

Dialogue with authorities
International cooperation
Development
Regulation
Initiatives

**SRO
NFA**

Self-regulatory organization
«National Finance Association»
(SRO NFA)

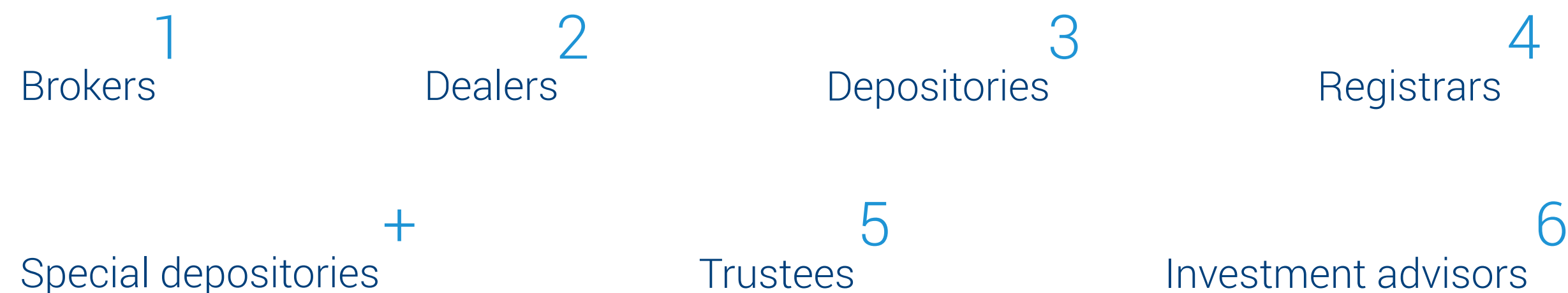


The Self-regulatory organization “National Finance Association” (SRO NFA) is a leading professional association which brings together more than 200 Russian securities market participants from all federal districts of the Russian Federation.

It was established in 1996 by major Russian banks and investment companies, under the patronage of the Ministry of Finance of the Russian Federation and the Central Bank of the Russian Federation.

6 professional activities

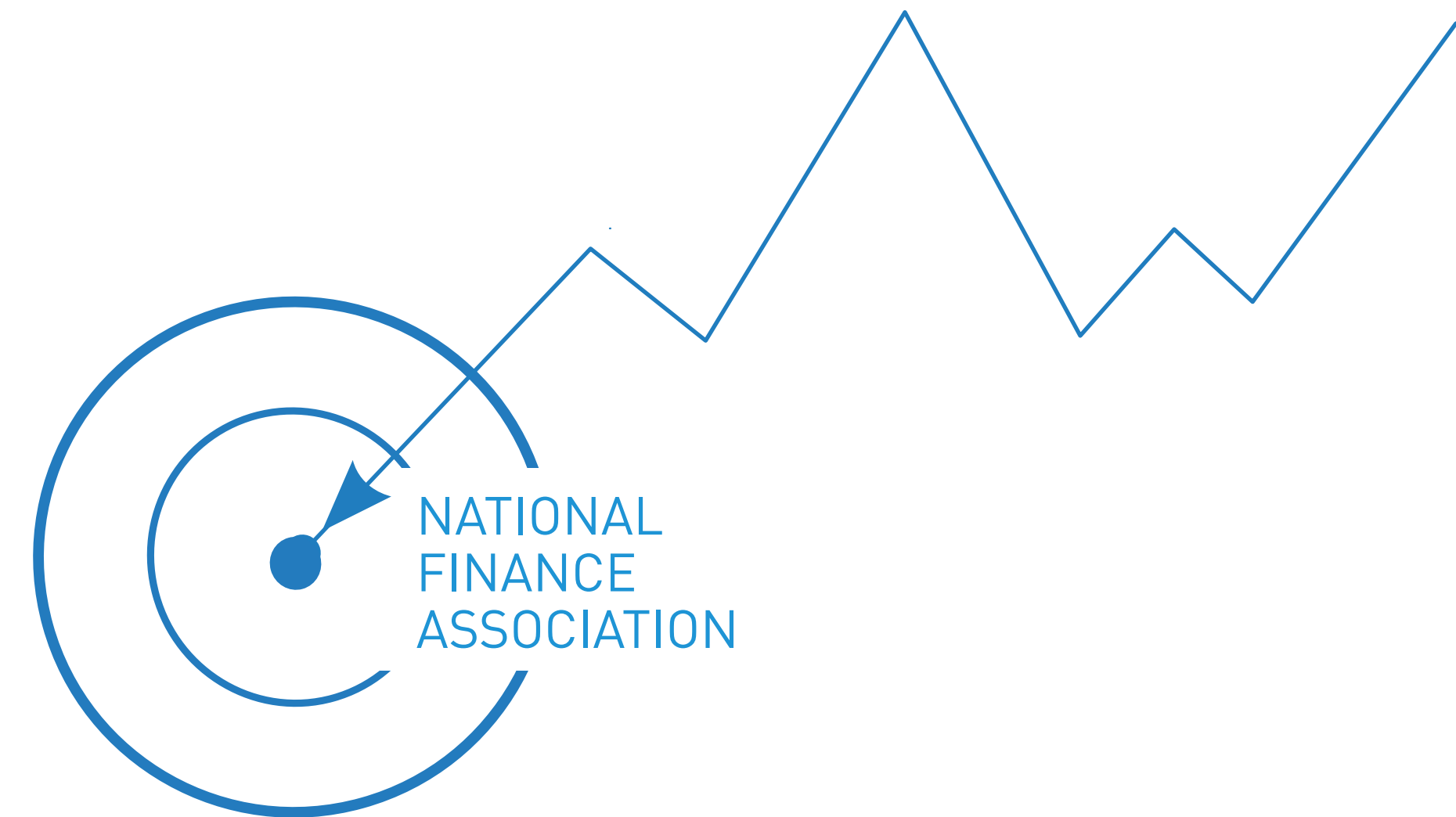
SRO NFA effectively implements all SRO functions regarding 6 kinds of professional activities on the securities market and regarding special depositories as well.



SRO NFA has more than 60 working bodies – councils, committees, working groups, which cover the key segments and instruments of the financial market. Joining them gives an opportunity to participate in the development of new products and laws, as well as to make changes to existing regulations and promote initiatives.

KEY AIMS AND OBJECTIVES

- 1 Development of the Russian financial market
- 2 Representation of the members interests
- 3 Implementation of the economic initiatives
- 4 Involvement the maximum number of the financial market participants in managing market development process



PRODUCTS AND SERVICES

SRO NFA functions

→ Representative → Consulting and methodical → Supervisory and regulatory

Products and services

Representative: Representation and protection of the members interests; Market support in difficult periods; Dialogue with regulators; Promotion of actual initiatives; Participation in the development of new products and laws; Collection of proposals and comments of market participants to strategic planning documents, consulting reports and other initiatives of regulators.

Consulting and methodical: Methodological recommendations; Money market benchmarks; Master agreements; Approximate conditions; Workshops and webinars; Round tables; Discussion platforms; Market research.

Supervisory and regulatory: Standards; Monitoring and control; Licensing; Certifying examinations; Accreditation of the software.

MARKET SUPPORT IN MARKET INSTABILITIES PERIODS

Since the beginning of the Covid-19 pandemic, in response to numerous anti-crisis proposals from SRO NFA the Bank of Russia has introduced and repeatedly extended a number of regulatory eases.

In April 2020, SRO NFA agreed with the Ministry of Transport to launch charter flights for valuable cargo transportation as well as to use passenger liners for these purposes, solving the problem with the supply of gold for export during the pandemic.

In February-March 2022, SRO NFA sent to the Bank of Russia numerous proposals to support and adapt the financial market to current conditions. The proposals were taken into consideration and partially implemented by the regulator.

In March 2022, SRO NFA received and transmitted to the market clarifications from the Bank of Russia on issues regarding the work of professional participants in the financial market, derivatives transactions, transactions with precious metals in changed conditions.

During the pandemic period and in March 2022, SRO NFA suspended inspections of the activities of Association members as a support measure

MONEY MARKET BENCHMARKS

MosPrime *Rate*

ROISfix

Ruonia

NFEA SWAP RATE

RuREPO

SRO NFA supports and develops the money market benchmarks industry. The association owns a trademark and administrates several important money market and FX market benchmarks: MosPrime Rate, ROISfix, NFEA FX Swap Rate, RUREPO.

The RUONIA benchmark has been developed together with the Bank of Russia and has been previously administrated by the Association. In 2021 administration and calculation of the benchmark was finally transferred to the Bank of Russia. However, SRO NFA still provides market expertise to the Bank of Russia connected to the RUONIA administration function. The Association also administrates the benchmark's website.

BOND MARKET FIXING (MIRP)

Since March 2005 SRO NFA has been calculating and publishing the Fixing of Russian bonds market – MIRP (Moscow Interbank Reference Price). The Fixing includes 190 instruments including Eurobonds and is based on the data from 11 contributors.

The Fixing data is used as the main price in repo transactions of the Bank of Russia on the OTC market, the reserve price for repo transactions on the Moscow Exchange (and for Eurobonds – as a priority price). The National Settlement Depository uses it for calculating fair prices by the Price Center.

The Fixing provides substantial support to the regulator and market participants in pricing for many securities issues, especially during difficult periods of lack of operations and low liquidity on the financial market.

MARKET RESEARCH

Repo market survey

DISCUSSION PLATFORMS

SRO NFA organizes one of the most significant events on the Russian financial market – The NFA International Financial Forum, The International Banking Forum “Treasury”, The International Forum “Russian Derivatives Market”, The International Forum “Russian Bullion Market”. Further information on the events is available on <https://financeevent.ru/>

METHODOLOGICAL SUPPORT



FinancEvent

WORKSHOPS AND WEBINARS

- Accounting (including internal accounting)
- Reporting
- Performing of the professional activities and licensing
- IFRS standards
- Taxation

- Changes in the internal control system of the professional securities market participants
- Countering the misuse of insider information and market manipulation
- Organization of the operational risk management system in financial organizations
- Risk management of the professional securities market participants

- Practical application of changes in legislation on anti-money laundering / financing of terrorism / financing the proliferation of weapons of mass destruction
- Innovations in the independent assessment of the qualifications of financial market specialists
- Other topics actual for the professional securities market participants

REGULATORY INITIATIVES

Participation in new laws development and amendments on:

- reducing regulatory burden
- harmonization of the tax code in regard with novelties on margining, structural bonds, repo and derivatives contracts
- improving the institution of individual investment accounts development of the institute of investment advisors
- precious metals market development
- complex securities
- repo contracts including commodities repo and precious metals repo contracts
- simplification of the bond issuance procedures
- improving of identification of customers of financial organizations including simplified identification and cross-identification

Supervision: experience and practice

By exercising control over the activities of its members (as per the requirements of Article 14, No. 223-FZ “On Self-Regulatory Organizations on the Financial Market”), SRO NFA introduces new forms of supervision that ease the burden of supervision checks, accumulates information on the most challenging areas and provides methodological support to member organizations in compliance with the requirements of federal laws and regulations of the Bank of Russia, governing activities in the financial market, basic standards, internal standards and other internal documents of SRO NFA. Members of SRO NFA have access to methodological materials, which are published by the Committee of Controllers and to the regularly updated directory of the most frequent violations and can contact the experts of the association for advice and clarification.

MARKET DEVELOPMENT INITIATIVES



- Russian hedging market development
- Money market benchmarks industry development
- Derivatives market development
- Securities borrowing product development
- Non-mortgage securitization development
- Development of the accounting infrastructure market
- Development of the institute for testing unqualified investors
- Precious metals market development
- Development of the institute of investment advisors
- Development of requirements for passports of financial instruments and testing issues for unqualified investors

REGIONAL MEMBERSHIP OF SRO NFA

INTERNATIONAL COOPERATION



Far East Federal District	2	2,29%	Siberian Federal District	2	0,92%
Volga Federal District	152	6,88%	Ural Federal District	13	5,96%
North-Western Federal District	22	10,09%	Central Federal District	152	69,72%
North Caucasus Federal District	2	0,92%	Southern Federal District	7	3,21%

Bilateral
Cooperation



International
Swaps
And
Derivatives
Association

USA

Joint Council



ACI –
The Financial
Markets
Association

FRANCE

Memorandum of
Understanding



National
Association
Of Financial
Market
Institutional
Investors

CHINA

Full
Member



Asia
Securities
Forum

ASIA-PACIFIC
REGION

Memorandum
of understanding



Bombay
Stock
Exchange
Brokers'
Forum (BBF)

INDIA

Memorandum
of understanding



Shanghai Gold
Exchange
(SGE)

CHINA