**Webinar “Changes in clearing within releases on markets in 2017”**

**18/07/17**

**QUESTIONS AND ANSWERS**

**TRAN transactions**

1. Q: Could you please explain the main idea of the TRAN transaction?

A: TRAN is the record of the information in the trading and clearing system on the FX and Securities markets on each change of the position in respect of cash funds / securities / assets profiles of cash funds and securities. Information on the transaction is reflected in the table TRADES in the field TRANINFO and in the trading mode (boardid) TRAD.

For instance, members can monitor online the information on cash funds crediting, in the field TRANINFO the purpose of payment, indicated by the member when sending cash funds, will be reflected.

1. Q: Will the new board TRAD appear in all interfaces?

A: The new board TRAD will appear in all interfaces, however for the correct processing it is recommended to use the new version, where you can find the field TRANINFO.

1. Q: In which way it will be realized in the terminal of the FX market?

A: TRAN transaction will be reflected as technical trades in the table TRADES in the trading mode TRAD.

1. Q: How TRAN will be implemented in Quick?

A: All questions regarding reflecting and testing changes in Quick shall be addressed to Quick engineers.

1. Q: Will TRAN be launched on the Derivatives market?

A: On the Derivatives market the analogue of TRAN transaction is the table Payments. On the FX and Securities Markets the analogous functional is added in the form of TRAN transactions.

**Fee for collateral recording**

1. Q: In which reports the fee for collateral recording on the Securities market will be reflected?

A: The fee for collateral recording will be reflected:

* in the Report on obligations of a Clearing Member in respect of the fee (EQM15) with the type TRANTYPE 99;
* in the Report on Collateral (EQM99) with the OperationCode = 37;
* in the Cash Flow Statement (CCX99).

The information on the fee for recording collateral in the trading and clearing system in the form of the TRAN transaction will be also available to members.

1. Q: Will the fee for collateral recording be charged upon all Clearing members?

A: The fee for collateral recording will be charged upon all Clearing members, under the Settlement Accounts of which at the end of the day collateral in euros and Swiss francs is recorded, including Default Funds Settlement Accounts, Collateral for Stress Settlement Account, Asset Pool Settlement Accounts.

1. Q: Will the fee be calculated in respect of each market separately? Will it depend on the number of markets where the professional participant is trading?

A: The fee will be calculated in respect of each market separately in respect of each Settlement Account, under which collateral in euros and Swiss francs has been recorded.

**Unified Pool**

1. Q: Am I right that we have the choice – to switch to the Unified Pool or keep everything as it is? When switch to the Unified Pool will become obligatory?

A: Switch to the Unified Pool is not obligatory and is executed upon the decision of members. We are not planning to make switch to the Unified Pool to be obligatory in the future either.

1. Q: Will the collateral be unified for all three markets?

A: In case if you switch to the Unified Pool, Collateral will be recorded under the Settlement Account of the Unified Pool and a part of the Single Limit in the form of an asset profile can be transferred from the Securities market to the FX and/or Derivatives market.

**Changes in the procedure for funds return**

1. Q: If we are not planning to change anything, do we have to remake standing instruction on cash funds return?

A: Standing instruction on cash funds return will still be available, there is no need to remake it. Please note that in case of return in the amount of the Total Net Claim, the Total Net Claim will include obligations to pay the fee.

**Transfer of the individual clearing collateral to the other collateral**

1. Q: In case of use of NCC correspondent accounts in foreign banks, for how much faster will the withdrawal of cash funds be executed without NSD?

A: On the average it will be for 10 minutes faster. It depends on the chain of correspondent banks.

**Penalty for the cut-off time and change in the fee charge order**

1. Q: What is the planning size of the penalty for the cut-off time?

A: Penalty for the cut-off time in Russian rubles corresponds to the penalty for settling non-fulfilled obligations in Russian rubles – it’s double key rate of the Bank of Russia 18 percent per annum. In USD and EUR it’s 2 percent per annum, and for others foreign currencies rates are given on the Clearing House’s website in the section “Risk Management. FX market. [Risk parameters](http://www.nkcbank.com/viewCatalog.do?menuKey=136)”.

1. Q: In respect of the Derivatives market: if there is enough foreign currency in the collateral but not enough Russian rubles for the fulfillment of obligations to pay Variation margin, will the NCC charge the penalty for the cut-off time?

A: Penalty for the cut-off time will be charged on all markets, Derivatives market inclusively.

1. Now if there is a Debt in respect of the fee payment, we pay out the Debt on the following day. Will such scheme be available after implementing the penalty for the cut-off time?

No, it won’t. In case if Russian rubles are not transferred till 20:00 for the fee withdrawal, the Clearing House will conclude a REPO / swap on the Securities market and swap on the FX market and in case if it is impossible to conclude such trades the penalty for the cut-off time will be levied.

1. Q: If there is enough foreign currency in the collateral for the fulfillment of obligations in respect of the fee by the forced swap (additional session) will there arise the penalty for the cut-off time or the penalty in the form of the bonus under the forced swap?

A: If there is a possibility to conclude a swap trade, then the penalty rate within the swap trade will arise. At the same time both the penalty for the cut-off time and the penalty rate within the swap trade are not applied.

1. If by 20:00 there is no cash to be withdrawn as the fee, however it will be transferred after 20:00, will the swap trade of the NCC be concluded?

A: NCC checks the availability of cash funds for the fulfillment of obligations including obligations to pay the fee by 20:00. In case of non-fulfillment of obligations at 20:00 the NCC concludes a swap trade or in case of impossibility to conclude a swap trade, the NCC will withdraw the penalty for the cut-off time.

1. Q: If NCC fulfills obligations in foreign currency and foreign currency is also posted as collateral, how will the fee be charged?

A: NCC concludes a swap trade in foreign currency, and then received Russian rubles under the first part of a swap trade will be used for the withdrawal of the fee.

1. Q: If a Clearing Member tries to withdraw part of cash funds from the collateral, will NCC return the whole amount of the collateral or it will return the amount taking into account charged fee?

A: NCC will calculate the fee at 19:00. In case of cash funds return after 19:00, the amount to be returned will be calculated taking into account charged fee. In case of cash funds return before 19:00, the amount to be returned will not include the fee.

1. Q: If there is an obligation in euros but there is collateral in Russian rubles, will there be a forced conversion at 17:00?

A: There will be no conversions (forced swap trade) at 17:00. Forced swap trade is concluded in case of non-secure of obligations by 20:00. If obligations in euro are secured but after 17:00, NCC will accrue the penalty for the cut-off time.

1. Q: At what time we can see obligations on fees on the FX market?

A: Under trades, concluded before 19:00, NCC will calculate the fee at 19:00 and will forward reports on fees. In case of early exit from trading NCC will calculate the fee at 18:00. In trading-clearing terminals the information will also be reflected in TRAN transactions.

1. Q: If there are Russian rubles in collateral then the fee will be debited directly?

A: Yes. NCC directly debits cash funds, which constitute Clearing Member’s obligations, including fee payment obligations.

1. Q: Why the fee under the REPO is not charged at the moment of a trade conclusion? This will eliminate the emergence of a debt on fee payment?

A: This issue has been discussed with Clearing members, the fee is the obligation and is fulfilled at 20:00. NCC is planning to take into account the fee in the Single Limit when submitting the order for trade conclusion.

1. Q: In case if obligations of NCC are expressed in euros, but obligations of a Clearing member are expressed in Russian rubles, a Clearing member posts Russian rubles by 20:00 when NCC will transfer euros if the period for the fulfillment of obligations is till 17:00?

A: In case of submission of the Standing instruction on return in the amount of the Total Net Claim, NCC tries to execute return starting from 15:15 till 17:00, in case if the Single Limit allows to do it, then the return is executed. If till 17:00 return fails to be executed in the amount of the Total Net Claim, then at 17:00 the return will be executed in the amount available for the withdrawal.

Disclosed on the Clearing House’s website in the section “[Clearing innovations](http://www.nkcbank.com/viewCatalog.do?menuKey=517)”