

CSDs: NSD (Russia)

Date: 31 Oct 2011

SMI Markets: Russia

CMIRR Markets: Russia

MICEX Issues New Trading and Clearing Rules

The Moscow Interbank Currency Exchange (MICEX) issued a new version of its trading and clearing rules on 27 October 2011. The key points are as follows:

- Transfer of Clearing Function - MICEX will transfer its clearing functions for on-exchange trades to the National Clearing Centre (NCC) from 1 November 2011;
- Introduction of CCP - NCC will act as central counterparty (CCP) for all transactions conducted under the main mode which is based on a T+0 settlement cycle with a 100% pre-funding requirement;
- Block Trades - There will be a new segment for large trading with hidden order book, and dark pool trading mode. The new mode is expected to prevent the possible significant impact of the price change as a result of a large trading order. The trading mode will use mid-point price to ensure the execution of large trades at best market price. The implementation date of this segment is yet to be announced;
- Post-trading Auction Session – a new 5-minute post-trading auction session between 6.45pm and 6.50pm will be introduced from 14 November 2011. The arrangements will be similar to those arrangements in the pre-trading period session, but it will allow participants to receive information regarding orders with the 20 highest prices submitted during that session;
- Real-time Withdrawal of Funds – effective 1 November 2011, with NCC performing clearing functions, selling participants will be able to withdraw the extra funds that maintained in their accounts on a real-time basis prior to the completion of settlements.

The new rules will take effect on 1 November 2011. For more information, please refer to the official announcement here: [MICEX News](#).

CSD Risk Impact

NSD (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 = Stable

The CCP service offered by the NCC at the stock market is designed to eliminate the bilateral credit risk for securities transactions between the buyer and seller in the clearing and settlement process. However, the use of the CCP may not be necessary due to the pre-funding requirement as there are no fails or defaults in this market. As a result, the risk impact on Counterparty Risk has been placed as "Stable".

The facility to allow participants to withdraw funds on a real-time basis will help mitigate Liquidity Risk by making funds available to cover shortfalls in cash in the OTC market, consequently reducing the number of settlement fails in the market.

Market Information Impact

Russia

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 = Stable

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Related Flash: [NCC to Act as CCP for the MICEX Stock Market – Update, 18/10/2011 \(click to view\)](#)

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