



CSDs: DCC (Russia), NDC (Russia), VTB (Russia)

Date: 25 Aug 2010

SMI Markets: Russia

CMIRR Markets: Russia

## CBR Approves Development Plan for Its Payment System

The Board of Directors of the Central Bank of Russia (CBR) has recently approved a five-year development plan for the CBR's payment system, which was designed to improve the payment system performance and reduce risks.

The salient points of this plan are as follows:

- The settlement, monitoring and operational management functions will be centralised;
- The payment system will be based on single terms and conditions;
- Mechanisms of Delivery Versus Payment (DVP) and Payment Versus Payment (PVP) will be adopted and linked to the capital market settlement systems;
- Create the rules and guidelines for Straight Through Processing (STP);
- Establish a single participants interface and format of settlement documents, which will be based on international standards;
- Provide CBR participants with a consolidated payment system, in order to facilitate a centralised channel to distribute relevant information online.

The plan will be implemented in two phases, which are: the creation of a federal component of a payment system and improvement of the Real-time Gross Settlement (RTGS) system between 2010 and 2013, and the establishment of a consolidated payment system between 2014 and 2015.

## CSD Risk Impact

### DCC (Russia)

CSD Rating: A+

CSD Flash Impact: Positive

**Impacted Risk Type:** Liquidity Risk

Current Rating = A+

Flash Impact = Positive

**Impacted Risk Type:** Counterparty Risk

Current Rating = A+

Flash Impact = Positive

**Impacted Risk Type:** Operational Risk

Current Rating = A+

Flash Impact = Positive

The use of linked DVP systems will improve the model for handling counterparty risk, especially by centralising cash settlement through a single system managed by the central bank and enhancing and permitting a more simultaneous DVP.

Furthermore, the introduction of the STP and centralised single payment system will increase the clearing and settlement efficiency through the entire transactions chain and bring Russia in line with the international standards.

### NDC (Russia)

CSD Rating: AA-

CSD Flash Impact: Positive

**Impacted Risk Type: Liquidity Risk**

Current Rating = A+

Flash Impact = Positive

**Impacted Risk Type: Counterparty Risk**

Current Rating = A+

Flash Impact = Positive

**Impacted Risk Type: Operational Risk**

Current Rating = AA-

Flash Impact = Positive

The use of linked DVP systems will improve the model for handling counterparty risk, especially by centralising cash settlement through a single system managed by the central bank and enhancing and permitting a more simultaneous DVP.

Furthermore, the introduction of the STP and centralised single payment system will increase the clearing and settlement efficiency through the entire transactions chain and bring Russia in line with the international standards.

## VTB (Russia)

CSD Rating: A

CSD Flash Impact: Positive

**Impacted Risk Type: Liquidity Risk**

Current Rating = B

Flash Impact = Positive

**Impacted Risk Type: Counterparty Risk**

Current Rating = BB

Flash Impact = Positive

**Impacted Risk Type: Operational Risk**

Current Rating = A

Flash Impact = Positive

The use of linked DVP systems will improve the model for handling counterparty risk, especially by centralising cash settlement through a single system managed by the central bank and enhancing and permitting a more simultaneous DVP.

Furthermore, the introduction of the STP and centralised single payment system will increase the clearing and settlement efficiency through the entire transactions chain and bring Russia in line with the international standards.

## Market Information Impact

### Russia

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

## Infrastructure Risk Ratings Impact

### Russia

Market Rating: BBB

Market Flash Impact: Positive

**Impacted Risk Type: Liquidity Risk**

Current Rating = BB

Flash Impact = Positive

**Impacted Risk Type: Counterparty Risk**

Current Rating = BB

Flash Impact = Positive

**Impacted Risk Type: Operational Risk**

Current Rating = BBB  
Flash Impact = Positive

The use of linked DVP systems will improve the model for handling counterparty risk, especially by centralising cash settlement through a single system managed by the central bank and enhancing and permitting a more simultaneous DVP.

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