



**MOSCOW
EXCHANGE**

TRADING TECHNOLOGY T+2

Corporate actions, ownership
rights transfer

Corporate actions

	Sale and purchase transaction (T+2)	Repo transactions (Repo with CCP)
Equities		
Pricing	Transaction is made depending on parameters on the settlement day (dividends)	Transaction is made depending on parameters on the day when first and second parts are to be settled
Dividends	Not transferred	Not transferred
Voting right	Not transferred	Not transferred
Bonds		
Pricing	Transaction is made depending on parameters on the settlement day (face value + ACI)	Transaction is made depending on parameters (face value + ACI) on the day when first and second parts are to be settled
Coupon / Amortization	Not transferred	Transferred to a seller on the first part of the transaction



Ownership rights transfer ⁽¹⁾

Right for a bearer certificated security transfers to a transferee:

- in case its certificate is held by owner – at the moment the certificate is transferred to a transferee;
- ***in case the certificates of bearer certificated securities and/or rights for these securities are kept in the depositary – at the moment credit entry on depot account of the transferee is made***

Right for a registered non-certificated security transfers to a transferee:

- ***in case the rights are accounted by the entity, acting as a custodian – since the moment of making the credit entry on depot account of the transferee***
- in case the rights are accounted by the register – since the moment of placing the credit entry into personal account of the transferee

Therefore, transfer of the rights by the security takes place not at the moment of transaction, but at the moment when the security is credited to the owner's depot account in the NSD.

⁽¹⁾ In accordance with Article 29, Federal law from 22.04.1996 N 39-FZ "On securities market"

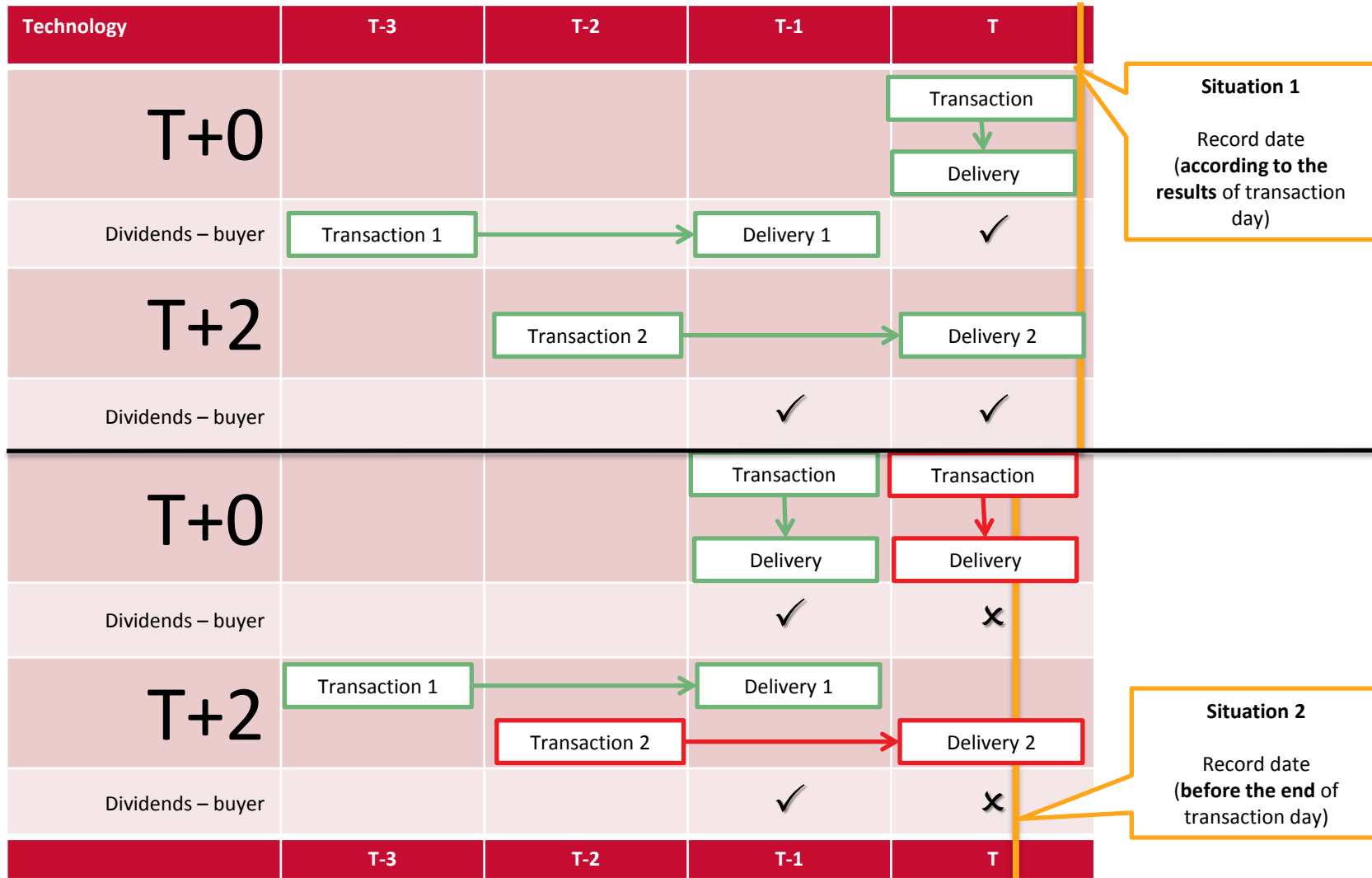


Exchange infrastructure: crediting securities to depot account of the owner/nominee owner account

	Time, MSK	Trading organizer (Exchange)	Clearing (Clearing center)	Settlements (Settlement depository)	Rights accounting (issuer's registrar)
Everyday	09:30 – 19:00	Placing orders, Making transactions			
	19:00	Trading session closing			
	19:00 - 19:40		Clearing Order to effect operations by Subaccounts		
	Till 20:00			Order execution Settlements for securities and monetary resources	
On request	Since the day of register fixing				Inquiry for providing the list of the owners of securities on the record date
	During 5 working days after the receipt of the Request			Making a list of the owners of securities List of the owners of securities on the record date	
		CJSC «MICEX SE»	CJSC JSCB «National Clearing Center»	National Settlement Depository	Issuer's registrar

Crediting securities to depot account of the owner/nominee owner account is effected by Settlement Depository till 20:00 MSK

Specificity of distribution of dividends while making purchase and sale transaction depending on the technology



In order to receive dividends on company's shares it is necessary to be their owner (company's shares have to be on the depot account of the owner/nominee owner account in National Settlement Depository) on a record date.

Disclosure of record date by an issuer.

Changes to come in the beginning of 2014:

- From the beginning of 2014 amendments to the federal act from 26.12.1995 №208-FZ (ed. From 29.12.2012) "[On joint-stock companies](#)" are coming in force. In compliance with the amendments (point 5, article 42) dividend record date for owners of equities, listed on the stock exchange, cannot be determined 10 days earlier or 20 days later from the date of this decision-making.
- In accordance with [Provisions on the Disclosure of Information on Issuers of Equity Securities](#), approved by decree of the Federal Financial Markets Service of Russia (FFMS), dated 4 October 2011 No. 11-46/pz-n. (ed. From 24.04.2012), an issuer should disclose such information in a form of a message about a material fact (point 6.2.12.) in news feed no longer than in 1 day (point 6.3.1.)

State of affairs by the end of 2013

- Almost with all issuers of equities at T+2 market was reached an agreement and there was received a confirming letter from them about their readiness to disclose the data about record date in order to pay out the dividends no later than 2 days prior to the specified date.



Changes in regulation

	Regulation object	Federal laws, secondary legislation	Status (comes in force)
All market participants	Votes transfer	Federal act from 22.04.1996 №39-FZ (ed. 29.12.2012) "On securities market"	✓
			from 01.01.2013
Securities issuers	Record date	Federal act from 26.12.1995 №208-FZ (ed. From 29.12.2012) " On joint-stock companies "	✓ / ⌚
			from 01.01.2014
Professional participants at the securities market	Margin transactions	Unified requirements for the pursuit of brokers' activity while making particular transactions at the clients' expense, as well as when some FFMS laws and regulations, approved by decree of the Federal Financial Markets Service of Russia (FFMS), dated 08 August 2013 No. 13-71/pz-n., become inoperative.	✓
			from 27.09.2013
Asset management companies	Extending timescales of mutual funds' interchange from 3 to 5 working days	Typical rules for discretionary management of interval unit investment funds, approved by Russian Federation government decree from 18.09.2002 № 684 (ed. 06.08.2013) Typical rules for discretionary management of open unit investment funds, approved by Russian Federation government decree from 27.08.2002 № 633 (ed. 06.08.2013)	✓
			from 17.08.2013

Trading halt (1)

Reorganization of the issuer, whereby the securities, admitted to trading, are annulled

- Trade organizer has to halt issuer's securities trading **no later than a trading day** after the day when the message is published by an issuer:
- *about making an order, sent to the Unified State Register of Legal Entities, with an intention to reorganize (if the securities listed in the Register is annulled after the order is made) and/or liquidate the activity of an issuer*

Conversion of the securities, admitted to trading

- Trade organizer has to halt issuer's securities trading **no later than a trading day** after the day when the message is published by an issuer:
- *about officially registered decision to issue securities (additional issue), which are subject to conversion (except for the conversion of securities due to reorganization)*

Operations halt by the Settlement Depository

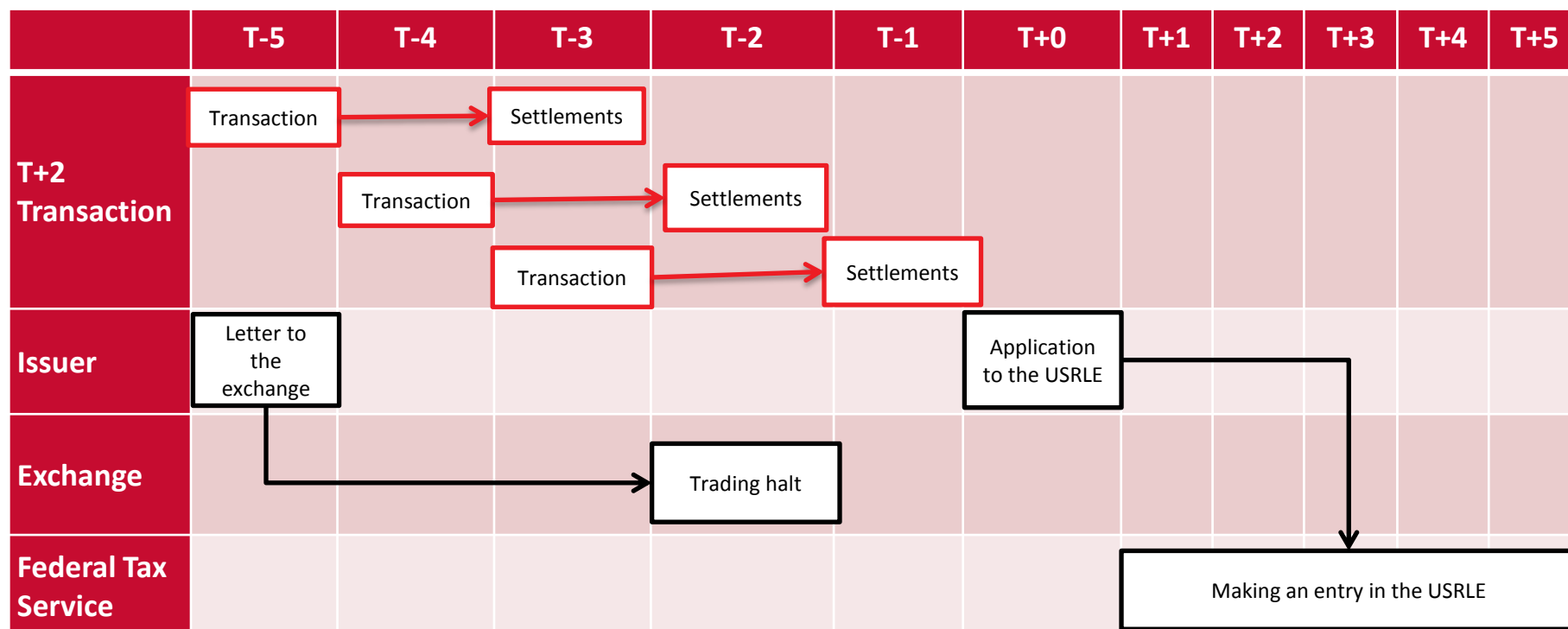
- Trade organizer has to halt issuer's securities trading **no later than a trading day** after the day when the message is published by the depository, that makes settlements by the results of clearing of the liabilities, arising from transactions effected during trades organized by NSD:
- *about the halt of operations with the corresponding securities of the issuer*



Full list of reasons for trading halt is stipulated in [Rules of Closed joint-stock company "MICEX Stock Exchange" for Listing and Admission of Securities to Placement and Trading](#)

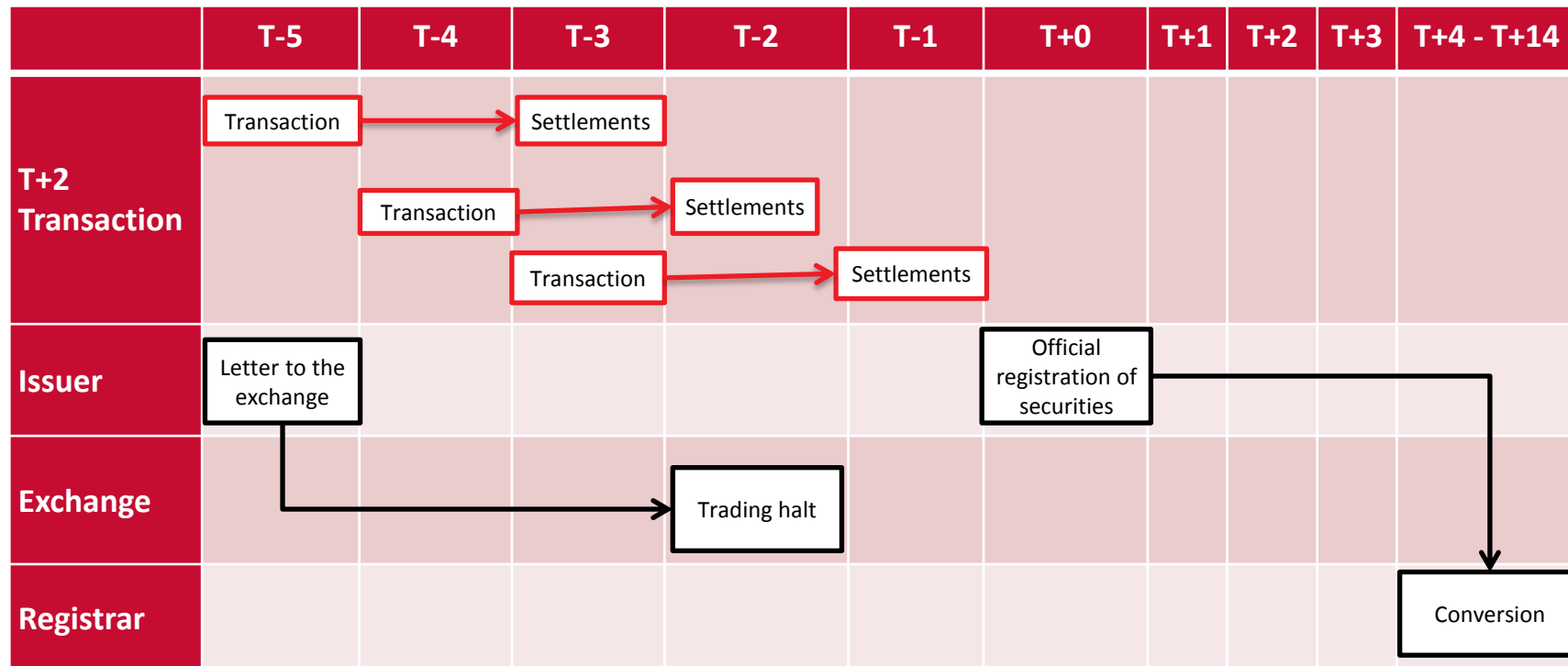


Trading halt (reorganization of the issuer)



- National Settlement Depository settles transactions effected before the day of making an entry in USRLE
- An issuer has to inform the Exchange about its attention to apply to USRLE within 5 days before the application is made
- The Exchange halts trading in securities of the issuer, that has applied to the USRLE, and it does it 2 days before the application
- The Exchange excludes issuer's securities from the list after the Federal Tax Service has introduced changes to USRLE (within 5 days after issuer's application is made)

Trading halt (conversion)



- National Settlement Depository settles transactions effected before the day of making entry in register of issuer's securities owners
- An issuer has to inform the Exchange about its attention to convert the securities within 14 days before the conversion is done
- The Exchange halts issuer's securities trading 2 days before the conversion when the FCSM and the issuer inform the Exchange about it
- The Exchange excludes issuer's securities from the list after the registrar has introduced changes to register of issuer's securities owners

