement may be made only before the transfer of securities in the second leg of the REPO contract.
- 40.10. The recording of liabilities under a REPO contract may be terminated without settling liabilities in the second leg of the REPO contract on the basis of matching Instructions issued by the Clearing Participants and an Instruction issued by the Bank of Russia under the applicable master agreement under which REPO transactions are to be made, concluded with the Bank of Russia, or an Instruction issued by the Federal Treasury under the applicable master agreement for purchase (sale) of securities under REPO contracts, or an Instruction issued by another Public Creditor in accordance with the master agreement between the Clearing Participant and such Public Creditor.
- 40.11. Liabilities to transfer income on securities transferred in the first leg of a REPO contract, or claims for income on such securities, may be recorded in the Clearing System and constitute liabilities to be satisfied. The procedure for calculation of such liabilities and claims shall be governed by a collateral management services agreement.
- 41. Clearing of Trades in Connection with Cash Settlements Using Clearing Participants' / Clearing Participants' Clients' Correspondent Accounts with the Bank of Russia**
- 41.1. For the purposes of clearing of trades in connection with cash settlements using a Correspondent Account, a Clearing Participant / Clearing Participant's Client shall enter into an agreement with the Clearing House for cash settlement of securities trades cleared by NSD (the "Agreement"). The Agreement shall govern relationships between the Clearing House and the Clearing Participant / Clearing Participant's Client in connection with cash settlements in Russian rubles upon clearing of trades.

- 41.2. In accordance with the Agreement, the Clearing Participant / a Clearing Participant's Client shall authorize the Clearing House to submit requests to the Bank of Russia's payment system for reservation (including partial reservation) of cash in the Correspondent Account and requests for discontinuance of cash reservation in the Correspondent Account, receive information on cash reservations made in the Correspondent Account, and submit collection orders with respect to the Correspondent Account. The Clearing Participant / Clearing Participant's Client shall be required to provide the Bank of Russia, in the manner set forth by the Bank of Russia's regulations, with information stating that the Agreement has been entered into and that the Clearing House has been provided with the authority described above (the "Agreement Information").
- 41.3. The Clearing House shall issue and submit collection orders with respect to the Correspondent Account in electronic format using a rapid transfer service via the prospective payment service system, in accordance with the Bank of Russia's Unified Formats of Electronic Financial Banking Messages (UFEBS).
- 41.4. Clearing that involves cash settlements using Correspondent Accounts shall be made with the DVP-1 or DVP-2 or DVP-3, unless otherwise provided for by these Clearing Rules. The Clearing House shall submit collection orders with respect to the Correspondent Account, with the amount of each such collection order being equal to the value of the Clearing Participant's liabilities under each particular trade.
- 41.5. Reservation (including partial reservation) of cash in the Correspondent Account, discontinuance of cash reservation in the Correspondent Account, and obtainment of information on cash reservations made in the Correspondent Account shall be performed in the manner provided for by the agreement between the Clearing House and the Bank of Russia. Where no information is received from the Bank of Russia that a cash transfer has been made in accordance with a collection order submitted with respect to the Correspondent Account, the Clearing House shall, before the commencement of the cut-off procedure at the end of the Operational Day, revoke such collection order.
- 41.6. The Clearing Participant shall be responsible for ensuring that the cash amount required to execute the relevant liabilities is available on the Correspondent Account, as well as for the proper provision of the Bank of Russia with the Agreement Information.
- 41.7. Clearing and settlement with the DVP-2 or DVP-3 shall be made during the Clearing Session at 12:00 pm, 2:00 pm, 4:00 pm, and 7:40 pm.
- 41.8. Clearing that involves cash settlements using Correspondent Accounts shall be made without cash reservations provided for by Article 39 of these Clearing Rules.

PART III CLEARING ON THE COMMODITY MARKET

42. Terms and Definitions Used in the Commodity Market Clearing

- 42.1. **“COMMOD”** shall mean the settlement type described in Article 51 of these Clearing Rules.
- 42.2. **“AGROPR”** shall mean the settlement type described in Article 52 of these Clearing Rules.
- 42.3. **“Collateral”** shall mean collateral provided when the COMMOD settlement type is used.
- 42.4. **“Sale and Purchase Contract”** shall mean a commodity sale and purchase contract entered into between Clearing Participants in accordance with the COMMOD Trading Rules and/or AGROPR Trading Rules.
- 42.5. **“Category Assignment Application”** shall mean the application for assignment of a Clearing Participant category, which is made in the form of Appendix 2 or Appendix 3 to these Clearing Rules.
- 42.6. **“ICM”** shall mean an individual clearing margin, a method for ensuring the fulfillment of liabilities of clearing participants eligible for clearing, and/or liabilities to pay fees to the Clearing House and other institutions under the Clearing Law.
- 42.7. **“Buyer”** shall mean a Clearing Participant who is a buyer under a Sale and Purchase Contract, and who has been assigned such category on the basis of a Category Assignment Application.
- 42.8. **“COMMOD Trading Rules”** shall mean Rules for Organized Trading in Commodities in the Spot Market of Joint-Stock Company "National Mercantile Exchange".
- 42.9. **“AGROPR Trading Rules”** shall mean the Rules for Organized Trading in Agricultural or Other Products in the Spot Market of Joint-Stock Company "National Mercantile Exchange".
- 42.10. **“Seller”** shall mean a Clearing Participant who is a seller under a Sale and Purchase Contract.
- 42.11. **“Seller with Collateral”** shall mean a Seller that provides collateral under the COMMOD Trading Rules, who has been assigned such category on the basis of a Category Assignment Application.
- 42.12. **“Seller without Collateral”** shall mean a Seller that does not provide collateral under the COMMOD Trading Rules, who has been assigned such category on the basis of a Category Assignment Application.
- 42.13. **“VAT Paying Seller”** shall mean a Seller who is VAT payer under the AGROPR Trading Rules, and who has been assigned such category on the basis of a Category Assignment Application.
- 42.14. **“Non-VAT Paying Seller”** shall mean a Seller who is not VAT payer under the AGROPR Trading Rules, and who has been assigned such category on the basis of a Category Assignment Application.
- 42.15. **“Commodity Value”** shall mean the value of a commodity under a Sale and Purchase Contract, inclusive of VAT (if VAT is payable).
- 42.16. **“TCA”** shall mean a trading clearing account being used for the purposes of providing information to Clearing Participants or sharing information with a Market Operator.

43. Clearing methods in the commodity market

- 43.1. The Clearing House clears the liabilities of the Clearing Participants eligible for clearing. Liabilities under Sale and Purchase Contracts (including such liabilities as the delivery of and/or payment for commodities) made in the organized market in accordance with the COMMOD Trading Rules or AGROPR Trading Rules shall be eligible for clearing. Clearing Participants' liabilities shall be eligible for clearing upon receipt by the Clearing House of the Market Operator's documents in the manner provided for by Article 50 of these Clearing Rules.
- 43.2. The Clearing House shall clear trades without involvement of a central counterparty.
- 43.3. Clearing is carried out without netting of matching liabilities in respect of cash payments

(settlements for each individual trade, on a trade-by-trade basis).

- 43.4. The Clearing House shall clear trades with the use of an ICM.
- 43.5. Clearing shall be performed without using the tolerance principle. The Clearing House shall not impose any limits on Clearing Participants in respect of cash funds.
- 43.6. The Clearing House shall not provide clearing services to Clearing Participants' Clients or clients of a Clearing Participant's Clients.
- 43.7. Clearing Sessions shall start at the following times: 9.30 a.m. and 2.05 p.m.
- 43.8. In the course of Clearing Sessions, among other things, the following actions shall be carried out:
 - 43.8.1. suspension of the possibility to debit cash funds;
 - 43.8.2. building a Clearing Pool;
 - 43.8.3. preparing a summary list of cash liabilities upon clearing of trades;
 - 43.8.4. preparing settlement documents on the basis of a summary list of liabilities upon clearing of trades, and sending such documents to Settlement Organizations, and monitoring their settlement;
 - 43.8.5. preparing reports for Clearing Participants.
- 43.9. Clearing Sessions shall be run by the Clearing House during the times scheduled by the Clearing House and specified in these Clearing Rules. The Clearing House may run an additional Clearing Session beyond the established time limits.
- 43.10. The Clearing House shall charge the Clearing Participant a remuneration to the Market Operator in the manner provided for by NSD's Fee Schedule. The procedure for the transfer by the Clearing House of remuneration to the Market Operator shall be governed by an agreement between the Clearing House and the Market Operator on interaction during clearing of trades made through the Market Operator.

44. Procedure for Data Interchange During Commodity Market Clearing

- 44.1. Data interchange between the Clearing House and the Clearing Participant shall be performed in accordance with the procedure established in the EDI Agreement with Moscow Exchange.
- 44.2. Electronic document formats, including the formats of clearing reports, shall be established in the EDI Agreement. Document forms to be completed by a Clearing Participant (standard forms of applications, details forms, other documents) and clarifications as to how they are to be completed are provided in the List of Forms posted on the Web site.
- 44.3. Electronic documents (messages) interchanged between the Clearing House and a Clearing Participant and signed either with an electronic signature of the Clearing House or the Clearing Participant as set forth by the EDI Agreement with Moscow Exchange shall have the same validity as hard copy documents signed by representatives and under the corporate seals of the Clearing House and/or the Clearing Participant (regardless of whether or not such documents also exist in hard copy).
- 44.4. The Clearing House and Clearing Participants acknowledge that cryptographic tools being used by them for the purpose of generating an electronic signature and the data encryption process are sufficient to ensure confidentiality of Clearing Participants' confidentiality and to make sure that the relevant electronic document:
 - 44.4.1. is originated by the Clearing House or the Clearing Participant (electronic document authorship verification);
 - 44.4.2. has not been changed in the course of electronic data interchange between the Clearing House and the Clearing Participant (electronic document integrity verification).

45. ICM Agreement

- 45.1. The claims of the Clearing Participant, Clearing House and/or Market Operator shall be secured by an ICM in the amount of such claims when they are settled, including interest, penalties, compensation for damages caused by late execution.
- 45.2. The assets intended as an ICM shall be cash in rubles.
- 45.3. The Clearing House shall not accrue interest on the cash which is used as an ICM.
- 45.4. The Clearing House shall not use the cash which is used as an ICM for its own benefit.
- 45.5. A Clearing Participant's cash funds held in a Trading Bank Account or Clearing Bank Account shall be considered to constitute an ICM. Cash funds shall be considered to constitute an ICM as soon as they are credited to the Trading Bank Account or Clearing Bank Account and until they are debited from the Trading Bank Account or Clearing Bank Account, respectively.
- 45.6. In case of failure to perform its liabilities or improper performance thereof, liabilities secured by an ICM shall be fulfilled by the Clearing House by transferring the aforementioned assets to the creditor to offset the liabilities secured by the ICM.
- 46. Requirements to Clearing Participants in the Commodity Market**
- 46.1. For the purposes of getting access to clearing services, a Clearing Participant shall be required to:
 - 46.1.1. enter into an Agreement with the Clearing House;
 - 46.1.2. enter into an EDI Agreement;
 - 46.1.3. enter into an EDI Agreement with Moscow Exchange;
 - 46.1.4. open a Trading Bank Account with NSD acting as Settlement Organization;
 - 46.1.5. submit a Category Assignment Application (if necessary); and
 - 46.1.6. comply with the Clearing House's requirements, including the requirements to provide documents and information in accordance with the Clearing Rules.
- 46.2. The Clearing House may assign the following categories to Clearing Participants trading in accordance with the COMMOD Trading Rules:
 - 46.2.1. Buyer;
 - 46.2.2. Seller with Collateral; or
 - 46.2.3. Seller without Collateral
- 46.3. The Clearing House may assign the following categories to Clearing Participants trading in accordance with the AGROPR Trading Rules:
 - 46.3.1. Buyer;
 - 46.3.2. VAT Paying Seller; or
 - 46.3.3. Non-VAT Paying Seller.
- 46.4. A Clearing Participant's category shall be changed on the basis of a notice received from the Market Operator. Upon changing a Clearing Participant's category, the Clearing House shall notify the Clearing Participant of such change.
- 46.5. Other requirements to Clearing Participants, as well as Clearing Participant's rights and obligations, are set out in Part III of these Clearing Rules.
- 46.6. The Clearing House may suspend a Clearing Participant's access to clearing services in any of the circumstances stipulated in paragraph 6.1 of the Clearing Rules, or if the Clearing House receives a notification from the Market Operator on suspension and/or discontinuance of access to trading.
- 47. Trading Accounts Used in Commodity Market Clearing**

- 47.1. The Clearing House is entitled to use Trading Bank Accounts held with NSD as Settlement Organization to record cash funds that may be used to settle and/or secure liabilities eligible for clearing, or liabilities to pay fees to the Clearing House and other institutions under the Clearing Law. The name of the Clearing House which is entitled to submit instructions relating to the Trading Bank Accounts shall be indicated when the Trading Bank Accounts are opened. Transactions shall be performed on Trading Bank Accounts on the basis of instructions from the Clearing House without any instruction from the person who opened the Trading Bank Account, or on the basis of an instruction given by the person holding the Trading Bank Account, with the consent of the Clearing House.
- 47.2. For clearing purposes in the commodity market, Clearing Participants shall not use a special brokerage account or a special trading account of the Clearing Participant.
- 47.3. A procedure for opening Trading Bank Accounts and for transfer of cash to or from such Trading Bank Accounts shall be governed by these Clearing Rules and by bank account agreements between the Settlement Organization and Clearing Participants.
- 47.4. Trading Bank Accounts of Russian residents / non-residents in Russian rubles can be used for settlements upon clearing of trades.
- 47.5. To debit cash from the Trading Bank Account, a Clearing Participant who owns the Trading Bank Account shall send an order to the Settlement Organization to transfer cash funds in the manner prescribed by laws of the Russian Federation and the bank account agreement.
- 47.6. The Clearing House shall give its consent to the crediting of cash funds to a Trading Bank Account.
- 47.7. The Clearing House shall give its consent to the debiting of cash funds from Trading Bank Accounts from the moment of completion of cash settlements during the last Clearing Session on the then current Operational Day until the moment when information on the cash balances in Trading Bank Accounts is submitted to the Clearing System before the commencement of the first Clearing Session on the next Operational Day.
- 47.8. To participate in settlements upon clearing of trades, a Clearing Participant shall transfer cash to the Trading Bank Account.
- 47.9. The Clearing Participant shall designate a Trading Bank Account to be debited and/or credited with cash funds for clearing purposes in a trade order submitted to the Market Operator.

48. Clearing Accounts Used for Clearing in the Commodity Market

- 48.1. The Clearing House is entitled to use Clearing Bank Accounts opened for the Clearing House with the Settlement Organization for the recording of cash funds intended to fulfill and/or secure fulfillment of liabilities eligible for clearing and liabilities to pay fees to the Clearing House and other institutions under the Clearing Law.
- 48.2. A procedure for opening Clearing Bank Accounts and for transfer of cash to or from such Clearing Bank Accounts shall be governed by these Clearing Rules and by bank account agreements between the Settlement Organization and the Clearing House.
- 48.3. Clearing Bank Accounts in Russian rubles can be used for settlements upon clearing of trades.
- 48.4. The cash funds of Clearing Participants in the Clearing Bank Account shall be kept separately in the internal records of the Clearing House with respect to each Clearing Participant.
- 48.5. The Clearing Bank Account shall be registered in the Clearing System by the Clearing House.

49. Determination of Net Liabilities in Commodity Market Clearing

- 49.1. The Clearing House shall calculate net liabilities of the Clearing Participant (cash liabilities arising as a result of termination of liabilities due to initiation of bankruptcy proceedings against the Clearing Participant), in accordance with Article 15 of the Clearing Rules, in Russian rubles in relation to other Clearing Participants (its counterparties in trades) in case of termination of all liabilities of the Clearing Participant.

- 49.2. The Clearing House shall calculate net liabilities (either negative or positive) of the Clearing Participant to another Clearing Participant – counterparty, being equal to the sum (either negative or positive) of unfulfilled liabilities under Sale and Purchase Contracts, and for the cash funds transferred (received) under Sale and Purchase Contracts as of the date when such liabilities are terminated.
- 49.3. For the purpose of calculation of the net liabilities of the Seller to deliver the commodities, the value of the commodities shall be equal to the Commodity Value specified in the Market Operator's Trades Register.

50. Clearing Procedure in the Commodity Market

- 50.1. During the provision of clearing services, the Clearing House shall draw the List of Subjects of Liabilities and disclose it on the Web Site.
- 50.2. Clearing of trades of Clearing Participants made in organized trading shall be performed on the basis of a Trades Register accepted by the Clearing House from the Market Operator, as well as the information on fulfillment or non-fulfillment of the liabilities by the Clearing Participants, as received by the Clearing House from the Market Operator.
- 50.3. The list of Market Operators whose trading facilities are used to enter into Sale and Purchase Contracts is available on the Web Site.
- 50.4. Where the Clearing House takes a decision to discontinue a Clearing Participant's access to clearing services, the Clearing House shall, before such access is discontinued, during a Clearing Session and provided that there are no non-settled liabilities eligible for clearing, give an instruction to the Settlement Organization to transfer the ICM from the Clearing Bank Account to the Clearing Participant's Trading Bank Account, and shall also give its consent to the debiting of the cash funds from the Trading Bank Account. Where there is more than one Trading Bank Account, the cash funds shall be transferred to the Trading Bank Account that was opened first.
- 50.5. Upon completion of each Clearing Session, the Clearing House shall prepare a summary list of cash liabilities containing information on the Clearing Participants' liabilities and claims.
- 50.6. Information on the Trading Bank Account designated by the Clearing Participant pursuant to paragraph 47.9 of these Clearing Rules shall be provided by the Market Operator to the Clearing House as part of the Trades Register, including by specifying the TCA corresponding to the Trading Bank Account.

51. Clearing with the COMMOD Settlement Type

- 51.1. During an Operational Day, the Clearing House shall in the course of a Clearing Session with respect to the Seller with Collateral:
- 51.1.1. check sufficiency of the Collateral in the amount of one (1) million Russian rubles to be available in the Trading Bank Account and/or the Clearing Bank Account;
- 51.1.2. if the Collateral available in the Clearing Bank Account is insufficient, impose restrictions on the debiting of the Collateral available in the Trading Bank Account and submit an order to the Settlement Organization to transfer the deficient amount from the Trading Bank Account of the Seller with Collateral to the Clearing Bank Account, and the Seller with Collateral shall ensure availability of the required amount in the Trading Bank Account before giving the trade order. Where there is more than one Trading Bank Account, cash funds shall be debited in the following order:
- 51.1.2.1. if there are Trading Bank Accounts the balance of each of which exceeds the deficient amount, the Trading Bank Account with the least balance shall be debited, or, if all such Trading Bank Accounts have the same balances, the Trading Bank Account opened first shall be debited;
- 51.1.2.2. if there are no such accounts as described above, the Trading Bank Accounts shall be

debited in a descending order of their balances, or, if they have the same balances, the Trading Bank Accounts shall be debited in an ascending order of their opening dates (i.e., on a 'first-in-first-out' basis);

51.1.3. if the Collateral available in the Trading Bank Account and the Clearing Bank Account is insufficient, notify the Market Operator of the insufficiency.

51.2. During the Operational Day when the Clearing House receives from the Market Operator information on receipt of a trade order, the Clearing House shall, outside a Clearing Session:

51.2.1. with respect to the Buyer:

51.2.1.1. check sufficiency of the Buyer's cash funds in the Trading Bank Account in the amount equivalent to five (5) per cent of the sum of the Commodity Value information on which has been received from the Market Operator and the fee for clearing services and the Market Operator's fee;

51.2.1.2. if the cash funds are sufficient, impose restrictions on the debiting of the cash funds referred to in paragraph 51.2.1.1 of these Clearing Rules and notify the Market Operator of the sufficiency;

51.2.1.3. if the cash funds referred to in paragraph 51.2.1.1 of these Clearing Rules are insufficient, notify the Market Operator of the insufficiency;

51.2.1.4. upon receipt of information regarding withdrawal of an order received earlier, lift the restrictions imposed on the debiting of the cash funds referred to in paragraph 51.2.1.1 of these Clearing Rules;

51.2.1.5. upon receipt of information from the Market Operator regarding partial execution of a trade order, prior to the last Clearing Session on the then current Operational Day, partially lift the restrictions imposed on the debiting of the cash funds referred to in paragraph 51.2.1.1 of these Clearing Rules in the amount equivalent to the non-executed portion of the order;

51.2.2. with respect to the Seller with Collateral:

51.2.2.1. check sufficiency of the Collateral in the amount of one (1) million Russian rubles;

51.2.2.2. if the Collateral is insufficient, notify the Market Operator of the insufficiency.

51.3. During the Operational Day on which a trade is made, the Clearing House shall, during a Clearing Session and with respect to the Buyer, give an instruction to the Settlement Organization to transfer the cash funds in the amount equivalent to five (5) per cent of the sum of the Commodity Value and the fee for clearing services and the Market Operator's from the Buyer's Trading Bank Account to the Clearing Bank Account.

51.4. No later than the next Operational Day after the Operational Day when the trade is made, the Clearing House shall, during a Clearing Session:

51.4.1. with respect to the Buyer:

51.4.1.1. check sufficiency and give an instruction to the Settlement Organization to transfer cash funds as payment for the commodity in the amount equivalent to ninety-five (95) per cent of the Commodity Value from the Buyer's Trading Bank Account to the Seller's Trading Bank Account;

51.4.1.2. if the cash funds referred to in paragraph 51.4.1.1 of these Clearing Rules are sufficient, give an instruction to the Settlement Organization to transfer the Buyer's cash funds in the amount equivalent to five (5) per cent of the Commodity Value from the Clearing Bank Account to the Trading Bank Account of the Seller with Collateral;

51.4.1.3. if the cash funds referred to in paragraph 51.4.1.1 of these Clearing Rules are sufficient, transfer/record the ICM from the Buyer's register to the register of the Seller without

Collateral in the amount equivalent to five (5) per cent of the Commodity Value available in the Clearing Bank Account;

- 51.4.1.4. if the cash funds referred to in paragraph 51.4.1.1 of these Clearing Rules are insufficient, give an instruction to the Settlement Organization to transfer the Buyer's cash funds in the amount equivalent to five (5) per cent of the Commodity Value from the Clearing Bank Account to the Seller's Trading Bank Account;
- 51.4.2. in the event of insufficiency of cash funds referred to in paragraph 51.4.1.1 of these Clearing Rules is not executed, notify the Clearing Participants and the Market Operator of the discontinuance of clearing services with respect to the trade. Further settlement of liabilities under the trade shall be carried out by the Clearing Participants independently;
- 51.4.3. charge the Buyer and the Seller a fee for clearing services and the Market Operator's fee in the manner set forth in NSD's Fee Schedule.
- 51.5. On the Operational Day when the Clearing House receives from the Market Operator information on the performance by the Seller of the liability to deliver the commodity, the Clearing House shall, during the last Clearing Session and with respect to the Seller without Collateral, give an instruction to the Settlement Organization to transfer cash funds of the Seller without Collateral in the amount equivalent to five (5) per cent of the Commodity Value from the Clearing Bank Account to the Trading Bank Account of the Seller without Collateral.
- 51.6. On the Operational Day when the Clearing House receives from the Market Operator information on the non-performance by the Seller of the liability to deliver the commodity, the Clearing House shall, during the last Clearing Session:
 - 51.6.1. with respect to the Seller without Collateral: give an instruction to the Settlement Organization to transfer cash funds of the Seller without Collateral in the amount equivalent to five (5) per cent of the Commodity Value from the Clearing Bank Account to the Buyer's Trading Bank Account;
 - 51.6.2. with respect to the Seller with Collateral:
 - 51.6.2.1. give an instruction to the Settlement Organization to transfer cash funds of the Seller with Collateral in the amount equivalent to five (5) per cent of the Commodity Value from the Clearing Bank Account to the Buyer's Trading Bank Account;
 - 51.6.2.2. if the Collateral is insufficient to settle all liabilities under the trades in which the liabilities to deliver the commodity, as set forth in the Trading Rules, are pending settlement, notify the Market Operator of the insufficiency of the Collateral;
 - 51.6.3. notify the Clearing Participants and the Market Operator of the discontinuance of clearing services with respect to the trade. Further settlement of liabilities shall be carried out by the Clearing Participants independently.

52. Clearing with the AGROPR Settlement Type

- 52.1. During the Operational Day when the Clearing House receives information from the Market Operator regarding a trade order submitted, the Clearing House shall, outside a Clearing Session:
 - 52.1.1. with respect to the Buyer:
 - 52.1.1.1. check sufficiency of Seller's cash funds in the Trading Bank Account, which are to be equivalent to one hundred (100) per cent of the sum of the Commodity Value information on which has been received from the Market Operator and the fee for clearing services and the Market Operator's fee;
 - 52.1.1.2. if the cash funds are sufficient, impose restrictions on the debiting of cash funds referred to in paragraph 52.1.1.1 of these Clearing Rules and notify the Market Operator of the sufficiency;

- 52.1.1.3. if the cash funds referred to in paragraph 52.1.1.1 of these Clearing Rules are insufficient, notify the Market Operator of the insufficiency;
- 52.1.1.4. upon receipt of information regarding withdrawal of an order received earlier and/or if the Market Operator's Trades Register does not contain information on a trade made on the basis of an order received earlier, lift the restrictions imposed on the debiting of the cash funds referred to in paragraph 52.1.1.1 of these Clearing Rules;
- 52.1.1.5. upon receipt of information from the Market Operator regarding partial execution of a trade order, prior to the last Clearing Session on the then current Operational Day, partially lift the restrictions imposed on the debiting of the cash funds referred to in paragraph 52.1.1.1 of these Clearing Rules in the amount equivalent to the non-executed portion of the order;
- 52.1.2. with respect to the Seller:
 - 52.1.2.1. check sufficiency of Seller's cash funds, which are to be equivalent to twenty (20) per cent of the sum of the Commodity Value information on which has been received from the Market Operator and the fee for clearing services and the Market Operator's fee;
 - 52.1.2.2. if the cash funds are sufficient, impose restrictions on the debiting of cash funds referred to in paragraph 52.1.2.1 of these Clearing Rules and notify the Market Operator of the sufficiency;
 - 52.1.2.3. if the cash funds referred to in paragraph **Ошибка! Источник ссылки не найден.** of these Clearing Rules are insufficient, notify the Market Operator of the insufficiency;
 - 52.1.2.4. upon receipt of information regarding withdrawal of an order received earlier and/or where the Market Operator's Trades Register does not contain information on the trade made on the basis of an order received earlier, lift the restrictions imposed on the debiting of the cash funds referred to in paragraph 52.1.2.1 of these Clearing Rules;
 - 52.1.2.5. upon receipt of information from the Market Operator regarding partial execution of a trade order, prior to the last Clearing Session on the then current Operational Day, partially lift the restrictions imposed on the debiting of the cash funds referred to in paragraph 52.1.1.1 of these Clearing Rules in the amount equivalent to the non-executed portion of the order;
- 52.2. During an Operational Day when the trade is made, the Clearing House shall, in the course of a Clearing Session:
 - 52.2.1. with respect to the Buyer: give an instruction to the Settlement Organization to transfer the cash funds referred to in paragraph 52.1.1.1 of these Clearing Rules from the Buyer's Trading Bank Account to the Clearing Bank Account;
 - 52.2.2. with respect to the Seller: give an instruction to the Settlement Organization to transfer the cash funds referred to in paragraph 52.1.2.1 of these Clearing Rules from the Seller's Trading Bank Account to the Clearing Bank Account;
 - 52.2.3. charge the fee for clearing services and the Market Operator's fee to the Buyer and the Seller in accordance with NSD's Fee Schedule.
- 52.3. On the Operational Day when the Clearing House receives information from the Market Operator that the Buyer has failed to accept the commodity, the Clearing House shall, during the last Clearing Session:
 - 52.3.1. with respect to the Buyer:
 - 52.3.1.1. give an instruction to the Settlement Organization to transfer the Buyer's cash funds in the amount equivalent to one hundred (100) per cent of the Commodity Value from the Clearing Bank Account to the Buyer's Trading Bank Account;
 - 52.3.1.2. give an instruction to the Settlement Organization to transfer the Buyer's cash funds in the amount equivalent to twenty (20) per cent of the Commodity Value from the Buyer's Trading Bank Account to the Seller's Trading Bank Account;
 - 52.3.2. with respect to the Seller: give an instruction to the Settlement Organization to transfer the

Seller's cash funds in the amount equivalent to twenty (20) per cent of the Commodity Value from the Clearing Bank Account to the Seller's Trading Bank Account;

- 52.3.3. notify the Clearing Participants and the Market Operator of the discontinuance of clearing services with respect to the trade. Further settlement of liabilities shall be carried out by the Clearing Participants independently.
- 52.4. On the Operational Day when the Clearing House receives information from the Market Operator that the Seller has delivered the commodity, the Clearing House shall, during the last Clearing Session:
 - 52.4.1. with respect to the Buyer: give an instruction to the Settlement Organization to transfer the Buyer's cash funds in the amount equivalent to one hundred (100) per cent of the Commodity Value from the Clearing Bank Account to the Seller's Trading Bank Account;
 - 52.4.2. with respect to the Seller:
 - 52.4.2.1. give an instruction to the Settlement Organization to transfer the VAT Paying Seller's cash funds in the amount equivalent to twenty (20) per cent of the Commodity Value less the applicable VAT amount* from the Clearing Bank Account to the VAT Paying Seller's Trading Bank Account;
 - 52.4.2.2. give an instruction to the Settlement Organization to transfer the Non-VAT Paying Seller's cash funds in the amount equivalent to twenty (20) per cent of the Commodity Value from the Clearing Bank Account to the Non-VAT Paying Seller's Trading Bank Account.
- 52.5. On the Operational Day when the Clearing House receives information from the Market Operator that the Seller has failed to deliver the commodity, the Clearing House shall, during the last Clearing Session:
 - 52.5.1. with respect to the Buyer: give an instruction to the Settlement Organization to transfer the Buyer's cash funds in the amount equivalent to one hundred (100) per cent of the Commodity Value from the Clearing Bank Account to the Buyer's Trading Bank Account;
 - 52.5.2. with respect to the Seller:
 - 52.5.2.1. give an instruction to the Settlement Organization to transfer the Seller's cash funds in the amount equivalent to twenty (20) per cent of the Commodity Value from the Clearing Bank Account to the Seller's Trading Bank Account;
 - 52.5.2.2. give an instruction to the Settlement Organization to transfer the Seller's cash funds in the amount equivalent to twenty (20) per cent of the Commodity Value from the Seller's Trading Bank Account to the Buyer's Trading Bank Account; and
 - 52.5.3. notify the Clearing Participants and the Market Operator of the discontinuance of clearing services with respect to the trade. Further settlement of liabilities shall be carried out by the Clearing Participants independently.
- 52.6. On the Operational Day when the Clearing House receives information from the Market Operator that the Seller has paid its tax liabilities (provided that the Seller has performed its delivery obligations under paragraph 52.4 of these Clearing Rules), the Clearing House shall, during the last Clearing Session, with respect to the VAT Paying Seller, give an instruction to the Settlement Organization to transfer the Seller's cash funds in the amount equivalent to the applicable VAT rate[†] from the Clearing Bank Account to the VAT Paying Seller's Trading Bank Account.
- 52.7. On the Operational Day when the Clearing House receives information from the Market Operator that the Seller has failed to pay its tax liabilities (provided that the Seller has performed its delivery obligations under paragraph 52.4 of these Clearing Rules), the Clearing House shall, during the last Clearing Session, with respect to the VAT Paying Seller, give an

* VAT required by the effective laws, the amount of which is specified in the Trades Register.

[†] VAT required by the effective laws, the amount of which is specified in the Trades Register

instruction to the Settlement Organization to transfer the Seller's cash funds in the amount equivalent to the applicable VAT rate* from the Clearing Bank Account to the Buyer's Trading Bank Account.

53. Identification of Liabilities to be Satisfied Which are Included in a Clearing Pool

- 53.1. Only liabilities to be settled, starting from the then current Operational Day, shall be included in a Clearing Pool.
- 53.2. The sufficiency of available cash funds shall be checked for each trade on a first-in-first-out basis, subject to the settlement of liabilities included in the Clearing Pool, the possibility to settle which has already been confirmed.
- 53.3. If the cash funds available are insufficient, the sufficiency check shall be repeated until the check is performed for all liabilities, or until all liabilities fail the check.
- 53.4. Liabilities shall be removed from the Clearing Pool provided that the cash funds available for settlement of those liabilities are insufficient.

54. Verification of Accounts for Sufficiency of Cash Funds for Clearing of Clearing Participants' Trades on the Commodity Market

- 54.1. Sufficiency of cash funds shall be verified by the Clearing House on the basis of:
 - 54.1.1. the information contained in the Trades Register;
 - 54.1.2. information on the current balance of cash in clearing registers;

55. Provision of Clearing Reports upon Commodity Market Clearing

- 55.1. The Clearing House provides the following reports to the Clearing Participants: Report MS28T, Report MS38T, and Report GS18F. Reports in electronic format shall be provided no later than one business day after the date when the relevant entry is made in the registers opened with respect to the Clearing Participant, if the Clearing Participant has the required software and cryptographic tools. If issuance of a transaction report in electronic format is impossible, the Clearing House is entitled to complete the transaction by providing a report in hard copy in the format similar to an electronic format report, in the manner and within the time limits provided for by these Clearing Rules.
- 55.2. A hard copy report related to a clearing transaction shall be provided to the Clearing Participant on the next Operational Day: from 9.30 am to 5.00 pm. When issuing a hard copy report to a Clearing Participant, it shall be allowed to use a facsimile signature of a Clearing House's authorized officer.
- 55.3. A Clearing Participant shall designate representatives acting under a power of attorney to receive hard copy reports from the Clearing House.

The Clearing Participant shall provide the Clearing House with the powers of attorney issued in the name of the Clearing Participant's representatives upon submission of a set of documents required to enter into an Agreement.

Where the authority of any of the Clearing Participant's representatives is revoked, the Clearing Participant shall submit to the Clearing House a new power of attorney issued in the name of its authorized representatives. Until such new power of attorney is received, documents shall be provided to the Clearing Participant's representative named in the power of attorney held on file by the Clearing House.

Upon provision of the documents, the details contained in the power of attorney (including the representative's specimen signature) shall be compared to the details contained in the representative's ID document.

* VAT required by the effective laws, the amount of which is specified in the Trades Register.

- 55.4. Hard copy reports shall be provided to a Clearing Participant's representative against his/her signature.
- 55.5. A report in the form of a Trading Bank Account statement shall be issued by NSD as Clearing House and Settlement Organization in the manner stipulated in the bank account agreement.
- 56. Forms Used to Keep Internal Records in Commodity Market Clearing**
- 56.1. The Clearing House shall keep records of Clearing Participants' liabilities, as well as records of information on cash funds intended for meeting liabilities (securing liabilities), in clearing registers.
- 56.2. The Clearing House shall open and maintain the following clearing registers:
 - 56.2.1. for recording information on cash funds of the Clearing Participant in Trading Bank Accounts and Clearing Bank Accounts;
 - 56.2.2. for recording liabilities of the Clearing Participant in respect of cash funds;
 - 56.2.3. for recording claims in respect of cash funds by the Clearing Participant;
 - 56.2.4. for recording the Seller's liabilities to deliver the commodity;
 - 56.2.5. for recording the claims of the Buyer for the Seller to deliver the commodity;
 - 56.2.6. for recording information on the cash funds intended to secure liabilities of the Clearing Participants.
- 56.3. Clearing registers for recording information on the cash funds reflect information on Trading Bank Accounts of the Clearing Participant and the Clearing Bank Account of the Clearing House, and on cash account balances and account currencies.
- 56.4. The Clearing House may change the information on clearing registers during and beyond Clearing Sessions.
- 56.5. The Clearing House shall use separate accounts opened with the Clearing House to:
 - 56.5.1. settle cash liabilities upon clearing of trades, for the purpose of recording clearing results;
 - 56.5.2. keep internal records of Clearing Participant's cash funds available in Trading Bank Accounts / Clearing Bank Accounts.

Application for Accession to the Clearing Services Agreement

« ____ » _____ 20 ____

(full name and *Principal State Registration Number (OGRN)* / *Registration Number* of the Clearing Participant)

represented by _____,
acting under _____, in accordance with Article 428 of
the Russian Civil Code, fully and unreservedly accedes to the clearing services agreement, terms and
conditions of which are set out in the Clearing Rules and in NSD's Fee Schedule provided for thereby.

The Clearing Participant has read the terms and conditions of services and agrees that the Clearing Rules
and NSD's Fee Schedule may be changed unilaterally by NSD.

The Clearing Participant agrees and acknowledges that any and all disputes, dissents, or claims arising
out of the Agreement or directly or indirectly relating to the Agreement, including those relating to its
execution, existence, amendment, performance, violation, termination, or validity, which are not
resolved by the Parties, shall be resolved in arbitration administered by the Arbitration Center at the
Russian Union of Industrialists and Entrepreneurs in accordance with its rules in effect on the date of the
filing of the statement of claim. Any ruling issued by the arbitral tribunal will be final and binding on
the Parties and may not be disputed.

Clearing Participant Category Assignment Application (COMMOD)

Place: _____

Date: _____ 20 ____

(Clearing Participant's full name)

represented by _____
acting under _____ hereby applies for the assignment
of the following Clearing Participant categories* for the purposes of clearing in the commodity market:

For the COMMOD settlement type	
<input type="checkbox"/>	Buyer
<input type="checkbox"/>	Seller with Collateral
<input type="checkbox"/>	Seller without Collateral

The Clearing Participant hereby authorizes the Clearing House to change the category on the basis of a notice received from the Market Operator.

(job title)

(signature)

(full name)

Seal

* Only one Seller category can be chosen: either Seller with Collateral or Seller without Collateral

Clearing Participant Category Assignment Application (AGROPR)

Place: _____

Date: _____ 20__

(Clearing Participant's full name)

represented by _____
acting under _____ hereby applies for the assignment
of the following Clearing Participant categories* for the purposes of clearing in the commodity market:

For the AGROPR settlement type	
<input type="checkbox"/>	Buyer
<input type="checkbox"/>	VAT Paying Seller
<input type="checkbox"/>	Non-VAT Paying Seller

The Clearing Participant hereby authorizes the Clearing House to change the category on the basis of a notice received from the Market Operator.

(job title)

(signature)

(full name)

Seal

* Only one Seller category can be chosen: either VAT Paying Seller or Non-VAT Paying Seller.