
Post-trade services

CLEARING

Since 2007, the NCC (part of Moscow Exchange Group) has acted as a Clearing House and a Central Counterparty (CCP) for the Russian financial market. Its primary goal is to provide clearing services to market participants and to maintain stability across the Exchange's market by operating an advanced risk management system that meets the highest international standards. The NCC enjoys the status of a qualifying Central Counterparty and is recognized as a systemically important CCP by the Bank of Russia. The NCC is a member of the Global Association of Central Counterparties (CCP12) and the European Association of Central Counterparty Clearing Houses (EACH).

Ratings

In 2018, Fitch Ratings affirmed the NCC's ratings. The long-term local currency Issuer Default Rating (IDR) was affirmed at BBB with a Stable outlook (one notch higher than Russia's sovereign rating), while its foreign currency IDR was affirmed at BBB- with a Positive outlook (on par with Russia's sovereign rating).

The Analytical Credit Rating Agency (ACRA) affirmed the NCC's national scale rating at AAA(RU) with a Stable outlook. According to the ACRA, the NCC's credit rating and outlook are due to its strong and stable business profile, exceptional liquidity and capital adequacy position. The rating is additionally supported by the systemic importance status that the NCC enjoys in the Russian financial market.

Central Counterparty Safeguard Structure

In 2018, the CCP safeguard structure was further improved by unifying the size of clearing members' contribution to the Default Fund in all markets. The contribution of clearing members on the Standardized Derivatives Market was increased to RUB 10 mln.

Alignment of CCP safeguard structures across MOEX's markets is aimed at boosting the reliability and viability of the Central Counterparty and ensuring that the NCC remains financially robust irrespective of market conditions. The safeguard structure put in place meets the highest international CCP standards and the requirements of the Bank of Russia.

Reporting and Audit

The NCC Reporting project won the annual 'Project of the Year - Selection of IT Directors in Russia' contest in the Best Solution in the Sector category. The project aims to develop a more effective solution to creating the NCC's mandatory banking and tax reports. The project provided for a systematic restructuring of the procedure for creating mandatory banking and tax reports, as well as reports sent to Rosfinmonitoring. As a result, the reporting process became at least three times faster. Following project implementation, the system needs about 120 minutes to calculate complex interconnected forms on about 60 million transactions per day. The daily report package is created in 10-15 minutes instead of an hour.

In 2018, the NCC successfully passed an operational audit by Deloitte & Touche CIS in accordance with the requirements of the Bank of Russia's Regulation on the Procedure for the Central Counterparty Operational Audit, covering elements of the CCP activities including risk management, model accuracy assessment, stress testing of risks, dedicated capital determination and financial stability restoration.

The international registrar companies Det Norske Veritas and Germanischer Lloyd confirmed the compliance of the NCC quality management system with the international standards of management systems. The certificate of conformity is valid until 10 December 2021 for clearing services, including the function of the Central Counterparty.

CCP SAFEGUARD STRUCTURE

