

CSDs: DCC (Russia), NSD (Russia)

Date: 29 Nov 2011

SMI Markets: Russia

CMIRR Markets: Russia

## Draft Law on CSD Concept – Update

Further to our previous newsflash, the Federation Council has approved the draft Central Securities Depository (CSD) law and the corresponding amendments to the Federal Law on the Securities Market.

The laws must now be signed by the President to come into effect.

## CSD Risk Impact

### DCC (Russia)

CSD Rating: A+

CSD Flash Impact: Negative

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = Negative

The Law supports the establishment of a single CSD and it is highly likely that NSD will be the sole CSD in Russia. DCC's future is not clear at this stage. Thus, the Financial Risk impact is 'Negative' for DCC.

### NSD (Russia)

CSD Rating: A+

CSD Flash Impact: Positive

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

The Law supports the establishment of a single CSD and it is highly likely that NSD will be the sole CSD in Russia. In addition, following the merger of MICEX and RTS markets, NSD is expected to take over the settlement of RTS exchange transactions currently performed by DCC. Thus, the Financial Risk impact is positive for NSD. Nonetheless, it is possible that the switch over to NSD may result in technical issues, at least at the beginning of the process. The impact on Operational Risk has therefore been set as "On Watch".

## Market Information Impact

### Russia

This information affects the data contained in the Local Market Administrative Organisations, Settlement and Safekeeping/Post Settlement sections of the Securities Market Information Service.

## Infrastructure Risk Ratings Impact

### Russia

Market Rating: BBB

Market Flash Impact: Positive

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = BBB

Flash Impact = On Watch

The rationalisation of the infrastructure in Russia, in particular having a single CSD, will increase efficiency and achieve synergies in operations which should reduce operational costs. Financial Risk is therefore 'Positive'. However, the integration of the post-trade infrastructure may be subject to technical or operational difficulties which could result in issues for participants. The impact on Operational Risk is therefore "On Watch".

Related Flash: [Draft Law on CSD Concept – Update, 17/11/2011 \(click to view\)](#)

### For further information contact:

Ana Giraldo - Americas and Eurasia  
Barry Morales - Asia Pacific  
Guillaume Viteau - Western Europe (incl. EU)  
Sinang Chrea - Africa, Middle East

Tel. +44 (0) 20 8600 2300 | Fax. +44 (0) 20 8741 7468

Email: [cmiqueries@thomasmurray.com](mailto:cmiqueries@thomasmurray.com)

*Whilst reasonable care has been taken in the compilation of this information, neither Thomas Murray, its affiliates or information contributors shall have any liability for any errors, omissions, delays or inadequacies in the information or for any loss or damage however occasioned (whether arising directly or indirectly), to any person or company relying on this information, or any decision made, action or inaction taken by any party in reliance upon this information (except to the extent permitted by law). Copyright © 2011 Thomas Murray Ratings. All rights reserved. No reproduction without prior authorisation.*

