



**MOSCOW  
EXCHANGE**

## **Admission of International stocks to MOEX Securities market**

**Preliminary parameters**

**August 2020**

## Drivers and advantages of “MOEX Global” project



Russian regulation allows Retail investors to trade instruments on foreign exchanges, but trading activity outside the Russian legislation scope carries additional risks.



According to the survey of NAUFOR as of 2019, **14%** of total equities trading by Retail clients is allocated to international securities (86% - to local securities).



Generation Y invest in top known world brands – that is one of the key reasons why private investors and other market participants support admission of international stocks to MOEX.



The opportunity of country and sector diversification will attract a new class of investors thus not reducing demand for Russian securities.



For all retail investors including non-qualified ones, trading in US stocks will now be as simple as trading Russian stocks.



Foreign stocks will be priced in Rubles.



# Preliminary parameters for International stocks trading on Securities Market

	9:30:00 - 09:50:00	09:50:00 - 09:59:59	10:00:00 - 18:59:59	19:00:01 - 23:49:59
<b>Stocks of international companies</b>  <b>Trading/settlements currency: RUB</b> <b>Fees currency: RUB</b> <b>Dividends: USD (par value)</b>  <b>Available Instruments:</b>  <b>From the start</b> - TOP 50 international stocks, in several tranches <b>Later</b> - expansion of the list of available stocks  <b>Trading day:</b> Main Session + Evening Session  Settlements cycle: T+2 1 lot is 1 share Tick size is 1 ruble  <b>Risk parameters:</b> Partial collateral – <b>Yes</b> Can be posted as collateral - <b>No</b> Short selling – <b>Yes</b>		<b>Opening Auction</b>	<b>Main trading session</b>	<b>Evening trading session</b>
			There is no Closing Auction at the end of Main trading session  Closing price = last price during the continuous trading period of the Main trading session  Non-executed orders placed during the Main trading session T+ will <b>persist into the Evening session (!)</b>	There is no Closing Auction at the end of Evening trading session  REPO trades not available  Settlement codes for NTM and NTM with CCP are T+N, N>0  There is no clearing session during/after evening session  At the end of the session non-executed order <b>will be cancelled automatically (!)</b>
	<b>NTM, NTM with CCP, REPO with CCP</b>			<b>NTM, NTM with CCP</b>
<ul style="list-style-type: none"><li>The schedule of the clearing reports will not change</li><li>Clearing reports forms will not change</li><li>Securities market reports forms: <b>SEM02, SEM03, SEM21, SEM21</b> will contain a new field “Session”, which can have values 1, 2 or 3 (3 –trading day, 1 –Main trading session, 2 – After-hours)</li><li>There’s no trading on MOEX Securities Market (both during Main trading session and Evening session) on Non-working days and holidays in USA</li></ul>				

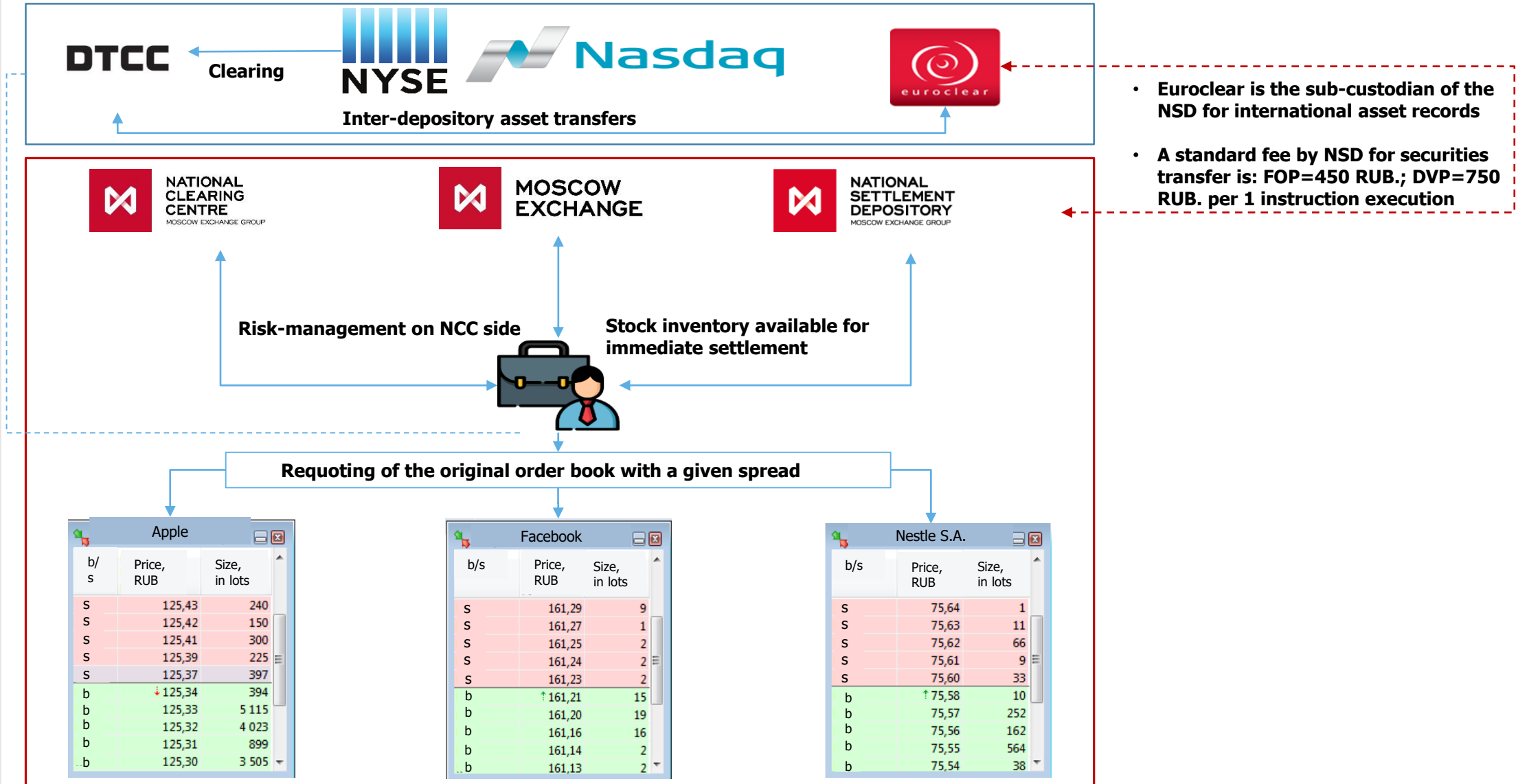
Trading board	Settlements code	Settlements currency	Comments
Main trading modeT+	Y2	RUB	New board FQBR similar to TQBR
NTM with CCP	Y0-Y2 (expansion of available codes is possible)		New board FTEQ similar to PTEQ
NTM	T0, Z0 B0-B02		New board FSEQ similar to PSEQ
Sector HRI* – Main trading mode	Y2		New board FQDE similar to TQPI
Sector HRI – NTM with CCP	Y0-Y2 (expansion of available codes is possible)		New board FTDE similar to PTPI
Sector HRI – NTM	T0, Z0 B0-B02		New board FSDE similar to PSPI



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\*Higher-Risk Investments

# Technological scheme of trading. Market-Making



- Euroclear is the sub-custodian of the NSD for international asset records
- A standard fee by NSD for securities transfer is: FOP=450 RUB.; DVP=750 RUB. per 1 instruction execution



# Subject to listing in 2020

## 1<sup>st</sup> tranche\*

#	Instrument	ISIN
1	Apple Inc.	US0378331005
2	THE BOEING COMPANY	US0970231058
3	Amazon.com, Inc.	US0231351067
4	NVIDIA Corporation	US67066G1040
5	Facebook, Inc.	US30303M1027
6	Microsoft Corporation	US5949181045
7	McDonald's Corporation	US5801351017
8	Visa Inc.	US92826C8394
9	Twitter, Inc.	US90184L1026
10	Intel Corporation	US4581401001
11	Alphabet Inc. Class C	US02079K1079
12	AT&T INC.	US00206R1023
13	Exxon Mobil Corporation	US30231G1022
14	Pfizer Inc.	US7170811035
15	The Walt Disney Company	US2546871060
16	Advanced Micro Devices, Inc.	US0079031078
17	Netflix, Inc.	US64110L1061
18	Micron Technology, Inc.	US5951121038
19	Mastercard Incorporated class A	US57636Q1040
20	Activision Blizzard, Inc.	US00507V1098

#	Instrument	ISIN
21	NIKE, Inc. class B	US6541061031
22	Cisco Systems, Inc.	US17275R1023
23	PayPal Holdings, Inc.	US70450Y1038
24	General Electric Company	US3696041033
25	Newmont Goldcorp Corporation	US6516391066
26	QUALCOMM Incorporated	US7475251036
27	Starbucks Corporation	US8552441094
28	Adobe Inc.	US00724F1012
29	THE COCA-COLA COMPANY	US1912161007
30	The Kraft Heinz Company	US5007541064
31	Caterpillar Inc.	US1491231015
32	Biogen Inc.	US09062X1037
33	AbbVie Inc.	US00287Y1091
34	Electronic Arts Inc.	US2855121099
35	NextEra Energy, Inc.	US65339F1012
36	Johnson & Johnson	US4781601046
37	salesforce.com, inc.	US79466L3024
38	UnitedHealth Group Incorporated	US91324P1021
39	FedEx Corporation	US31428X1063
40	Bristol-Myers Squibb Company	US1101221083

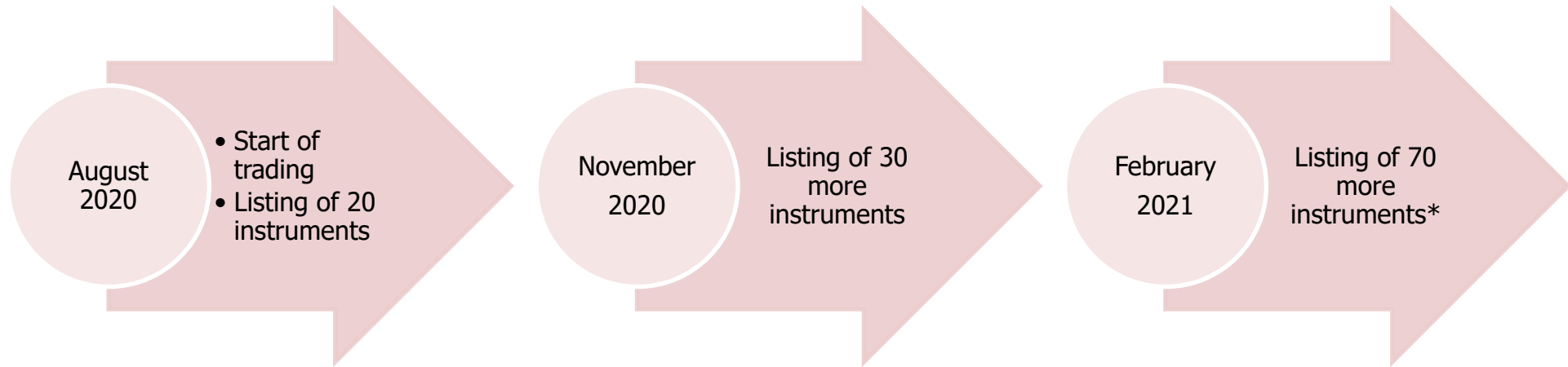
#	Instrument	ISIN
41	Chevron Corporation	US1667641005
42	HP Inc.	US40434L1052
43	Broadcom Inc.	US11135F1012
44	Delta Air Lines, Inc.	US2473617023
45	The Procter & Gamble Company	US7427181091
46	Ford Motor Company	US3453708600
47	General Motors Company	US37045V1008
48	INTERNATIONAL BUSINESS MACHINES CORPORATION	US4592001014
49	Target Corporation	US87612E1064
50	Walmart Inc.	US9311421039



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\* Preliminary list

## Project timeline



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\* Further plans for admitting more stocks will be discussed with market participants, and will be in line with the regulation and MOEX internal documents and procedures

# Advantages of trading on MOEX

## Trading on MOEX

### Investors' rights protection

The project is launched **in compliance** with current Russian legislation. MOEX is planning to introduce **the most liquid securities** providing all information disclosure for these instruments and arranging all corporate actions processing.

### Risks of numerous counterparties chain

**Are eliminated:** execution of obligations are held within the functions of central qualifies counterparty

### Record-keeping of securities

**Record-keeping of securities is operated by the National Settlements Depository (NSD)**

### Unified portfolio of securities

**Unified margining** of portfolio on Moscow Exchange

### On-exchange trading

**Firm quotes** within reliable infrastructure of Moscow Exchange

### In compliance with foreign tax regulation

**Electronic processing** of simplified identification of clients and W-8BEN form submission, **fully verified by US IRS**



## Risks associated with purchasing foreign securities

Investing in foreign securities may cause additional risks.

Investors may lose all or part of their funds. They should carefully read a foreign issuer's prospectus and annual reports.

Before making an investment decision, potential investors should analyze all risks related to such investments, including the risk factors described in the [Moscow Exchange Notice of Risks](#) which has been produced to meet the requirement set out in clause 21.5, article 511 of Federal Law No 39-FZ "On the Securities Market" dated 22 April 1996.



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- perception of market services offered by the Company and its subsidiaries;
- volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate;
- changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets;
- competition increase from new players on the Russian market;
- the ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers;
- the ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness;
- the ability to attract new customers on the domestic market and in foreign jurisdictions;
- the ability to increase the offer of products in foreign jurisdictions.

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