

CSDs: NDC (Russia)

Date: 07 Dec 2009

SMI Markets: Russia

CMIRR Markets: Russia

NCC as CCP for MICEX Stock Market – Update

In an update to our previous newsflash, the Moscow Interbank Currency Exchange (MICEX) will launch a central counterparty (CCP) for MICEX trades in January 2010. Accordingly, MICEX will initially act as the CCP and clearing entity, and later delegate the CCP and clearing functions to its subsidiary, the National Clearing Center (NCC).

Between January 2010 and May 2010, the number of market participants to settle with the CCP will be limited in order to support a minimal level of trading activity for the new technology of trading and settlement. The potential volume of trades to be cleared under the new arrangement during 2010 is expected to be less than 10% of the total volume of the current trading volumes.

MICEX is also to implement partial cash/securities funding for transactions with a T+3 settlement cycle that will be cleared by the CCP. Further information is expected to be announced in due course.

CSD Risk Impact

NDC (Russia)

CSD Rating: AA-

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = Positive

The CCP services offered by the MICEX/NCC will eliminate the bilateral credit risk for securities transactions between the buyer and seller, and improve the model for handling counterparty risk exposures. Consequently, the impact on Counterparty Risk is 'Positive'.

Market Information Impact

Russia

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Russia

Market Rating: BBB

Market Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = BB

Flash Impact = Positive

The CCP services offered by the MICEX/NCC will eliminate the bilateral credit risk for securities transactions between the buyer and seller, and improve the model for handling counterparty risk exposures. Consequently, the impact on Counterparty Risk is 'Positive'.

Related Flash: [NCC as CCP for MICEX Stock Market - Update, 20/02/2009 \(click to view\)](#)

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