

The European Financial Markets Federation (EFMF)

P R E S S R E L E A S E

Please see foot of release for contact details

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The National Securities Market Association (NSMA) joins the European Financial Markets Federation

(LONDON, UK) The European Financial Markets Federation (EFMF) is pleased to announce that the National Securities Market Association (NSMA, Russia), the Russian self-regulatory organisation for Russian securities market participants, has joined the Federation. NSMA joins four existing members, major associations, of EFMF, Associazione Italiana Operatori Mercati dei Capitali (ASSIOM), the Euro Debt Market Association (AMTE), the European Securities Forum (ESF), and the International Capital Market Association (ICMA).

NSMA, created by the largest participants in the Russian securities market and supported by the main regulators - the Bank of Russia, the Federal Financial Markets Service of Russia and the Ministry of Finance of the Russian Federation - operates as a self-regulatory professional organisation on the basis of a government license and self-regulatory principles. Its mission is to grow the investment potential of the Russian economy by establishing favourable conditions for the stable development of the Russian securities market and its participants business so improving the market's attractiveness and securing investor rights observance.

Konstantin A. Volkov, President of the NSMA, commented: "The NSMA shares common principles with the other EFMF member associations and is committed to ensuring the adoption of best international practice in the financial markets through self-regulation. We believe that we will further our aim of creating the most conducive market framework for growth in the Russian financial markets through, among other ways, integration of the Russian financial market into the international one and cooperation with other financial market associations, benefiting from the European experience of developing successful capital markets and forging closer links between the capital market participants of Russia and Europe".

The Federation has highlighted the following issues for joint cooperation in 2007: clearing & settlement, bond market transparency and market information & education.

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Notes for Editors

1. European Financial Markets Federation (EFMF)

The EFMF was created in December 2005 with the objective of shaping the structure and form of closer co-operation between financial market associations with a European focus. Its primary objectives are:

- to provide a forum for the exchange of ideas between participating associations in relation to matters of interest pertaining to the global capital and financial markets
- to consider ways in which the participating associations can co-operate in areas of common interest to their members (including but not limited to; regulatory, legal advocacy, education and the structure and form of any further co-operation)
- to consider other matters that are relevant to the global capital and financial markets that arise from time to time

The member organisations are the Associazione Italiana Operatori Mercati dei Capitali (ASSIOM), the Euro Debt Market Association (AMTE), the European Securities Forum (ESF), the International Capital Market Association (ICMA) and the National Securities Market Association (NSMA).

2. National Securities Market Association (NSMA)

The self-regulatory organisation National Securities Market Association (SRO NSMA, Russia), a leading trade association of Russian securities market participants, was established in January, 1996 by major banks and investment companies. At present SRO NSMA numbers more than 240 organisations, which are professional market participants from the 23 regions of all 7 Russia's Federal Districts. NSMA members' business accounts for 70% of the total business in the Russian securities market.

NSMA has all government licenses available in the Russian securities market as an SRO and it successfully performs all the functions specified for an SRO by the Russian law. These include: design of normative documents for implementing Professional Activities Standards for the Russian securities market, licensing professional participants and also assisting them in drafting documents and petitions and supporting them through expertise and supervision of progression of documents submitted to regulatory bodies. NSMA also collects financial reports, keeps an internal documentation database and controls the work of its member firms, particularly, by executing internal and external professional examinations, and supporting its members' staff in gaining certificates.

Major projects for NSMA include: development of a legal and normative base of the securities/financial market, refinancing system and repo dealing, underwriting in the Russian securities market, eurobond market, trust management and collective investments, securitization, etc. Since March, 2005 NSMA has been publishing the National Fixing of the Russian bond market called MIRP (Moscow Interbank Reference Price) relying on data from the Bank of Russia as well as the Professional Index System for the Russian securities market (NSMA – 7 INDEX) and other regional and industry indices. These fixings and indices are published by Reuters and Bloomberg as well as by the largest Russian media agency RosBusinessConsulting and by other mass media.

The Association's focus areas are to integrate the Russian and international financial markets, to support Russian market participants in their efforts in the international financial market as well bringing the national legal and normative base closer to the international one, and to promote and facilitate international standards of professional activity. www.nfa.ru

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