**Changes in clearing within market releases in 2017**

**(SM2017-2, DM2017-2, FXM2017-1)**

1. **TRAN transactions**

TRAN transaction means any change of the position in cash funds / securities / asset profiles of cash funds and securities, fixed in the trading and clearing system.

* 1. **TRAN on the FX market and Precious metals market**

TRAN transactions, which have the TRAD board, have been implemented on the FX market and Precious metals market since 04.09.2017.

Earlier the TRAN transaction, which has the TRAN board of the same name, has been implemented on the FX market and Precious metals market. This transaction has been used by Clearing Members for transfers of cash funds between Settlement Accounts of the 1st and of the 2nd level in the Trading and Clearing System.

* 1. **TRAN on the Securities market and Deposits market**

On the Securities market TRAN transactions will be implemented within the II stage of the market release.

At this moment on the Securities market the following TRAN transactions types, which have the TRAN board of the same name, exist:

* Transfers of cash funds and securities between Trade Accounts in the Trading and Clearing System, made by a Clearing Member;
* Automatic transfers on the Securities market from the Trade Account T+ to the Trade Account T0 and back when fulfilling obligations under Trades T+ (in accordance with the Application on the procedure for using cash funds and securities, submitted by a Clearing Member).
  1. **Changes in automatic transfers, cancellation of automatic returns**

Automatic transfers from the Trade Account T0 to the Trade Account T+ upon the NCC initiative will be reflected with the TRAD board instead of TRAN, when fulfilling obligations.

Automatic return of cash funds from the Trade Account T+ to the Trade Account T0, when fulfilling obligations under Trades T+, will not be available anymore due to the implementation on the Securities market of Standing instruction on return funds (SIRF) in the amount of the Total Net Claim.

On the basis of the SIRF, submitted by a Clearing Member via the Web-clearing or via the EDI, the NCC returns cash funds from the Settlement Account according to the account details of a Clearing Member / client of a Clearing Member, indicated in the Request on registration Account for Collateral Return.

* 1. **Description of the TRAN transaction on the FX and on the Securities markets**

The following operations will be reflected as TRAN transactions with the TRAD board:

- Obligations to transfer income under REPO trades\*;

- Transfer of cash funds and securities between Trading Accounts (except for transfers, executed by a Clearing Member in the trading terminal);

- Credit, debit of cash funds and securities;

- Obligations to pay the fee/penalty/compensation payment;

- Obligations / claims to pay the Variation Margin on the FX market;

- Termination of obligations and transfer of assets under Trades with the arrived Settlement date.

Additional for Settlement Accounts of the Unified Pool:

- Transfer of obligations/claims under Settlement Accounts of the Unified Pool from the FX and Derivatives market to the Securities market;

- Transfer of asset profiles between Trading-Clearing Systems of different markets under Settlement Accounts of the Unified Pool;

*\*In addition to this, information on the income transfer remains in the one board RFND (instead of RFND, RFNU, RFNE). In the field* ***secid*** *the currency: RUB, EUR, USD, GBP will be reflected instead of the security.*

All TRAN transactions with the TRAN and TRAN boards will be reflected in the gateway table TRADES on the Securities and FX markets (table “Transfers” in trading terminals of the FX and Securities markets).

If a Member is not planning to process TRAN transactions then he should to exclude the defined boards from the procedure of TRADES table processing.

Additional information:

Additional information on transaction (if any) will be reflected in the table TRADES in the field “TRANINFO”.

For example, when crediting/debiting securities the purpose of payment in accordance with the information in the recording system of NSD will be indicated in the field “Transaction information”. When crediting/debiting cash funds information from the field “Purpose” will transmitted to the field “Transaction information”.

For the TRAN transaction, which changes the position in cash funds on the Securities market, as the Trading Account (TA) of a Clearing Member (TA for debiting/ TA for crediting) special technical TA will be used. Such TA are registered automatically for each active Cash position code (Settlement Account). Into the structure of such TA trading securities Sub-account of the depo account will not be included. Technical TA will be reflected in the Report on Trade Accounts (EQM20).

- Technical TA will not be registered for the Default Fund Settlement Account, Collateral for Stress Settlement Account, Asset Pool Settlement Accounts.

- Under TRAN transactions, connected with cash funds transfer from the account T0 to the account T+, and also connected with the income transfer under REPO trades, technical TA will be used only in case if it is impossible to choose TA for debiting / TA for crediting.

1. **Changes in the procedure for cash funds return**

For the Securities and for the FX markets since of the release date the Standing Instruction for cash funds return (SIRF) will be available. It contains the following options in the TYPESUMM field:

4 – return of funds in the amount of the net claim under trades;

5 – return of funds in the amount of the whole available sum;

6 – return of funds in the amount of the Total Net Claim.

Request can be provided via the Web-clearing, one of the offered options of TYPESUMM field shall be chosen. The request can also be provided via the EDI, marking one of the values (4/5/6).

Option “4” allows return funds in the amount, calculated taking into account the following:

* unpaid Debts of a Clearing Member in Russian rubles, emerged on the previous Settlement Day;
* obligations/claims under trades;
* obligations/claims to pay Variation Margin (for the FX market).

SIRF with the option “4” is executed immediately after the calculation of the net claim under the trades and till the cut-off time in respect of the relevant currency.

Option “6” allows to execute return funds in the amount, calculated for the option “4”, including obligations to pay the fee, calculated at 19:00.

Execution of the SIRF with the option “6” is different from the option “4” only in respect of the Russian rubles – SIRF in Russian rubles is executed after 19:00 (fee calculation time).

1. **Fulfillment of obligations to pay the fee till 20:00**

Obligations to pay the fee for trades, concluded till 19:00, shall be fulfilled by 20:00 on all markets.

Obligations to pay the fee will be included into the Total Net Obligations under each Settlement Account or, in case of the relevant request is provided, under the Settlement Account for the fees charging.

In case if obligations are not fulfilled, on the Securities and on the FX markets roll over swaps or REPO trades will be executed.

On the Derivatives market since 01.01.2018 in case of obligations non-fulfillment fine for the cut-off time will be levied.

Fee for trades, concluded from 19:00 till 23:50, will be levied after 23:50.

In case if under the relevant Settlement Account there is no Russian rubles to withdraw fees under trades, concluded from 19:00 till 23:50, roll over swap trades are not concluded, the NCC will record the outstanding amount as a Debt, which will be included into the Total Net Obligations on the following day.

The following fee types are included into the Report on fees (CCX10) on the FX market, provided at 19:00:

* fixed part of fee;
* variable part of fee under trades, concluded from 10:00 till 19:00;
* fee for recording collateral.

In the CCX10 report, provided at 23:50, the following fee types are included:

* additional fee;
* payment to the minimum monthly fee
* variable part of the fee under trades, concluded from 19:00 till 23:50.

In case of early exit from trading CCX10 is provided at 19:00 and contains all fee types.

On the Securities market the fee will be included into the Total Net Obligations in Russian rubles, included into the EQM13 report, provided in cash funds after 19:00.

1. **Blocking fee in the Single Limit**

Since of the release on the Securities market and FX market variable part of the fee under trades will be blocked in the Single Limit when submitting orders under relevant Settlement Account.

By default the fee will be blocked under the Settlement Account, which forms the part of the Trade Account, under which the trade will be concluded.

In case if the Request for choosing the Settlement Account for the fees charging is provided and the relevant Settlement Account for the variable fees charging is indicated, the variable fee will be blocked in the Single Limit in respect of the Settlement Account for the fees charging.

1. **Penalty for the cut-off time on all markets**

Penalty for undue fulfillment of Total Net Obligation to be implemented.

Penalty is accrued in case of fulfillment of the Total Net Obligation in cash funds with the breach of the time period, set out in the Time Specifications (cut-off time):

|  |  |
| --- | --- |
| Fulfillment by a Clearing Member of Total Net Obligations in cash funds / precious metals on the Securities, Derivatives and FX markets: | |
| - in KZT, calculated under trades, concluded till 11:00 | On the Settlement Date till 11:00 |
| - in CNY, BYR, HKD, CHF, calculated under trades, concluded till 11:00 | On the Settlement Date till 12:00 |
| - in EUR, GBP, calculated under trades, concluded till 15:15; | On the Settlement Date till 17:00 |
| - in USD, RUB, precious metals | On the Settlement Date till 20:00 |

Penalty is also accrued in case if it is impossible to settle non-fulfilled Total Net Obligation in cash via concluding swap or REPO trades.

For the Commodity market and Standardised Derivatives market in accordance with the Time Specifications, in effect on each market, cut-off time is 17:00.

Attention: on the Derivatives market penalty for the cut-off time by default will be charged from the 1st of January 2018 for undue fulfilment of obligations in RUB under Variation Margin and fee payments.

By default the penalty for the cut-off time will be charged upon the Settlement Account, under which the obligations, not fulfilled till the relevant cut-off time, have been recorded.

Clearing Member may designate the other Settlement Account for the withdrawal of all penalties for cut-off time, through the provision to the NCC of the Request for the registration of an account for the fees charging.

On the Derivatives market from this Settlement Account the fee for recording collateral (in euros), posted into the Default Fund and posted as Collateral for Stress, will also be withdrawn, in case if a Clearing Member is not admitted to the Securities and FX markets.

1. **Increase of the Default Funds contribution**

Since of the date, when the Clearing Rules come into force, coinciding with the implementation of the II stage of the markets release, Clearing Members of the category “B” and “O” are required to make a default fund contribution in the amount of 10 000 000 Russian rubles for Securities and FX markets.

By the date, when the Clearing Rules come into force (the exact date will be disclosed later), it is required to ensure that the defined amount is available on the Settlement Account for the Default Funds on each market.

For the Derivatives market the Default Fund contribution also constitutes 10 000 000 Russian rubles regardless of the section.

To sum up, Default Fund contribution of a Clearing Member, admitted to the Securities, FX and Derivatives markets, constitutes 30 000 000 Russian rubles.

Besides Russian rubles Clearing Members could post USD, EUR and list of Russian Federation government bonds as contribution to Default Fund.

1. **Change of collateral status from individual clearing collateral (ICC) to other collateral**

On the Securities market and Derivatives market the opportunity to change the status of collateral from ICC to other collateral is implemented.

Collateral in Russian rubles and in foreign currency, which is posted by Clearing Members to the clearing accounts of the NCC in the NSD, has the status of the individual clearing collateral (ICC) and is recorded under balance account 30420(30421) in the internal accounting systems of NCC.

At this moment on the Securities and Derivative market foreign currency has the status of the ICC.

Collateral in foreign currency, which is posted by Clearing Members to the correspondent accounts of the NCC in foreign banks, has the status of the other collateral and is recorded under the balance account 47405 in the internal accounting systems of NCC.

At this moment foreign currency on the FX market has the status of the other collateral.

Clearing Member may provide the NCC with the Application for changing the status of the collateral on the Securities and Derivatives market, execution of which will allow to post foreign currency as collateral on the Securities and Derivatives market, directly to the correspondent accounts of the NCC in foreign banks, as it is now on the FX market.

For the execution of such application the NCC after recording all clearing and other transactions on the current Settlement Day:

- for each Settlement Account opens balance accounts 47405;

- transfers Collateral in foreign currency from the balance account 30420 (30421) to the balance account 47405;

- closes balance accounts 30420 (30421);

1. **Widening of the list of assets accepted as collateral on the Securities market**

Since of the release date NCC will accept as collateral on the Securities market the following securities and precious metals:

|  |  |
| --- | --- |
| № | Currency |
| 1 | USD (US dollar) |
| 2 | EUR (euro) |
| 3 | CNY (yuan) |
| 4 | GBP (pound sterling) |
| 5 | CHF (Swiss franc) |
| 6 | HKD (Hong Kong dollar) |
| 7 | BYN (Belorussian ruble) |
| 8 | GLD (gold) |
| 9 | SLV (silver) |