

CSDs: NSD (Russia)

Date: 25 Jun 2013

SMI Markets: Russia

CMIRR Markets: Russia

Moscow Exchange Introduces T+2 Settlement Cycle - Update

In an update to our previous market newsflashes, the Moscow Exchange has announced that the list of securities in the T+2 market will be widened to 50 equities, including the 35 most liquid shares in the Russian Market.

Thus, from 8 July 2013 trading on those equities and all the OFZs will be available in the T+2 and T0 markets. However, T+0 settlement will cease from 2 September 2013 with equities, depositary notes and OFZ only allowed to be traded in the T+2 market.

The official announcement is available here: [Moscow Exchange Release](#).

CSD Risk Impact

NSD (Russia)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = AA-

Flash Impact = On Watch

The increase in the settlement cycle may impact the availability of funds for market participants, by providing more flexibility in managing their funds for settlement obligations. However, since there will be a change from a fully pre-funded model, the precise impact will depend on the fails management procedures implemented in the market to reduce failed trades. In addition, the longer settlement cycle will extend the length of time that counterparties are exposed to each other. As result, the impacts on Liquidity Risk and Counterparty Risk have been placed "On Watch".

Market Information Impact

Russia

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

Infrastructure Risk Ratings Impact

Russia

Market Rating: BBB

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = BB

Flash Impact = On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = BB

Flash Impact = On Watch

The increase in the settlement cycle may impact the availability of funds for market participants, by providing more flexibility in managing their funds for settlement obligations. However, since there will be a change from a fully pre-funded model, the precise impact will depend on the fails management procedures implemented in the market to reduce failed trades. In addition, the longer settlement cycle will extend the length of time that counterparties are exposed to each other. As result, the impacts on Liquidity Risk and Counterparty Risk have been placed "On Watch".

Related Flash: [Moscow Exchange Introduces T+2 Settlement Cycle - Update, 22/05/2013 \(click to view\)](#)

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

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 © 2013 Thomas Murray Ratings. All rights reserved. No reproduction without prior authorisation.

