

## **Eligibility criteria in the Russian Federation**

According to the General Terms and Conditions in the By-Laws of the Society for Worldwide Interbank Financial Telecommunications, the requirements based on local applicable laws, regulations, rules and policies shall be identified by the Board of Directors with the assistance of the Russian National SWIFT Association.

Russian National SWIFT Association has defined the following eligibility criteria for the admission of SWIFT users in Russian Federation and submits them herewith to the Board of Directors for approval.

### **Groups of users**

#### **Group 1: Supervised Financial Institutions:**

1. an entity that engages in payment, securities, banking, financial, insurance or investment services or activities, and that, for such purposes,
  - a) is (i) licensed by or (ii) authorised by or (iii) registered with a Financial Market Regulator, and
  - b) is subject to supervision by a Financial Market Regulator as per BRM 199, or
2. an international, supranational, intergovernmental or national governmental body or institution that as a main activity engages in payment, securities, banking, financial, insurance or investment services or activities (including central banks).

The Supervised Financial Institution will be entitled to use the services of SWIFT, as defined by the Board of Directors.

**1.1 Credit organizations**, registered by the Central Bank of the Russian Federation in accordance with the Federal Law No. 17-FZ “On Banks and Banking Activities” and licensed to conduct banking operations in foreign currency.

The category includes banks and non-bank credit organizations.

Such organizations are subject to relevant regulations applied by the Central Bank of the Russian Federation.

#### **1.2 Brokers and Dealers in Securities and Related Financial Instruments and Investment Management Institutions.**

Entities should be registered by The Federal Service for Financial Markets (FSFM) and have license for broker and dealer/Investment Management operations and fulfill the license requirements stated in FSFM legal acts. Such entities conduct their business according to the Federal Law No. 39-FZ “On the Securities Market”, paragraphs 3, 4, 5.

Such organizations are subject to relevant regulations applied by the FSFM.

#### **1.3 Central Depositories and Clearing Institutions BRM 82**

Entities should be registered with The Federal Financial Markets Service (FFMS) and have license for depositories operations and fulfill the license requirements stated in FFMS legal acts. Entities that conduct their business in accordance with the Federal Law No.39-FZ “On the Securities Market”, paragraph 6, 7.

Such organizations are subject to relevant regulations applied by FSFM.

#### **1.4 Insurance Companies.**

Such organizations are subject to relevant regulations applied by FSFM, and have license of FSFM.

#### **1.5 Recognised Exchange for Securities and Related Financial Instruments BRM 167**

Entities that conduct their business in accordance with the Federal Law No.39-FZ “On the Securities Market”, paragraph 9,11.

Such organizations are subject to relevant regulations applied by FFMS.

#### **1.6 Registrars and Transfer Agents BRM 103**

Entities that conduct their business in accordance with the Federal Law No.39-FZ “On the Securities Market”, paragraph 8.

Such organizations are subject to relevant regulations applied by FFMS.

#### **1.7 Representative Offices BRM 107**

Entities that conduct their business in accordance with the Civil Code of the Russian Federation and the Federal Law No.17-FZ “On Banks and Banking Activity”.

Such organizations are subject to relevant regulations applied by the Central Bank of the Russian Federation.

#### **1.8 Subsidiary Providers of Custody and Nominee Services BRM 102**

A Subsidiary Provider of Custody and Nominee Services is an institution which:

- Is a fully-owned subsidiary of one or a combination of several SWIFT member banks, sub-member banks, or accepted participants, or is a fully-owned subsidiary of an organization which itself fully owns a SWIFT member bank or accepted participant and
- Is engaged primarily in the provision of securities custody services or nominee services.

Such organizations should have license of FFMS for realization of depository activity, and also carry out the license requirements established by Federal Law No.39-FZ “On the Securities Market”, clauses 6,7.

International, supranational, intergovernmental or national government agency or institution that is engaged in payments, securities, banking, finance, insurance or investment activities or services (including central banks).

#### **Group 2: Non-Supervised Entity in the financial Industry**

A Non-Supervised Entity active in the financial industry, is an entity which:

1. a) as a main activity, engages in payment, securities, banking, financial, insurance or investment services or activities to Supervised Financial Institutions and/or to third parties unrelated to the Non-Supervised Entity, or

b) as a main activity, engages in services to Supervised Financial Institutions and/or to third parties unrelated to the Non-Supervised Entity, which services support financial transaction processing by means of communicating and processing information and which services require the sending of messages in the Non-Supervised Entity’s own name; and

2. is not subject, for such purposes, to supervision by a Financial Market Regulator; and

3. a) is a duly incorporated, validly existing and duly organized legal entity, and

b) is in good standing financially and with respect to compliance with applicable laws and regulations, and

c) is subject to regular audits in accordance with internationally recognized accounting standards by an independent audit firm.

The Non-Supervised Entity active in the financial industry will be entitled to use the services of SWIFT, as defined by the Board of Directors.

Not available in the Russian Federation.

### **Group 3: Closed User Groups and Corporate entities**

Group 3 is composed of the following currently existing SWIFT User categories: Corporate, Financial Market Regulator, Payment System Participant, Securities Market Data Provider, Securities Market Infrastructure System Participant, Service Participant within Member Administered Closed User Group and Treasury Counterparty

#### **1. Corporate (BRM 196)**

To be eligible in the category of 'Corporate', the corporate entity should be listed on a regulated stock exchange of a country which is a member of the Financial Action Task Force.

An entity which is majority owned by an eligible parent entity as per the criteria above, can also apply as 'Corporate' if the candidate entity submits to SWIFT a 'declaration of ownership' from the eligible parent entity and if it complies with the following criteria:

1. Be a duly incorporated, validly existing and duly organized legal entity,
2. Be in good standing financially and with respect to compliance with applicable laws and regulations,
3. Be subject to regular audit in accordance with internationally recognized accounting standards by an independent audit firm.

The Corporate is entitled to use the services of SWIFT as defined by the Board of Directors.

Only corporate-to-financial institution SWIFTNet messaging is allowed. Corporate-to-Corporate SWIFTNet messaging is not possible.

#### **2. Financial Market Regulator (Resolution 199)**

A Financial Market Regulator is an entity, agency, association or organization which:

1. a) is owned or controlled by federal, state, regional or local governments, or b) is established or operates pursuant to international, federal, state, regional or local treaties, laws, or regulations, and
2. regulates or supervises institutions engaged in securities, banking, financial, investment or insurance business, including financial markets with a view to protect the integrity and stability of the financial markets.

The Financial Market Regulator is entitled to use the services of SWIFT as defined by the Board of Directors.

#### **3. Payment System Participants BRM 146**

Not available in the Russian Federation.

#### **4. Securities Market Data Providers BRM 187**

- Entities whose principal activity is to:
- Collect Financial Information required by financial institutions, from a number of direct and indirect sources, such as Exchanges, other financial institutions, issuers, internet, newspapers and other printed media, and distribute that same Financial Information, or any additional or derived information, as part of their service or product, to financial institutions.
- Financial Information is defined as follows:
  - - Corporate Action announcement
  - - Reference data describing assets and issuers
  - - Securities Pricing information
  - - New Issue and Prospectus document
  - - Shareholders Meeting information
  - - Trade Volume information
  - - Index Data

Such entities conduct their business in accordance with the Federal Law No.39-FZ “On the Securities Market”, section IV.

#### **5. Securities Market Infrastructures Participants BRM 161**

Not available in the Russian Federation.

#### **6. Service Participants within Member Administered Closed User Group (MACUG) BRM 166**

The category includes credit and financial organizations, as well as juridical persons (corporate clients), participating in MACUG.

The participants in a MACUG must follow the admission criteria set by the service administrator. Service administrator is subject to relevant regulations applied by the Central Bank of the Russian Federation. Credit organizations are subject to relevant regulations applied by the Central Bank of the Russian Federation. Financial organizations are subject to relevant regulations applied by FFMS. Participants, which are juridical persons (corporate clients) conduct their business in accordance with the Civil code of the Russian Federation.

#### **7. Treasury Counterparty BRM 155**

The counterpart on forex and to depositary transactions is officially registered legal person, which:

- carries out great volume of exchequer operations with set of the banks-counterparts connected with primary activity, and
- does not get in a category of Member of SWIFT, Associated a member and in other category of the Participant, and
- is financially steady organization which is carrying out normative and legislative acts, and
- is exposed to audit on a regular basis according to the international standards the independent auditor company.

In case of discrepancy of the organization to the specified requirements the organization can be excluded from SWIFT in conformity with clause 8 of the Charter.

The organization, submitting documents on entering SWIFT in the given category, should give letters of recommendation at least from eight Members which are its counterparts on forex and to depositary transactions. At least one Member of SWIFT should be registered in the country where the headquarters of the applicant is situated.

### **Shareholder Eligibility Criteria**

According to article 8 of the By-laws, any organization which is involved in the same type of businesses the Members and involved in international financial message transmission is eligible for SWIFT shareholding. In line with BP 804 “Membership for Securities Brokers/Dealers and IMIs” (March 2000, and reiterated at the General Meeting in June 2000), the Board confirmed that **Banks, Brokers/Dealers in Securities and Investment Management Institutions** are in the same type of business and hence can become shareholder.

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### **Brokers/Dealers in Securities**

1. Broker/Dealer in Securities is an entity which as main activity is engaged in the underwriting and/or dealing in securities and related instruments, including the
  - a) trading for the account of unrelated third-party customers in transferable securities; or
  - b) underwriting or participating in securities issues for customers and providing of services related to such issues; or
  - c) managing portfolio for unrelated third-party customers and providing related advice, and/or
  - d) being authorized to trade on a Recognized Exchange, and

2. Entities should be registered by The Federal Service for Financial Markets (FSFM) and have license for broker and dealer/Investment Management operations and fulfill the license requirements stated in FSFM legal acts.

Such organizations are subject to relevant regulations applied by the FSFM.

### **Investment Management Institutions**

- An Investment Management Institution is an entity which as main activity is engaged in the management of asset portfolios, including the
- a) trading for the account of unrelated third-party customers in transferable securities; or
  - b) underwriting or participating in securities issues for customers and providing of services related to such issues; or
  - c) managing portfolio for unrelated third-party customers and providing related advice, and

2. Entities should be registered by The Federal Service for Financial Markets (FSFM) and have license for broker and dealer/Investment Management operations and fulfill the license requirements stated in FSFM legal acts.

Such organizations are subject to relevant regulations applied by the FSFM.