



self-regulatory organization



PRESS RELEASE

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For immediate release

Further Progress on the Development of the Russian Financial Market in line with Global Market Standards: ICMA and NSMA Sign Memorandum of Cooperation

(London, UK - Moscow, Russia) The International Capital Market Association (ICMA) and the National Securities Market Association (NSMA) today announced the signing of a Memorandum of Cooperation to further expand their joint activities related to development of the Russian financial market in line with international best market practice.

Over recent years, ICMA and NSMA have undertaken a series of joint projects, first of all in support of the development of the Russian repo market. This involved the first publication of ICMA's Global Master Repurchase Agreement (GMRA) in Russian and its distribution to the Russian financial market, the development and use of NSMA's Global Master Repurchase Agreement (based on ICMA's GMRA which was adapted to suit Russian regulations and market practice), the introduction of the ICMA-NSMA Professional Repo Market Course and the development of taxation and accounting for repo with the Ministry of Finance and the Bank of Russia which paved the way for the publication of the Methodological Documents Book on repo as well as the establishment of the Russian Repo Council in 2007.

The two associations have also worked to bring their members closer together through their participation in ICMA's committees and the arrangement of joint international conferences and events. These initiatives were carried out with the support of the Bank of Russia, the MICEX Group, Sberbank, Gazprombank and VTB Bank, amongst others.

The Memorandum will further develop the existing collaboration through continuing support of members of both associations in their operation both in the Russian and international capital markets, active information exchange and knowledge transfer from ICMA based on its work in the development of standard market practice in the European capital market and the production of joint educational and other events.

Commenting on the signing, ICMA's Executive President René Karsenti said: "ICMA and its members see it as a priority to make available the knowledge and established market standards that the Association has gained in almost 40 years of experience in the European capital market to other markets by working with regional and specialist trade groups. Our cordial and productive relationship with our colleagues at NSMA underlines the success of this approach in breaking down barriers to international investment"

Konstantin Volkov, President of NSMA, said: "The results achieved during a number of years of intensive work by NSMA and ICMA led us to the task of raising our cooperation onto a new level. Our achievements have confirmed that the right choice was made by the NSMA Board in respect to partnership with ICMA (ISMA at that time) as a major international association for the capital market and a recognized authority in issues related to development and operation of the refinancing system. We are sincerely grateful to our partners - the International Capital Market Association, the International and European Repo Councils, for their constructive approach and active participation in joint projects".

Godfried De Vidts, Chairman of ICMA's International and European Repo Councils, added: "As the repo refinancing markets in Russia develop, building on ICMA's positive practical experience, Russia takes one step closer to the global markets."

Notes for editors

Russian financial market

The Russian financial market is one of the most dynamic markets in the world. It is one of the most liquid of emerging markets and offers investors the package of traditional financial instruments and electronic trading. An expert-estimated 30% of investors in the Russian domestic market are non-residents. The creation of the modern infrastructure of the Russian financial market was initiated in the 1990s with system of its regulation based on developed markets models, focused on protection of investors and maintenance of information transparency. The Russian market comprises over 1300 commercial banks, about 700 brokerages, over 1200 insurance companies, and several hundred investment and pension funds. The results in 2007 show that the total value of trades in all markets of the MICEX Group, making 90% of the Russian exchange market, reached RUB 106.9 trillion (USD 4.2 trillion). In 2007 MICEX Repo exchange market has the following features: increase in value of equity repos reached RUB 15.62 trillion rubles or USD 615.9 billion (up 4.1 times); increase in value of bond repos reached RUB 8.81 trillion or USD 346.2 billion (up 3.5 times). Repos in the government securities market are one of the main instruments of the Bank of Russia for refinancing the national banking system; their value, taking into account direct and reverse repos with the Bank of Russia as well as inter-dealer repos, totaled RUB 12.97 trillion or USD 517.3 billion (up 3.6 times)

International Capital Market Association (ICMA)

The International Capital Market Association (ICMA) is the self-regulatory organisation and trade association representing constituents and practitioners in the international capital market worldwide. ICMA's members are located in 49 countries across the globe, including all of the world's main financial centres, and currently number some 400 firms in total. ICMA performs a crucial central role in the market by providing and enforcing a self-regulatory code of industry-driven rules and recommendations which regulate issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market.

www.icmagroup.org

National Securities Market Association (NSMA, Russia)

The Self-regulatory organization National Securities Market Association is a trade association of major Russian securities market participants numbering about 250 firms – banks and investment companies with Russian and foreign capital, being the elite of the Russian financial system.

NSMA has full set of licenses of a self-regulatory organization, i.e. it carries out licensing of professional participants and certification of their staff, receives financial reports, performs examinations, etc. The Association has a package of Professional Activity Standards according to which it arranges operation of its member firms. NSMA is also doing major work aimed at developing the Russian securities/financial market.

Since 2003 NSMA, being an associate member of ICMA, unites Russian ICMA member firms and runs a number of joint projects with the Association. For further information, please, visit www.nfa.ru (English version)

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