

## Changes to the Clearing Rules

From **17.06.2024** r. new versions of the following NCC's documents will come into force:

Clearing Rules. Part I. Common part;

Clearing Rules. Part II. Clearing Rules on the Securities market, Deposit market and Credit market;

Clearing Rules. Part III. Clearing Rules on the FX market and Precious Metals market;

Clearing Rules. Part IV. Clearing Rules on the Derivatives market;

Clearing Rules. Part VI. Clearing Rules on the Standardised Derivatives market.

Main changes are presented in the table below:

№	Changes	Clearing Rules provisions	Description of changes	Impact on rights and obligations of the Clearing Members
1)	<b>Target registration of the Segregated Client</b>	<p>Article 2, article 23 paragraph 57.1 of the Common part of the Clearing Rules</p> <p>Article 13, paragraph 52.2, paragraph 52.4 of the Clearing Rules on the Securities market</p> <p>Article 20 of the Clearing Rules on the FX market</p> <p>Article 7, article 26 of the Clearing Rules on the Standardised Derivatives market</p> <p>Article 7 of the Clearing Rules on the Derivatives market</p>	<p>In order to comply with the regulations of the Bank of Russia in the area of assets segregation which are in trust management, including pension savings, the registration procedure of the Segregated client, providing the possibility of more reliable segregation of assets which are in trust management is being changed.</p>	<p>Changes affect the rights and obligations of Clearing Members by changing the registration procedure of the Segregated clients.</p>
2)	<b>Granting the right to NCC to execute swap trades not only in rubles / foreign currency, but also in rubles / precious metals in case if there is Collateral insufficiency in rubles of the Clearing Member</b>	<p>Paragraph 44.4 of the Common part of the Clearing Rules</p>	<p>NCC will have the right to execute swap trades not only in foreign currency, but also in precious metal in case if the Clearing Member has Total Net Obligation in rubles, in order to fulfill which, there is no sufficient cash funds. This amendment enlarges the available tools for transferring non-fulfilled Total Net Obligations by the Clearing Member, which will reduce the Debt emergence of the Clearing Member.</p>	<p>Changes affect the rights and obligations of Clearing Members, since swap trades in precious metals can now also be executed with them in order to transfer obligations in rubles.</p>
3)	<b>Increase of the foreign currencies list, Asset Profiles transfer of which is possible between Clearing System of the Securities market and Clearing System of Standardised Derivatives market</b>	<p>Paragraph 2.4 of the Clearing Rules on the Standardised Derivatives market</p>	<p>Previous versions of the Clearing Rules provided for the possibility of Asset Profiles transfers in foreign currencies in which it is possible to fulfill obligations under Standardised Derivatives Contracts. The Clearing Rules on the Standardised Derivatives market are supplemented by the opportunity for the Clearing Members to transfer Asset Profiles between the Clearing System of the Securities market and the Clearing System of the Standardised Derivatives market in foreign currencies, determined by the decision of the Clearing House.</p>	<p>Changes affect the rights and obligations of Clearing Members, allowing to transfer to the Clearing System of the Standardised Derivatives market Asset Profiles in foreign currencies, different from Asset Profiles in foreign currencies in which it is possible to fulfill obligations on the Standardised Derivatives market.</p>
4)	<b>Addition of the list of checks which are executed by the Clearing House during procedure of replacing Trade Accounts and procedure of transfer obligations and Collateral</b>	<p>Paragraphs 39.10, 57.10 of the Common part of the Clearing Rules</p>	<p>The check of planned positions under assets is executed for which "short sales prohibition" feature is set, including with simultaneous setting "short sales limit" value other than zero for the replaced Trade Account and replacement Trade Account.</p> <p>The specified check of planned position under assets will also be executed during the procedure for replacing Trade Accounts in trades, replacing Trade Accounts in trades, party to which is the Clearing Member of the category "B", as well as during execution of the procedure for transferring positions and Collateral to the Clearing Member of the category "B".</p>	<p>Changes affect the rights and obligations of Clearing Members, obliging them to ensure the required amount of planned positions during procedure of replacing Trade Accounts in trades, as well as making it impossible in some cases for the Clearing Member of the category "B" to become the Clearing Member-Recipient.</p>

5)	<b>Addition to the procedure of the NCC's actions in cases if one of the final counterparties under deliverable futures contract, the underlying asset of which is securities, can't become a party to trades in such securities</b>	Paragraph 31.15 of the Clearing Rules on the Derivatives market	The Clearing Rules on the Derivatives market are supplemented by provisions according to which in case if one of the final counterparties under deliverable futures contract, the underlying asset of which is securities, can't become a party to trades in such securities, including in connection with the introduction of special economic measures in relation to such Clearing Member, the Clearing House executes balancing trade.	Changes affect the rights and obligations of Clearing Members, adding the list of cases when they can become a party under balancing trade.
6)	<b>Extension of the NCC's authority when performing default management procedures in case of non-satisfaction of Margin Call by the Clearing Member</b>	Sub-paragraphs 34.11.1 – 34.11.2 of the Common part of the Clearing Rules	Currently, as part of the settlement of non-satisfied on time Margin Call, recorded under the Unified Pool Settlement Account, transfer of Asset Profiles is performed to the Clearing System of the Market on which the Margin Call is emerged. Due to extension of the NCC's authority in performing default management procedures, the Clearing Rules have been amended, allowing the transfer of Asset Profiles between Clearing Systems of all markets to which the scope of application of the Unified Pool Settlement Account is applies, if the complex of such transfers of Asset Profiles leads to the Single Limit increase under the Unified Pool Settlement Account in the Clearing System of the market on which non-satisfied on time Margin Call is emerged.  In addition if the Clearing Member fails to satisfy Margin Call, the NCC has the right to transfer Collateral from the proprietary Settlement Account of the Clearing Member in the amount necessary to bring the value of the Single Limit (free Collateral) of the Clearing Member's Settlement Account under which non-satisfied on time Margin Call is emerged, to the condition, in which the specified value is zero or exceeds zero (only for the case when such non-satisfied Margin Call is emerged). The Clearing House is also granted the right to transfer Collateral from proprietary Settlement Accounts and Trade Accounts of the Clearing Member to clearing registers of the Clearing Member for Concentration Risk Mitigation Collateral in order to bring the value of the Concentration Risk Single Limit to zero or positive value.	Changes affect the rights and obligations of the Clearing Members in a part of changes in the procedure for settlement of unsatisfied on time Margin Call.
7)	<b>Clarification of requirements to guarantee letter</b>	Sub-paragraph 14.4.8.1 of the Common part of the Clearing Rules	The Clearing Rules are supplemented by requirements, clarifying the content of guarantee letter of the Controlling entity, provided when granting admission to the clearing service for newly established Clearing Member: such guarantee letter is an assurance that all obligations of the Clearing Member, without restrictions, including Total Net Obligations, Margin Calls, will be fulfilled properly within the time periods established by the Clearing Rules.	Changes affect the rights and obligations of Clearing Members.
8)	<b>Admission of insurance companies to the Standardised Derivatives market</b>	Paragraph 4.5 of the Clearing Rules on the Standardised Derivatives market	The amendments provide for the possibility of admission of insurance companies to clearing on the Standardised Derivatives market and establish requirements to such Clearing Members.	Changes affect the rights and obligations of Clearing Members, providing for the possibility for insurance companies to be clearing members on the Standardised Derivatives market.
9)	<b>Revision of requirements for admission of non-residents to the clearing on the Standardised Derivatives market</b>	Article 4 of the Clearing Rules on the Standardised Derivatives market	The requirements for admission of Non-resident Clearing Members to the Standardised Derivatives market are reviewed.	Changes affect the rights and obligations of Clearing Members, as the scope of entities who have the opportunity to become Clearing Members on the Standardised Derivatives market is changing.
10)	<b>Extension of trading time in Belarusian rubles</b>	Supplement 6 to the Common part of the	Due to the fact that trading time in Belarusian rubles was extended from 12:30 till 15:15 previously and, accordingly, the time for the	Changes affect the rights and obligations of Clearing Members, granting the right

		Clearing Rules	fulfillment of Total Net Obligations in the specified currency was changed (the specified information is posted on the Clearing House's website), appropriate clarifications are being made to the Time Specification.	to conclude and execute trades in Belarusian rubles in longer period of time.
11)	<b>Introduction of new way to return Collateral for stress, Concentration Risk Mitigation Collateral and contributions to Default Funds</b>	Article 33 of the Common part of the Clearing Rules, Supplement 6 to the Common part of the Clearing Rules	The amendments provide for the possibility to return Collateral for stress, Concentration Risk Mitigation Collateral and contributions to Default Funds, based on the Standing Instruction to return collateral, submitted by the Clearing Member.	Changes affect the rights and obligations of Clearing Members, simplifying the order to return Collateral for stress, Concentration Risk Mitigation Collateral and contributions to Default Funds.
12)	<b>Clarification on the default management procedure regarding setting Settlement Regime and actions of the Clearing House if there is non-satisfied Concentration Risk Margin Call</b>	Paragraphs 7.15, 34.11, 34.11.2, 37.5, 37.5.3, 38.5 of the Common part of the Clearing Rules Paragraph 26.10 of the Clearing Rules on the Securities market Paragraph 25.2 of the Clearing Rules on the Derivatives market	Changes to the Clearing Rules: 1) grant the right to the Clearing House, on the basis of appropriate decision, not to set Settlement Regime within the framework of the default management procedures established by the Clearing Rules. 2) allow to set Settlement Regime if there are non-satisfied on time Margin Calls immediately before the execution of the closing trades (the next stage of default management procedure after the transfer of profiles).	Changes affect the rights and obligations of Clearing Members, when performing the default management procedures in relation to them.
13)	<b>Amendments aimed at managing statutory ratio N5.2 CCP</b>	Article 2, paragraphs 30.14, 32.7, 32.8, 37.3, sub-paragraphs 30.17.2, 37.3.1, 37.5.1, 37.5.4 of the Common part of the Clearing Rules	In order to ensure compliance with the amendments to the Instruction of the Bank of Russia 175-I "On Banking Operations of Non-banking Credit Institutions – Central Counterparties, on statutory ratios of Non-banking Credit Institutions – Central Counterparties and the specifics of the Bank of Russia's supervision of their compliance", new kind of requirement to the Clearing Members is introduced in a part of statutory ratio N5.2 CCP - the requirement to ensure the risks of position concentration, which will be recorded under the Concentration Risk Settlement Account. The procedure for issuing and satisfying of this requirement is similar to the one which is in force with respect to requirements for Concentration Risk Mitigation.	Changes affect the rights and obligations of Clearing Members, imposing on them the obligation to comply with the sufficiency of Collateral aimed at complying statutory ratio N5.2 CCP by the Clearing House.
14)	<b>Amendments, clarifying the name of the AML/CFT lists and the procedure for applying special economic measures in relation to the Clearing Member / Segregated Client / Authorized Account Owner</b>	Sub-paragraphs 3.6.1, 3.6.3, 3.6.6, 15.19.9, 15.19.14, paragraph 58.1 of the Common part of the Clearing Rules	The amendments are made: 1) in accordance with the provisions of the Federal Law 115-FZ "On anti-money laundering measures and measures to counter the financing of terrorism " regarding the name of the list of organizations associated with terrorism or with the proliferation of weapons of mass destruction, compiled in accordance with decisions of the UN Security Council, and the list of persons in respect of whom the decision of the Interdepartmental Commission on the freezing (blocking) of funds or other property belonging to them. 2) in accordance with the provisions of the Federal Law 281-FZ "On special economic measures and coercive measures" and the Federal Law 422-FZ "On amending certain legislative acts of the Russian Federation" in a part, relates to rules for the special economic measures applications: the obligation to use blocking measures against foreign organizations and persons controlled by them from the counter-sanctions lists.	Changes affect the rights and obligations of Clearing Members, which are Non-residents from the list, as well as the Clearing Members, which are entities, controlled by Non-residents from the list: 1) The Clearing House terminates admission to the clearing service for the duration of special economic measures imposed on such Clearing Member or until their cancellation. 2) The Clearing House blocks assets, recorded as Collateral under clearing registers, intended for recording Collateral and obligations of Segregated Clients and under the clearing registers sections within Segregated Sub-accounts Clusters for which Authorized Accounts Owner is fixed.
15)	<b>Insider information of third parties</b>	Paragraph 3.21 of the Common part of the Clearing Rules	It is clarified that Clearing Members who have been granted access to insider information of third parties (in the form of NCC's reports) will be included in the list of the NCC insiders, and appropriate changes have been made in order to comply with the requirements of the Federal Law 224-FZ «On countering the misuse of insider information and market manipulation and on amending certain legislative acts of the Russian Federation».	Changes affect the rights and obligations of the Clearing Members, imposing on them obligation to comply with the requirements of the Federal Law 224-FZ in relation to the NCC's reporting documents, sending to the Clearing Members.

16)	<b>Clarification on the terms for disclosure on the website of the Clearing House of the decision on securities in mode Buying Back (OTC securities market)</b>	Paragraph 18.4 of the Clearing Rules on the Securities market	It is clarified that based on the provisions of the Federal Law 224-ФЗ «On countering the misuse of insider information and market manipulation» the terms for disclosure on the website of the Clearing House of the decision on securities in mode Buying Back (OTC securities market) cannot be earlier than the time of distribution through the mass media an invitation to make offers.	Changes affect the rights and obligations of Clearing Members.
17)	<b>The obligation of the Clearing Members is introduced to provide the Clearing House with consent to personal data processing from individual when submitting request for the Segregated client registration</b>	Paragraph 23.1 of the Common part of the Clearing Rules	The Clearing Rules are supplemented by provisions, obliging Clearing Members to provide the Clearing House with consent to personal data processing from individual when submitting request for the Segregated client registration.	Changes affect the rights and obligations of Clearing Members, introducing the obligation to provide additional documents for registration of the Segregated client.