

## Changes to the Clearing Rules and Forms and formats of the documents and reports, coming into force since 25.10.2021

From 25.10.2021 new edition of the following NCC documents is in effect:

**Clearing Rules. Part I. Common part** excluding sub-paragraphs 26.3.1, 26.3.4, paragraphs 33.7, 33.11 (exception applied to sub-paragraphs 33.11.1, 33.1.2), 42.9, 42.10, paragraphs 29.2, 61.15.

**Clearing Rules. Part II. The Clearing Rules on the Securities Market, Deposit Market and Credit Market** excluding paragraphs 22.2, 27.14, 33.5, 43.14, article 35.

**Clearing Rules. Part III. The Clearing Rules on the FX Market and Precious Metals Market** excluding paragraph 10.7, article 12.

**Clearing Rules. Part VI. The Clearing Rules on the Standardised Derivatives Market** excluding paragraphs 4.5, 4.6, article 14.

The date of coming into force of the excluded paragraphs and sub-paragraphs will be determined by a separate decision of the Board of the NCC.

The main changes are presented in the table:

Changes	Clearing Rules	Description of changes	Impact on rights and obligations of the Clearing Member	Reason for changes
1) <b>Execution of the functions of Qualified Derivatives Dealer (QDD) by the Clearing House in respect of income sourced in US</b>	Articles 2, 8, paragraphs 12.9, 44.1, 46.9, sub-paragraphs 61.15.6, 64.4.3 of the Common part of the Clearing Rules;  Paragraphs 46.2, 46.3, 46.6, 46.7, 46.14, 46.15 of the Clearing rules on the Securities Market.	Within the framework of the FATCA project P-109, amendments are being made providing that when making payments equivalent to dividends or interest to the Clearing Member, the Clearing House, in cases established by US tax legislation, performs the functions of Qualified Derivatives Dealer (QDD) and pays to the US budget tax in respect of income sourced in US and/or equated income under Chapters 3 and 4 of the US Tax Code in accordance with the requirements of Section 871 (m).	The Clearing Member is obliged to pay to the Clearing House the amount corresponding to the amount of tax paid by the Clearing House to the US budget.	The change is aimed at ensuring the possibility of execution of REPO trades with American securities.
2) <b>Links with foreign liquidity providers on the securities market</b>	Article 2, paragraphs 7.4, 16.5, 17.1, 18.1, 18.2, sub-paragraphs 18.4.1-18.4.3, paragraphs 19.1, 19.6, 20.6, 25.1, 25.2, 25.3, sub-paragraphs 33.15.1, 33.15.3, 3781.1, 53.2.2, 53.2.3, 53.2.5, paragraphs 57.7, 57.13, sub-paragraph 57.14.1, paragraph 60.1 of the	Within the framework of the P-131 project "Links with foreign liquidity providers", implemented in order to increase the liquidity of trading in foreign securities, the main platforms of which are foreign markets, it is assumed to provide the opportunity to execute trades on the stock market of PJSC Moscow Exchange on quotations transmitted from foreign markets by Trading Members of a separate category - Providers. Providers are granted the right to submit Quotations that are checked for security after	Clearing Members which are Trading Members which are Liquidity Providers are entitled to execute exchange trades with Central counterparty based on the submitted Quotations.	Attraction of additional volumes from the OTC stock market on clearing with the Central counterparty.

	<p>Common part of the Clearing Rules,</p> <p>Article 1, paragraph 2.16, sub-paragraph 11.4.1, paragraphs 11.7, 12.4, 16.1, 16.3, 19.1, 19.3, sub-paragraphs 19.4.1, 19.4.2, paragraphs 19.6, 19.7, 19.8, 19.10, sub-paragraph 19.13.4, paragraphs 27.1, 47.3, 47.10 of the Clearing Rules on the Securities market.</p>	<p>matching a Quotation with counter order submitted by another Trading Member. A trade based on a Quotation and counter order is executed after Quotation is confirmed by the Provider (after the Provider has executed a similar trade on a foreign market).</p> <p>The Clearing rules are supplemented by the norms defining the procedure for checking Quotations submitted by Trading Members who are Liquidity Providers for security.</p>		
<b>3) Refusal of the order book REPO trades with the Central counterparty</b>	<p>Paragraph 27.20 of the Clearing Rules on the Securities Market</p>	<p>Clearing Members are granted the right to refuse to fulfill obligations under the order book REPO trades with the Central counterparty on the day of its execution. When submitting an Application of refusal to execute a REPO trade by both Clearing Members who are parties to Related Central Counterparty Trade, the obligations under the REPO trade are terminated without cancellation payment.</p>	<p>The rights of clearing Participants are expanded – it becomes possible to refuse the execute order book REPO trade with the mutual consent of the parties to the trade.</p>	<p>Changes are implemented at the request of Clearing Members. Cancellation of REPO trade will be applied by Clearing Members in case of erroneous submission of order book orders.</p>
<b>4) Links with liquidity providers on the FX market</b>	<p>Paragraph 10.7, article 12 of the Clearing Rules on FX market</p>	<p>Within the framework of the P-115 project Development of OTC services, Clearing Members are provided with a new service for executing OTC trades on the FX market:</p> <p>Clearing Members who receive quotations on the OTC market from third parties, transmitted these quotations to their clients which are also Clearing Members. In case of interest, Clearing Members submit Offers to the NCC. NCC executes trades with each of the Clearing members after receiving confirmation from the Clearing Members which receive quotations on the OTC market from third parties. A Clearing member is entitled to submit to the Clearing System its Offers to execute OTC Trades involving another Clearing Member (hereinafter referred to as the informing Clearing Member). To realize this possibility, the Clearing member-applicant submits an application to the Clearing House. After receiving the application, the Clearing House generates and sends a special code to the Clearing Participant-applicant, which must be indicated in the Offers formed by him, which the</p>	<p>Does not affect the rights and obligations of the Clearing Members.</p>	<p>Attraction of additional volumes from the OTC FX market on clearing with the Central counterparty.</p>

		informing Clearing Member directs to the Clearing System.		
<b>5) Clarification of the days in which the second part of REPO trade is reduced when transferring income under REPO trade without Central counterparty</b>	Sub-paragraph 21.1.1, article 38 of the Clearing rules on the Securities Market, paragraph 1.4 of Supplement to the Clearing Rules on the Securitites market	Non-working days have been replaced with Settlement days: due to the appearance of "covid" non-working days, non-working days which are Settlement Days have appeared. The reduction of the second part of REPO travy actually occurs on Settlement Days. The changes are aimed at bringing the requirements of the Clearing Rules in line with the actual actions of the Clearing House.	Does not affect the rights and obligations of the Clearing Members.	The changes are aimed at bringing the Clearing Rules in line with actual actions of the NCC to reduce the second part of REPO trade without Central counterparty.
<b>6) NCO NCC (JSC) - informing part on the FX market</b>	Paragraph 9.5 of the Clearing Rules on FX market	Clearing Rules on FX market are supplemented by the norm that the NCC, as Central counterparty, due to the requirements of the regulations of the Bank of Russia, performs the functions of an informing part, sending information to the repository about OTC swap trades executed with Clearing Members.	Does not affect the rights and obligations of the Clearing Members.	It is planned to execute OTC swap trades on the FX market, which are subject to reporting to the repository. In this regard, the Clearing Rules on FX market need to be supplemented with the requirement that the NCC, as Central counterparty, performs the functions of an informing part, sending to the repository information about OTC swap trades executed with Clearing Members in amount, order and terms established by the regulations of the Bank of Russia.
<b>7) Change of the date of termination of obligations during liquidation netting in case the Bank of Russia revokes the banking license of the Clearing member - Credit institution</b>	Sub-paragraphs 61.1.1, 61.3.1 of the Common part of the Clearing Rules	Federal Law 7-FZ dated 07.02.2011 "On Clearing, Clearing Activities and the Central Counterparty" (sub-paragraph 6.1, paragraph 2, Article 4) allows termination of obligations during liquidation netting on the day following the day of the license revocation. If the license revocation occurred on the day preceding to the non-business day, the obligations under the trades may be terminated on that non-business day. The current edition of the Common Part of the Clearing Rules (sub-paragraph 60.1.1 of the Common part of the Clearing Rules) stipulates that obligations in this case terminate on the day of the license revocation. The amendments stipulate the moving of the date of termination of obligations to the next calendar day.  Similar amendments are made to sub-paragraph 60.3.1 of the Common part of the Clearing Rules upon termination of obligations in connection with the appointment of interim administration or	Does not affect the rights and obligations of the Clearing Members.	The changes will allow to reduce the risk of execution of the liquidation netting with violation of the deadlines established by paragraph 6.1 of article 4 of Federal Law 7-FZ dated 07.02.2011 "On Clearing, Clearing Activities and the Central Counterparty" and paragraph 1 of article 4 of Federal Law 127-FZ dated 26.10.2002 "On Insolvency (Bankruptcy)". This will reduce the risk to litigate the results of liquidation netting.

		submission of the judgement by the Arbitrage Court on introduction of any of bankruptcy proceedings in respect of a Clearing Member – Non-Credit Institution, or submission of the judgement on designation a Clearing Member as a bankrupt and on opening competition.		
<b>8) Clarification of the amount of Dedicated own resources of the CCP</b>	Sub-paragraphs 26.3.1, 26.3.4 of the Common part of the Clearing Rules	Clearing rules should contain information of the amount of Dedicated own resources of the CCP. The Supervisory Board of the NCC on 27.05.2021 revised the amount of Dedicated own resources of the NCC. Appropriate changes are made to the Clearing Rules.	Does not affect the rights and obligations of the Clearing Members.	The amendments are made in connection with the requirements of paragraph 14.2 of article 4 of the Federal Law 7-FZ dated 07.02.2011 "On Clearing, Clearing Activities and the Central Counterparty", according to which the Clearing Rules should contain information of the amount of Dedicated own resources of Central counterparty, meanwhile these changes will come into force not earlier than three months after NCC discloses information of the approval of a new edition of the Clearing Rules registered by the Bank of Russia.
<b>9) Unilateral signing of Clearing membership agreement, as well as Agreement on keeping clearing registers, including usage of electronic signature</b>	Sub-paragraph 5.4.1, paragraph 12.1 of the Common part of the Clearing Rules, Supplement 1,2 to the Common part of the Clearing Rules	At the moment, the signing of Clearing membership agreement and agreement on keeping clearing registers is performed by two sides (the NCC and the Clearing Member) and only in paper form. Agreements are accession agreements. The conclusion of Clearing membership agreement and Agreement on keeping clearing registers is realized through entering into agreement, terms of which are defined by the Clearing Rules. In this regard, it is permissible to sign them only on the part of the Clearing Member. The changes will allow, if the Clearing Member meets all requirements stipulated by the Clearing Rules, to sign these agreements unilaterally, including usage of electronic signature. A similar procedure has already been implemented at PJSC Moscow Exchange when signing a Contract for rendering services of organised trading conduct.	Does not affect the rights and obligations of the Clearing Members.	The amendments are aimed at simplifying the procedure for signing of Clearing membership agreement and agreement on keeping clearing registers and reducing the time for admission to the clearing services for the Clearing Member.
<b>10) Clarification of the procedure for liquidation netting in case of annulment of the banking license</b>	Sub-paragraphs 15.16.2, 15.18.4, 57.18.3, paragraphs 59.10, 59.11, 61.1, 61.1.1- 61.1.3, 61.12,	In the Clearing Rules, the obligation of the NCC to suspend admission to the clearing services and terminate obligations under trades in case of annulment of the banking license is replaced by the	Does not affect the rights and obligations of the Clearing Members.	The amendments are allowed to continue to provide clearing services for those Clearing Members whose annulment of the banking license is not related to the termination of activities of the Clearing

	61.14, 61.15.6 of the Common part of the Clearing Rules	right to perform these actions.		Member, if its activities continue to meet the requirements of the Clearing Rules.
<b>11) Clarification of the grounds for termination of the Clearing membership agreement in case of reorganization of the Clearing Member</b>	Paragraph 4.11 of the Common part of the Clearing Rules	The amendments to the Common part of the Clearing Rules is introduced, according to which the Clearing membership agreement during the reorganization of the Clearing Member is terminated only if the reorganization may result the termination of the Clearing member's activities.	Does not affect the rights and obligations of the Clearing Members.	The amendment are allowed to continue to provide clearing services for those Clearing Members whose reorganization in the form of change of business entity is not related to the termination of the Clearing Member's activities, if its activities continue to meet the requirements of the Clearing Rules.
<b>12) The consequences in case if the Clearing Member makes decision on liquidation are determined</b>	Paragraph 14.17, sub-paragraphs 15.16.10, 15.16.11, paragraphs 61.2, 61.2.1, 61.2.2 of the Common part of the Clearing Rules	Article 61 of the Common part of the Clearing Rules is supplemented by the ground for termination of obligations under trades – Clearing Member's decision on liquidation. On the date following the date of making such decision, admission to clearing services is suspended, obligations on trades of the Clearing Member are terminated.	Does not affect the rights and obligations of the Clearing Members.	Paragraph 4 of Article 61 of the Civil Code of the Russian Federation provides that from the moment of making a decision on liquidation of a legal entity, the deadline for fulfilling its obligations to creditors is considered to become due. This norm requires to grant the right to the NCC to execute liquidation netting on the date following the date of the relevant decision.
<b>13) Obligation of the Clearing Member to indicate the Trust Settlement account when opening trading bank account in precious metals</b>	Sub-paragraph 10.4.4 of the Common part of the Clearing Rules	When opening trading bank account in precious metals for recording precious metals that are in trust management by the Clearing Member, the Clearing Member must indicate the Trust Settlement account in the application for opening trading account.	Clearing Member, when opening trading bank account in precious metals for recording precious metals that are in trust management held, is obliged to indicate only the Trust Settlement account in the application.	The change is aimed at improving the correctness of recording as collateral the property of collective investment funds recorded under trading bank accounts.
<b>14) Expanding the scope of the Unified Pool Settlement accounts to the Standardised Derivatives market without usage of the Settlement accounts previously opened to the Standardised Derivatives market</b>	Sub-paragraph 21.4.2 of the Common part of the Clearing Rules	The possibility of expanding the scope of the Unified Pool Settlement accounts to the Standardised Derivatives market without usage of the Settlement accounts previously opened to the Standardised Derivatives market is introduced.	Does not affect the rights and obligations of the Clearing Members.	The change is aimed at simplifying admission to the clearing services for Clearing Members of the Standardised Derivatives market.
<b>15) Modification of the mechanism to control concentration risk</b>	Sub-paragraphs 33.11.2, 33.13.2 of the Common part of the	Additional verification of collateral sufficiency to mitigate the concentration risks is introduced.	Does not affect the rights and obligations of the Clearing Members.	The change is aimed at mitigation the risks of collateral insufficiency of the Clearing Member's obligations.

	Clearing Rules			
<b>16) Suspension of admission to the clearing services at the initiative of the Clearing Member</b>	Sub-paragraphs 15.1.25, 15.1.26, 15.14.1, paragraph 15.15 of the Common part of the Clearing Rules	The right of the Clearing Member to initiate the suspension of admission to the clearing services on the basis of the relevant Application is introduced.	This change has little effect on the rights and obligations of the Clearing Members: Clearing Member is granted the right to initiate suspension of admission to the clearing services.	The change is aimed at granting to the Clearing Member the right to initiate the suspension of admission to the clearing services. The current edition of the Clearing Rules does not grant such right.
<b>17) Prohibition on segregation of Clearing Members' clients under the Settlement account, which is not included in the structure of the Trade account T+ is imposed</b>	Paragraph 13.1 of the Clearing Rules on the Securities market	The obligation of the Clearing Member to open separate Trading account T+ for the Segregated Client is introduced. In the current edition of the Clearing Rules on the Securities market, the Trading account T0 can be opened to the Segregated Client.	This change has little effect on the rights of the Clearing Members: the right of the Clearing Member to segregate clients without opening the Trading account T+ is limited.	The change is aimed at ensuring the possibility of execution of the procedure for obligations transfer of the Segregated client in case of default of its Clearing Member. Such transfer is possible if the Segregated Client has Trading account T+.
<b>18) Clarification of the procedure for execution of the liquidation netting on the Standardised Derivatives market</b>	Paragraphs 23.2, 24.4 of the Clearing Rules on Standardised Derivatives market, sub-paragraphs 61.15.6, 64.4.3 of the Common part of the Clearing Rules	In case of execution of the liquidation netting, the date of fulfillment of all obligations is considered to become due. This may result for the obligations/ rights of the Clearing Member in respect of which net obligations / net claims are calculated to pay / receive the accumulated deposit margin under the agreement.	Affects the rights and obligations of the Clearing Members: the calculating procedure of Net obligations / Net claims on the Standardised Derivatives market is changed.	The changes were initiated by the Clearing Members, bringing the liquidation netting procedure on the Standardised Derivatives market in line with market practice.
<b>19) Modification of the mechanism for early refund of deposit with the Central counterparty in terms of charging commission fee</b>	Paragraph 35.15 of the Clearing Rules on the Securities market	It was clarified that commission fee is charged for early refund of deposit with the Central counterparty, which is recorded under the Settlement account included in the structure of the Trading account which specified in the order to execute the deposit agreement and the number of which is indicated in the Application for changing the deposit amount.	Affects the obligations of the Clearing Members: the obligation of the Clearing Members to pay the commission fee of early refund of deposit is introduced.	The change is aimed at providing the NCC with the opportunity to charge the commission fee for operation of the Clearing member of early refund of the deposit.
<b>20) Refusal of using Bloomberg Workplace</b>	Article 1, paragraphs 9.5, 9.7 of the Common part of the Clearing Rules, Supplement №3 to the Common part of the Clearing Rules;  Paragraph 11.14 of the	The provisions of the possibility to use technical access to the Clearing System using the Bloomberg Workplace are excluded from the Clearing Rules.	Does not affect the rights and obligations of Clearing Members: technical access to the Clearing System is possible using other workplaces.	The changes are made due to the fact that the service for providing technical access to the Clearing System through the Bloomberg Workplace has been decommissioned since February 20, 2021.

	Clearing Rules on FX market; article 15 of the Clearing Rules of the Standardised Derivatives market			
<b>21) The criteria for admission to the clearing services for Clearing Members - Non-resident banks are clarified</b>	Paragraph 8.7. of the Clearing Rules on the Securities market	The criteria for admission to clearing services with category "B", established by the current edition of the Clearing Rules for EAEU banks, are extended to all Non-resident banks.	Does not affect the rights and obligations of the Clearing Members.	The changes are being made in order to extend the criteria for admission to the clearing services to all non-resident Banks in principle, regardless the jurisdiction of registration.
<b>22) The provisions regulating the registration of unincorporated foreign structures as beneficial owners of income are clarified</b>	Sub-paragraph 7.2.1 of the Common part of the Clearing Rules, paragraphs 10,5, 16.4 of the Supplement №2 to the Common part of the Clearing Rules	For the purposes of performing tax agent functions, unincorporated foreign structures can be equated to beneficial owner of income. Upon agreement with the Clearing Center in respect of such clients of the Clearing Members - Non-Residents and the Clearing Members - International organizations, a Consecutive beneficial ownership representation letter is not provided.	Does not affect the rights and obligations of the Clearing Members.	The amendments are aimed at ensuring that the Clearing House performs the functions as tax agent in relation to income received by unincorporated foreign structures.

### Forms and formats of the documents and reports. Part I. The Common part

1. A new Application for suspension of admission to the clearing services is added (form 2.3).
2. Clarifications to Application for using the Settlement account for execution of trades at the expense of title transfer of collateral by the client based on the title transfer collateral agreement are made (form 2.11).
3. Clarifications to the tax forms of Beneficial ownership representation letters (forms 2.28-2.30) and Questionnaire for Legal Entity are added (forms 2.31-2.32).