

CSDs: DCC (Russia)

Date: 13 Oct 2010

SMI Markets: Russia

CMIRR Markets: Russia

RTS to Increase Its Guarantee Fund

The Russian Trading System Stock Exchange (RTS) has proposed some changes to its Guarantee (Contingency) Fund, due to the recent increase in trading volumes. According to the proposal, the calculation method for the contributions to the Guarantee Fund will be based on the members' open positions instead of the value of settled trades.

The new method will also apply to the Reserve Fund. The fund was created by the RTS Clearing Centre, and will kick in to fulfil RTS members' obligations if the Guarantee Fund becomes insufficient.

The new method will come into force on 1 November 2010. The Guarantee and Reserve Funds are expected to jointly increase to RUB 3 billion by 2011.

CSD Risk Impact

DCC (Russia)

CSD Rating: A+

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = Positive

Due to the higher trading volumes at RTS, the increased contributions to the funds by market participants through the new calculation method will be necessary, if such funds are to be an effective counterparty risk mitigating tool. The contribution increase will also add more protection to participants in the event of a default in the market.

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

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protection to participants in the event of a default in the market.

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