

Jurisdiction: Russia

2018 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Contact information

- I. Hedge funds
- II. Securitisation
- III. Enhancing supervision
- IV. Building and implementing macroprudential frameworks and tools
- V. Improving oversight of credit rating agencies (CRAs)
- VI. Enhancing and aligning accounting standards
- VII. Enhancing risk management
- VIII. Strengthening deposit insurance
- IX. Safeguarding the integrity and efficiency of financial markets
- X. Enhancing financial consumer protection

List of abbreviations used

Sources of recommendations

List of contact persons from the FSB and standard-setting bodies

National authorities from FSB member jurisdictions should complete the survey and submit it to the FSB Secretariat (imn@fsb.org) by **Friday, 8 June 2018** (*representing the most recent status at that time*). The Secretariat is available to answer any questions or clarifications that may be needed on the survey. Please also provide your contact details for the person(s) completing the survey and an index of abbreviations used in the response.

National authorities are expected to submit the information to the FSB Secretariat using the Adobe Acrobat version of the survey. The Microsoft Word version of the survey is also being circulated to facilitate the preparation/collection of survey responses by relevant authorities within each jurisdiction.

Jurisdictions that previously reported implementation as completed in a particular recommendation are only required to include information about main developments since last year's survey and future plans (if applicable) ("Update and next steps" table). New reforms to enhance the existing framework in that area should be described, but should not lead to a downgrade from implementation completed to ongoing. Jurisdictions that do not report implementation as completed are required to include full information both in the "Progress to date" and "Update and next steps" tables.

As with previous IMN surveys, the contents of this survey for each national jurisdiction will be published on the FSB's website at around the time of the 2018 G20 Summit in Buenos Aires. The FSB Secretariat will contact member jurisdictions ahead of the Summit to check for any updates or amendments to submitted responses before they are published.

I. Hedge funds

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1. Registration, appropriate disclosures and oversight of hedge funds

G20/FSB Recommendations

We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds.
(Seoul)

Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management.
(London)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

I. Hedge funds

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2. Establishment of international information sharing framework

G20/FSB Recommendations

We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)

Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 16/02/15

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I. Hedge funds

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2. Establishment of international information sharing framework

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
☐ Regulation / Guidelines
☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The Bank of Russia can share information with foreign regulators according to Article 51 and Article 51.1 of the Federal Law No. 86-FZ “On the Central Bank of the Russian Federation (Bank of Russia)” of 10/07/2002. The Bank of Russia can share information on the basis of bilateral agreements and IOSCO MMoU. The Bank of Russia has become a signatory to the IOSCO MMoU on 16/02/2015. Currently the Bank of Russia has bilateral MoUs with financial market authorities from the regulators of the following countries: Belarus, Belgium, Brazil, Venezuela, Germany, Greece, India, Cyprus, Kyrgyzstan, China, Lichtenstein, Luxembourg, UAE, Oman, Repulic of Korea, Syria, Turkey, Ukraine, France, Lebanon. There is also MoU with Deutsche Borse AG.

Other actions: International agreements and memoranda of understanding (including interagency) with foreign regulators concerning the information exchange, including the exchange of confidential information.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I. Hedge funds

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2. Establishment of international information sharing framework

Update and next steps

Highlight **main developments since last year's survey**

In 2017 the Bank of Russia signed bilateral memoranda of understanding with Financial Services Authority of Seychelles and Republic of South Africa Financial Services Board. The MoUs cover cooperation and information sharing on both securities and insurance markets.

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

http://www.cbr.ru/eng/press/PR.aspx?file=17022015_184700eng_sbrfr2015-02-17T18_39_22.htm

I. Hedge funds

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3. Enhancing counterparty risk management

G20/FSB Recommendations

Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)

Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)

Remarks

Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.

In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO [Report on Hedge Fund Oversight \(Jun 2009\)](#).

In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III capital requirements for counterparty risk, since it is [monitored separately](#) by the BCBS.

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO [Objectives and Principles of Securities Regulation](#), and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 28/12/2010

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I. Hedge funds

II III IV V VI VII VIII IX X

3. Enhancing counterparty risk management

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
☐ Regulation / Guidelines
☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Instruction of the Bank of Russia No. 180-I 'On statutory ratios for banks' of 28/06/2017 (amended with the Basel III Standard framework «Capital requirements for equity investment in funds», came into force 16/12/2017) provides rules for risks calculation which are used for the assessment of assets (included securities operations) when calculating capital adequacy ratios, large exposure limits. The Regulation of the Bank of Russia No. 509-P "On the Calculation of the Total capital, Required Ratios, and Sizes (Limits) of Open Currency Positions of Banking Groups" of 3/12/2015 (as amended) provides specific rules for risks calculation which are used for the assessment of assets (included securities operations) when calculating capital adequacy ratios of banking groups. In order to improve transparency of risk management practices of all non-bank financial institutions, under Regulation of the Bank of Russia No. 496-P 'On National Accounting Standards of Hedging Activities Conducted by Non-credit Financial Institutions' of 05/10/2015 - effective as of 01/01/2018, all non-bank financial institutions are obliged to reflect instruments for hedging in their accounting statements. Hence, all exposures would be clearly defined. Regulation of the Bank of Russia No. 483-P of 06/08/2015 stipulates procedures for credit risk exposure estimation based on Internal Rating-Based approach. The Methodology for Central Counterparty Management Quality Assessment approved by the Bank of Russia - Ordinance No. 2919-U 'On Assessment of Management Quality of a Credit Institution Acting as a Central Counterparty' of 03/12/2012 - comprises the indicator of central counterparty credit risk management. The Order of the Ministry of Finance of the Russian Federation No. 217n of 28/12/2015 introduced IFRS 13 "Fair Value Measurement" (from 09/02/2016). According to this Standard counterparty credit risk exposure may be taken into consideration while conducting fair value measurement of assets and liabilities. The compulsory standard for credit institutions - maximum risk amount of a related party/ group of related parties - is effective as of 01/01/2017. The Federal Law No. 7-FZ "On Clearing, Clearing Activities and Central Counterparty" of 07/02/2011 (as amended) contains provisions regarding: Powers of the Bank of Russia on CCP oversight and supervision; CCP mandatory ratios; Complex risk-oriented approach; CCR risks stress-testing and back-testing; Recovery and resolution planning; CCP business continuity planning. Under Federal Law No. 7-FZ participants of clearing with the qualified central counterparty are authorized to apply specific procedure of assessment of credit risks related to claims based on contracts included into the clearing pool and concluded with a central counterparty (subject to provisions of a regulation to be adopted by the Bank of Russia).

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I. Hedge funds

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3. Enhancing counterparty risk management

Update and next steps

Highlight main developments since last year's survey

Ordinance of the Bank of Russia No.4129-U of 05/09/2016 which entered into force on 18/12/2016 and laid down new requirements to asset composition and asset structure of joint-stock investment funds and unit investment funds was amended by Ordinance of the Bank of Russia No. 4346-U of 06/04/2017. The maximum amount of risk per person related to a credit organisation (group of persons related to a credit organisation) is established by Article 64.1 of the Federal Law No. 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)" of 10/07/2002 which has entered into force on 01/01/2017. Ordinance of the Bank of Russia No.4203-U of 17/11/2016 "On the Signs of Possible Relation of a Person (Persons) to a Credit Organization" has defined the signs of possible relation of a person (persons) to a credit organization. (entered into force on 01/01/2017) Ordinance of the Bank of Russia No.4205-U of 17/11/2016 "On the Process of the Banking Supervision Committee Classification a Person as one Related to a Credit Organisation (as a Member of a Group of Persons Related to a Credit Organisation) on the Basis of a Professional Judgement, and on the Procedure for Sending Demands to a Credit Organisation and for Considering a Credit Organisation's Applications".

Ordinance of the Bank of Russia No 4581-U « On Amendments to Ordinance of the Bank of Russia No.4203-U of 17/11/2016» of 17/10/2017 has added one more sign to the list of signs of possible Relation of a Person (Persons) to a Credit Organization.

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

http://www.cbr.ru/finmarkets/print.aspx?file=files/legislation/legals_cliring.htm&pid=common_inf&sid=itm_48091
https://www.cbr.ru/analytics/?PrtID=na_vr&docid=211
https://www.cbr.ru/analytics/?PrtID=na_vr&docid=210

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4. Strengthening of regulatory and capital framework for monolines									

G20/FSB Recommendations

Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

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II. Securitisation

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5. Strengthening of supervisory requirements or best practices for investment in structured products

G20/FSB Recommendations

Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)

Remarks

Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer-Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 01/11/14

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

- ☐ Draft in preparation, expected publication by
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☐ Final rule (for part of the reform) in force since

I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
5. Strengthening of supervisory requirements or best practices for investment in structured products									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions Requirements to the structure and composition of joint-stock investment funds and unit investment funds assets are imposed by Federal Law No. 156-FZ 'On Investment Funds' of 29/11/2001 and normative acts of the Bank of Russia. Securities listing rules and the procedure for public offering and trading of securities issued by foreign issuers in the Russian Federation are set by the Federal Law No. 39-FZ 'On the Securities Market' of 22/04/1996 - as amended. Regulation of the Bank of Russia No. 534-P 'Regulation on Admission of Securities to the Organized Trading' of 24/02/2016 (in force from 15/05/2016) stipulates rules of the admission to the organized securities market. Federal Law No. 46-FZ 'On the Protection of Rights and Legitimate Interests of Investors on the Securities Market' of 05/03/1999 sets restrictions on securities trading. Federal Law No. 335-FZ 'On the Investment Partnership' of 28/11/2011 stipulates rules on joint investments. Federal Law No. 111- FZ 'On Investment of Funds to Finance the Accumulative Pension in the Russian Federation' of 24/07/2002 sets a list of permitted assets for investing (investment objects). The Bank of Russia issued the following normative acts: - Direction No. 3289-U 'On the Requirements to the Procedure for Accounting of Claims Being Securities' Collateral and Cash Flows Credited to a Collateral Account' of 20/06/2014; Direction No. 4298-U 'On the Procedure for the Insurer's Own Funds (Capital) Investment and a List of the Eligible Assets' of 22/02/2017; - Regulation No. 451-P on establishment extra restrictions for investments of non-government pension funds (pension funds are restricted to pool retirement resources into assets that have certain long-term investment grade) of 25/12/2014 was abrogated by Regulation No. 580-P of 01/03/2017 (edition of 11/08/2017, in force from 01/07/2018) as well on establishment extra restrictions for investments of non-government pension funds (pension funds are restricted to pool retirement resources into assets that have certain long-term investment grade). Regulation of the Bank of Russia No. 482-P 'On Uniform Requirements for the Rules on Conducting Portfolio Management, for the Procedure for Disclosure of Information by an Asset Manager and on the Requirements Aimed at Avoidance of Conflict of Interest of an Asset Manager' of 03/08/2015 (in force from 03.01.2016) sets requirements for portfolio management and fund management for cases when securities and funds can be used in transactions with securities and/or meant for entering into derivative contracts. Ordinance of the Bank of Russia No.4129-U of 05/09/2016 (in force from 18/12/2016) laid down new requirements to asset composition and asset structure of joint-stock investment funds and unit investment funds and was amended by Ordinance of the Bank of Russia No.4346-U of 06/04/2017.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
5. Strengthening of supervisory requirements or best practices for investment in structured products									

Update and next steps	
Highlight main developments since last year's survey Instruction of the Bank of Russia No. 180-I 'On statutory ratios for banks' of 28/06/2017 (amended with the Basel III Standard framework «Capital requirements for equity investment in funds» (came into force 16/12/2017). Federal Law No. 75-FZ dated 18/04/2018 entered into force as of 16/10/2018, except for particular provisions. The Federal Law amended Federal Law No. 39-FZ 'On the Securities Market' with new provisions concerning structured notes issuing and circulation.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	

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6. Enhanced disclosure of securitised products

G20/FSB Recommendations

Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)

Remarks

Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.

See, for reference, IOSCO's [Report on Principles for Ongoing Disclosure for Asset-Backed Securities \(Nov 2012\)](#), [Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities \(Apr 2010\)](#) and [report on Global Developments in Securitisation Regulations \(November 2012\)](#), in particular recommendations 4 and 5.

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☒ Implementation ongoing
- ☐ Implementation completed as of [REDACTED]

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by [REDACTED]
- ☐ Draft published as of [REDACTED]
- ☐ Final rule or legislation approved and will come into force on [REDACTED]
- ☒ Final rule (for part of the reform) in force since 01/01/2016

I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
6. Enhanced disclosure of securitised products									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions The Federal Law No. 39-FZ ‘On the Securities Market’ of 22/04/1996 stipulates conditions for securitization. The law contains provisions on two types of special-purpose companies (analogues to SPVs): special-purpose financial company and special-purpose project financing company, which buy and securitize claims. The Law envisages procedures for establishment, functioning and bankruptcy of such companies. The Federal Law No.39-FZ ‘On the Securities Market’ also prescribes that the original creditors (i.e. originating banks) should retain at least 20% of risk of the underlying assets when originating securitization (10% for similar operations with the participation of a special-purpose project financing company). According to the Federal Law No. 152-FZ ‘On the Mortgage-Backed Securities’ of 11/11/2003 the Bank of Russia is entitled to set requirements for credit institutions issuing mortgage-backed securities to disclose information on their activities in addition to the requirements set by other federal laws. According to Federal Law No. 395-1 ‘On Banks and Banking activities’ of 02/12/1990 a credit organization is required to disclose information on the factoring transactions (including if the ceded claims are encumbered) carried out with mortgage agents and special-purpose companies. The composition of the information, as well as the procedure for and timeframe for its disclosure are prescribed on a bank level under Ordinance of the Bank of Russia No. 4638-U ‘On the Form, Procedure, and Terms for the Disclosure by Credit Institutions of Information on Their Activities’ of 6/12/2017 and on a parent level under Ordinance of the Bank of Russia No. 4481-U, dated 07/08/2017, ‘On the Rules and Timeframe for Parent Credit Institutions of Banking Groups to Disclose Information on Risks Assumed, Risk Assessment Procedures, Risk and Capital Management Procedures and on Financial Instruments Included in the Calculation of a Banking Group’s Equity Capital’ (effective from 01/01/2018). Regulation of the Bank of Russia No. 534-P ‘On Securities Listing’ of 24/02/2016 stipulates additional requirements on disclosure of data concerning mortgage participation certificates included into quotation lists (Annex No. 24 to the Regulation). One of the necessary conditions for putting special-purpose companies’ bonds on quotation lists is the compilation and disclosure (publication) of consolidated financial statements (in case of absence of consolidated financial statements - individual financial statements) and relevant audit report (Annex No. 17 to the Regulation). Regulation of the Bank of Russia No. 454-P ‘On the Disclosure of Information by Issuers of Registrable Securities’ of 30/12/2014 establishes the features of information disclosure by issuers of mortgage-backed bonds.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation The securitization market in Russia is still developing. We address the developments basing on the best international practices.

I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
6. Enhanced disclosure of securitised products									

Update and next steps	
Highlight main developments since last year's survey The Bank of Russia published the draft of the Bank of Russia Ordinance, which implements the revised requirements on the disclosure of the information about the securitized products, which should be disclosed according to the BCBS document "Revised Pillar 3 Disclosure Requirements" (January, 2015). The final rules were published in November 2017 (the Ordinance No. 4482-U "On the Form and Procedure for a Credit Institution (Parent Credit Institution of a Banking Group) to Disclose Information on Risks Assumed, Risk Assessment Procedures and Risk and Capital Management Procedures" and on a parent level – the Ordinance No. 4481-U "On the Rules and Timeframe for Parent Credit Institutions of Banking Groups to Disclose Information on Risks Assumed, Risk Assessment Procedures, Risk and Capital Management Procedures and on Financial Instruments Included in the Calculation of a Banking Group's Equity Capital") and came into force on January 2018. Credit institutions (banking groups) are required to publish their first Pillar 3 report under the revised framework concurrently with their Q1 2018 intermediate financial report.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	

I II

III. Enhancing supervision

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7. Consistent, consolidated supervision and regulation of SIFIs

G20/FSB Recommendations

All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)

Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.

Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIFIs, since these are [monitored separately](#) by the BCBS.

See, for reference, the following documents:

BCBS

- [Framework for G-SIFIs \(Jul 2013\)](#)
- [Framework for D-SIFIs \(Oct 2012\)](#)

IAIS

- [Global Systemically Important Insurers: Policy Measures \(Jul 2013\) and revised assessment methodology \(updated in June 2016\)](#)
- [IAIS SRMP guidance - FINAL \(Dec 2013\)](#)
- [Guidance on Liquidity management and planning \(Oct 2014\)](#)

FSB

- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
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☐ Final rule (for part of the reform) in force since

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
7. Consistent, consolidated supervision and regulation of SIFIs									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions Regulation on Russian systemically important banks (D-SIBs): - Ordinance of the Bank of Russia No. 3737-U 'On Methodology for Defining Systemically Important Credit Financial Institutions' of 22/07/2015 stipulates methodology for D-SIBs determination which is based on BCBS framework and takes into account peculiarities of national financial markets. Under this Ordinance, the Bank of Russia once a year identifies Russian D-SIBs. List of D-SIBs approved by the Bank of Russia in 2017 was disclosed on the official web-site of the Bank of Russia on 13/09/2017. As of 01/01/2018 the list includes eleven credit institutions which account for over 60% of total assets of Russian banking sector. The following policy measures has been taken: - creation of Systemically Important Banks Supervision Department which is in charge of direct supervision of D-SIBs; - additional prudential requirements on consolidated level are applied, - full application of Basel III for Russian D-SIBs - additional prudential requirements (capital adequacy surcharge for systemic importance, liquidity coverage ratio - LCR, net stable funding ratio - NSFR). Under Regulation No. 510-P 'On the Calculation of the Liquidity Coverage Ratio ('Basel III') by Systemically Important Credit Institutions' of 03/12/2015 systemically important credit institutions are subject to the LCR requirements on a consolidated basis in line with BCBS's documents 'Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools (January 2013)' and 'Principles for Sound Liquidity Risk Management and Supervision (September 2008)'. The methodology of the LCR under Regulation No. 510-P is based on Regulation No. 421-P with an additional specification of the consolidation, alternative options and supervisory issues. It introduces the LCR on a consolidated basis for banking groups of systemically important banks and on a standalone basis for those systemically important banks, which do not have a banking group to be met on an ongoing basis. The minimum LCR requirements (phase-in arrangements) are consistent with the Basel's ones and are as follows: 70% - starting from 01/01/2016; 80% - from 01/01/2017; 90% - from 01/01/2018; 100% - from 01/01/2019. Regulation No. 510-P includes 'Principles of Liquidity Risk Management' with requirements to the systemically important credit institutions to arrange their internal liquidity risk management in order to reduce possible liquidity risks. Supervisory reporting on the LCR by the systemically important credit institutions is performed on monthly basis, or in the event of non-compliance with the minimum requirements (actual or expected) is made upon request of the Bank of Russia. Under Regulation No. 596-P 'On the Calculation by Systemically Important Credit Institutions of the Structural Liquidity Ratio (the Net Stable Funding Ratio) ('Basel III')' of 26/07/2017 systemically important credit institutions are subject to the NSFR requirements on a consolidated basis in line with BCBS's documents 'Basel III: The Net Stable Funding Ratio (October 2014)'. The NSFR is introduced on a consolidated basis for banking groups of systemically important banks and on a standalone basis for those systemically important banks, which do not have a banking group to be met on an ongoing basis. The minimum NSFR requirement is consistent with the Basel's one and is set at 100%. Supervisory reporting on the NSFR by the systemically important credit institutions is performed on quarterly basis. The NSFR requirement for D-SIBs is in force since 1 January, 2018. From 01/01/2017 a surcharge for systemic importance is set at 0.35% on the value of risk-weighted assets (that is subjected to gradual increase over time: since 01.01.2018 - 0.65%, since 01.01.2019 - 1%). The Bank of Russia also issued Ordinance No. 3341-U 'On the Recognition of Financial Market Infrastructures as Systemically Important' of 25/07/2014 which	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
7. Consistent, consolidated supervision and regulation of SIFIs									

Update and next steps	
Highlight main developments since last year's survey Under Regulation No. 596-P 'On the Calculation by Systemically Important Credit Institutions of the Structural Liquidity Ratio (the Net Stable Funding Ratio) ('Basel III')' of 26/07/2017 systemically important credit institutions are subject to the NSFR requirements on a consolidated basis in line with BCBS's documents 'Basel III: The Net Stable Funding Ratio (October 2014)'. The NSFR is introduced on a consolidated basis for banking groups of systemically important banks and on a standalone basis for those systemically important banks, which do not have a banking group to be met on an ongoing basis. The minimum NSFR requirement is consistent with the Basel's one and is set at 100%. Supervisory reporting on the NSFR by the systemically important credit institutions is performed on quarterly basis. The NSFR requirement for D-SIBs is in force since 1 January, 2018.	Planned actions (if any) and expected commencement date On September 14, 2017, the Bank of Russia published the final rule for the Net Stable Funding Ratio (NSFR) calculation under Basel III. The NSFR is implemented as the minimum standard for Russian D-SIBs from 1 January 2018, in accordance with the Basel timeline.

Relevant web-links	
Web-links to relevant documents	http://www.cbr.ru/press/PR.aspx?file=20102015_100129ik2015-10-20T10_01_03.htm (in Russian) http://www.cbr.ru/press/PR.aspx?file=15072015_190947ik2015-07-15T19_06_47.htm (in Russian) http://www.cbr.ru/eng/press/PR.aspx?file=20102015_112506eng2015-10-20T11_24_57.htm (in English, list of D-SIBs) https://www.cbr.ru/analytics/standart_acts/bank_supervision/151130/09.pdf http://www.cbr.ru/publ/Vestnik/ves150520044.pdf http://www.cbr.ru/publ/Vestnik/ves151118104.pdf

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8. Establishing supervisory colleges and conducting risk assessments									

G20/FSB Recommendations

To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)

We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.

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9. Supervisory exchange of information and coordination

G20/FSB Recommendations

To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)

Enhance the effectiveness of core supervisory colleges. (FSB 2012)

Remarks

Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the [September 2012](#) BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.

Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
9. Supervisory exchange of information and coordination									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions The Bank of Russia can share information with foreign banking and financial regulators according to Article 51 and Article 51.1 of the Federal Law No. 86-FZ ‘On the Central Bank of the Russian Federation (Bank of Russia)’ of 10/07/2002. The Bank of Russia signed 38 bilateral agreements (memoranda of understanding - MoUs) for cooperation in banking supervision and information exchange, including the exchange of confidential information with central banks and other supervisory authorities of foreign states in charge of banking supervision. The agreements (MoUs) set the framework for cooperation and information sharing between home supervisors of head credit institutions (banks) of banking groups and host supervisors of credit institutions (banks) - participants in banking groups in the following areas: licensing process (issuance and revocation of licenses), compliance of executive managers and board members with established qualification requirements, ownership structure control, off-site supervision, on-site inspections, AML/CTF and cooperation in the course of financial resolution procedures. In the absence of an agreement (MoU) the Bank of Russia shares information with banking supervisors of foreign states in accordance with Article 51 of the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia)”. The Bank of Russia can share information on the basis of bilateral agreements, IOSCO MMoU and IAIS MMoU. The Bank of Russia has become a signatory to the IOSCO MMoU on 16/02/2015 and to the IAIS MMoU on 26/01/2018. Currently the Bank of Russia has bilateral MoUs with financial market/insurance authorities from the regulators of the following countries: Belarus, Belgium, Brazil, Venezuela, Germany, Greece, India, Cyprus, Kyrgyzstan, China, Lichtenstein, Luxembourg, UAE, Oman, Repulic of Korea, Syria, Turkey, Ukraine, France, Lebanon. There is also MoU with Deutsche Borse AG. The Bank of Russia has bilateral MoUs for financial/insurance market regulators in insurance supervision with: FSMA of Belgium, FMA of Liechtenstein, FSC of the Republic of Korea, CMA of the Sultanate of Oman, BaFin, The State Service for Supervision and Regulation of the Financial Market of the Kyrgyz Republic, the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Institutions, National Association of Insurers Commissioners (NAIC) of the USA, the China Insurance Regulation Commission. Other actions: In the course of BCP assessment for the Russian Federation in the framework of Financial Sector Assessment Program (FSAP) 2016 update BCP 3 (Cooperation and Collaboration) was evaluated as “Compliant”, BCP13 (Home-host relationship) - as “Largely Compliant”. In respect to Principle 3 it was recommended to establish a formal mechanism of cooperation with the French Supervisory and Resolution Authority (ASPR). Following this recommendation the Bank of Russia in October 2016 forwarded to ASPR a draft MoU in banking supervision. In respect to Principle 13 it was recommended: - to continue to foster college practices and conclude crisis management and recovery and resolution planning for internationally active banking groups; - to consider legislative amendment to remove the requirement for written consent from a bank to permit a foreign supervisory authority to have access to its offices. Following these recommendations: - the Bank of Russia Banking Supervision Department representatives take part on a regular basis in international supervisory colleges on OTP bank group held by the Central Bank of Hungary. The Bank of Russia SIB Supervision Department representative takes part in the BCBS Working Group on Supervisory Colleges; - the updated version of the MoU, including the procedure for cooperation in resolution, is signed with the Financial and Capital Market Commission of the Republic of Latvia. The Statement of Cooperation +	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation We continue developing the information sharing and coordination framework.

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9. Supervisory exchange of information and coordination										

Update and next steps	
Highlight main developments since last year's survey In 2017 the Bank of Russia signed bilateral memoranda of understanding with Financial Services Authority of Seychelles and Republic of South Africa Financial Services Board. The MoUs cover cooperation and information sharing on both securities and insurance markets. In 2017 the Bank of Russia signed a new memorandum of understanding with the National Bank of the Republic of Belarus. The agreement significantly enhances cooperation in banking supervision and information exchange. Particularly it updates procedures of onsite examination of credit institutions – members of banking groups, supplements the list of information, transferred during exchange, as well as information constituting banking secrecy, and also extends the list of persons subject to exchange of information.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	http://www.cbr.ru/eng/publ/default.aspx?PrtId=nadzor

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10. Strengthening resources and effective supervision

G20/FSB Recommendations

We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)

Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)

Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)

Remarks

Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB [thematic peer review report on supervisory frameworks and approaches to SIBs \(May 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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☐ Final rule (for part of the reform) in force since

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10. Strengthening resources and effective supervision									

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
☒ Regulation / Guidelines
☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

In the course of performance of the Bank of Russia's mega-regulator functions, supervisory practice acquired new opportunities to receive a broader spectrum of information on the activity of banks, banking groups, and financial conglomerates, concerning, among other things, operations between banks and other financial market participants. In 2016 the Bank of Russia started reorganisation of its supervisory activity to enhance its efficiency. In order to establish an efficient and unified system of ongoing supervision over regional credit institutions, the Bank of Russia develops a unified vertical structure of supervision. It implies that a supervision responsibility centre is created in the Bank of Russia Head Office to provide coordination, methodology, control, and analysis of supervision risks (Banking Supervision Department). It is also assumed that supervisory functions of all the Bank of Russia's regional divisions will be transferred to a newly established division in the Bank of Russia Head Office - the Service for Ongoing Banking Supervision. Thereby, the target model of current supervision includes the Banking Supervision Department - a centre for supervision framework, - the Systematically Important Banks Supervision Department and the Service for Ongoing Banking Supervision. The latter will carry out ongoing supervision of all banks other than systemically important ones. The activities of these departments will rely on the information provided by the Risk Analysis Service. The reorganisation process of banking supervision framework is to be completed by 2019. The reorganization includes, inter alia, separating the risk assessment centre from the centre of supervisory decision-making a new unit - the Risk Analysis Service - was set up in the head office to assess assets and transactions of credit institutions (loans, guarantees, securities, letters of credit, shares in closed-end unit investment funds, financial derivatives, etc.) and publish the assessment outcomes in the centralised IT system. These assessments allow the supervisors to conduct a comprehensive analysis of a bank's activity, assess its financial position, and prepare proposals on the supervisory measures (if needed). Given its role as the single financial regulator and supervisor since 2013 and its financial stability mandate, the Bank of Russia has become the macroprudential authority. According to Federal Law No. 86-FZ 'On the Central Bank of the Russian Federation (Bank of Russia)', which includes a chapter entitled "Development of Russian Financial Market and Ensuring its Stability", the Bank of Russia is entitled to: - elaborate and pursue, in collaboration with the government, the policy of developing and ensuring the stable functioning of the Russian financial market; - publish at least twice a year the Financial Stability Report (FSR); - monitor the Russian financial market, including for the purpose of detecting situations endangering financial stability; and - elaborate measures aimed at reducing threats to financial stability. Following the creation of the Financial Stability Department in 2011, the Bank of Russia established an internal Financial Stability Committee (FSCoM) in 2014 to play a key coordinating role in macroprudential oversight, crisis management, and other financial stability issues. The Systemically Important Institutions Supervision Department was established in the Bank of Russia in October 2013 and is responsible for direct supervision of the largest Russian credit institutions and banking groups. In July 2013 National Council on Ensuring Financial Stability (FSC) was established by Russian Government as an advisory body on financial stability issues. The Ministry of Finance of the Russian Federation and the Ministry of Economic Development of the Russian Federation are federal governmental bodies responsible for ensuring financial stability. The FSC is an effective platform for inter-agency coordination. The Bank of Russia conducts quarterly top-down

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

We indicated the status of recommendation 10 as "implementation ongoing" taking into consideration the following. In 2016 the Bank of Russia started reorganization of its supervisory activity to enhance its efficiency. This process includes comprehensive structural changes as well as modification of wide range of the Bank of Russia supervisory tools and practices. We plan to complete the reorganization of our banking supervision framework by 2019. The Bank of Russia works on adjustment and constantly re-adjustment of regulation in

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
10. Strengthening resources and effective supervision									

Update and next steps	
Highlight main developments since last year's survey In 2017 the new established Service for Ongoing Banking Supervision received supervisory functions of the following Bank of Russia's regional divisions: the CBR Main Branch for the Central Federal District, Southern Main Branch of the CBR, Far Eastern Main Branch of the CBR. As of 1.01.2018 the Service for Ongoing Banking Supervision supervised over 369 credit institutions (65,7% of the number of operating credit institutions).	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	http://www.cbr.ru/eng/analytics/?PrtId=na_brn http://www.cbr.ru/eng/publ/?PrtId=god http://www.cbr.ru/eng/publ/?PrtId=nadzor

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IV. Building and implementing macroprudential frameworks and tools

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11. Establishing regulatory framework for macro-prudential oversight

G20/FSB Recommendations

Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)

Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)

Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 01/09/2013

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
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I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
11. Establishing regulatory framework for macro-prudential oversight									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions As of 01.09.2013 the Bank of Russia merged with the Federal Service for Financial Markets, which had been the authority responsible for the regulation and supervision of non-bank financial institutions. The Bank of Russia became the mega-regulator entrusted with authority to regulate, control and supervise the Russian financial market. The Bank of Russia also received an explicit financial stability mandate provided in legislation. The revised Federal law 'On the Central Bank of the Russian Federation (Bank of Russia)' empowered the Bank of Russia to monitor the financial system, identify risks to financial stability and develop measures to address them. The two bodies involved in macroprudential policy in Russia are the Bank of Russia and the National Council on Ensuring Financial Stability -FSC. In terms of their respective roles and responsibilities, the Bank of Russia has the legal mandate and most of the tools required for safeguarding financial stability, while the FSC is an inter-agency body with solely an advisory role, established to create a formal platform for exchanging views and ensuring effective coordination among different authorities that have stakes in financial stability. Given its role as the single financial regulator and supervisor since September 2013, the Bank of Russia has become the macroprudential authority and performs a leading role in the design and implementation of macroprudential policy. In November 2014 the Bank of Russia established a high-level internal Financial Stability Committee (FSCom), chaired by the Governor, to formalize and further strengthen macroprudential policy decision making. FSCom regularly considers the following questions: 1. Assessment and analysis of systemic risks and the stability of the financial system of the Russian Federation. 2. Assessment and analysis of the financial sustainability of systemically important financial market infrastructures of the Russian Federation. 3. Assessment and analysis of the financial sustainability of the largest non-financial institutions, their financial risks and the impact of these risks on the banking sector and the financial market of the Russian Federation. 4. Consideration of the draft Financial Stability Review. FSCom is empowered to adopt decisions on issues relating to ensuring stability of the financial market of the Russian Federation and the Russian financial system, in the form of recommendations to the Board of Directors of the Bank of Russia and the specialized committees of the Bank of Russia (the Banking Supervision Committee of the Bank of Russia, the Financial Supervision Committee of the Bank of Russia, the Monetary Policy Committee of the Bank of Russia), as well as instructions to the structural units of the Bank of Russia. In July 2013 National Council on Ensuring Financial Stability (FSC) was established by Russian Government as an advisory body facilitating inter-agency discussions on financial stability issues. The Regulation of the Government of the Russian Federation of July 5, 2013 No. 571 'On National Council on Ensuring Financial Stability' was amended on February 25, 2015 following the recommendations of the FSB Peer Review of Russia Report. In particular, currently high-level participation in National Council on Ensuring Financial Stability is ensured by participation of the First Deputy Chairman of the Government of the Russian Federation, Governor of the Bank of Russia, Minister of Finance and Minister of Economic Development of the Russian Federation. In addition, principle 'comply or explain' for recommendations elaborated by FSC was incorporated into the Regulation. In accordance with said Regulation, the Ministry of Finance of the Russian Federation and the Ministry of Economic Development of the Russian Federation were designated as federal governmental bodies responsible for ensuring financial stability. 	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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11. Establishing regulatory framework for macro-prudential oversight

Update and next steps

Highlight main developments since last year's survey

In March 2018 Federal Law No. 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)" was amended by the provisions which empower the Bank of Russia to establish, as a means to reduce the threats to financial stability in Russia, risk ratio surcharges for certain types of assets (macroprudential surcharges).

These amendments were initiated by the Bank of Russia.

Macroprudential surcharges can be differentiated depending on the values of the characteristic of the type of asset to be established by the Board of Directors of the Bank of Russia. The types of assets to which macroprudential surcharges can be applied as well as the characteristics of these types of assets shall be determined by the normative act of the Bank of Russia.

Macroprudential surcharges are taken into account when calculating the equity funds (capital) adequacy ratios of a credit institution (banking group).

For credit institutions (banking groups) that have assumed the responsibility for the application of bank risk management techniques and models for quantitative risk assessment in order to calculate mandatory ratios the specifics for the application of macroprudential surcharges shall be stipulated by the Bank of Russia normative act.

The new macroprudential regulation mechanism of the Bank of Russia is in force from 8 October 2018. Bank of Russia Ordinance No. 4892-U, dated 31 August 2018, "On Types and Characteristics of Assets for Which Risk-based Capital Buffers are Set and on the Methodology for Applying These Buffers to the Said Types of Assets for Credit Institutions to Calculate Their Capital Adequacy Ratios" defines the list of assets to which macroprudential surcharges can be applied, describes characteristics of these assets and sets the procedure for macroprudential surcharges application for the purpose of calculation the capital adequacy ratios of banks.

The Board of Directors of the Bank of Russia is authorized to establish the values of the following characteristics of the types of assets: the debt-service-to-income (DSTI) ratio for consumer credits (loans), the effective interest rate of a consumer credit +

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

http://www.cbr.ru/Eng/today/status_functions/law_cb_e.pdf

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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

G20/FSB Recommendations

Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level. (Rec. 3.1, FSF 2009)

We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)

Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)

Remarks

Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
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I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
12. Enhancing system-wide monitoring and the use of macro-prudential instruments									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions The Bank of Russia mandate comprises powers to monitor the financial market of the Russian Federation and identify vulnerabilities threatening financial stability as well as develop measures aimed at addressing threats to financial stability. The Bank of Russia uses various macroprudential instruments, in particular: counter-cyclical capital buffer - CCB (from 01/01/2016), time-varying or dynamic provisioning, sectoral capital requirements (including capital risk weights), reserve requirement ratio, capital surcharge for systemically important credit institutions (since 01/01/2016), concentration limit, liquidity coverage ratio - LCR for systemically important credit institutions (since 01/01/2016), , net stable funding ratio – NSFR for systemically important credit institutions (since 01/01/2018), other liquidity requirements, limits on open FX positions. In general macroprudential tools calibration is conducted by the Bank of Russia on individual basis (case-by-case approach). The decision on enforcement of macroprudential tools depends on the expected financial system consequences associated with the systemic risk. In recent years, CBR has used a number of macroprudential tools to deal with risks, mainly those stemming from retail lending. CBR has tightened provisioning requirements and increased capital risk weights to curb excessive growth of unsecured consumer lending, usefully helping to increase banks' ability to handle materialized credit risk. For mortgage lending, CBR has preemptively adopted differentiated capital risk weights based on loans' risk characteristics, with a view to containing risks associated with lending while supporting the extension of mortgage loans to creditworthy borrowers. More recently, in an attempt to reduce dollarization, CBR has imposed a stricter reserve requirement on nonretail foreign-currency deposits and higher capital risk weights on certain foreign-currency exposures. In 2014 the Bank of Russia started to collect on a consolidated basis data about risks of the largest 90 non-financial companies. The Bank of Russia uses various quantitative indicators for the purposes of identification and monitoring systemic risks. The Bank of Russia twice a year publishes Financial Stability Review which contains analysis of systemic risks. A number of macroprudential policy tools become effective since 01/01/2016: counter-cyclical capital buffer - CCB (from 01/01/2016), capital surcharge for systemically important credit institutions, liquidity coverage ratio for systemically important credit institutions.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation We continue developing our system of macroprudential instruments.

	I	II	III	IV. Building and implementing macroprudential frameworks and tools				V	VI	VII	VIII	IX	X
12. Enhancing system-wide monitoring and the use of macro-prudential instruments													

Update and next steps	
Highlight main developments since last year's survey Under Regulation No. 596-P 'On the Calculation by Systemically Important Credit Institutions of the Structural Liquidity Ratio (the Net Stable Funding Ratio) ('Basel III')' of 26/07/2017 systemically important credit institutions are subject to the NSFR requirements on a consolidated basis in line with BCBS's documents 'Basel III: The Net Stable Funding Ratio (October 2014)'. The NSFR is introduced on a consolidated basis for banking groups of systemically important banks and on a standalone basis for those systemically important banks, which do not have a banking group to be met on an ongoing basis. The minimum NSFR requirement is consistent with the Basel's one and is set at 100%. Supervisory reporting on the NSFR by the systemically important credit institutions is performed on quarterly basis. The NSFR requirement for D-SIBs is in force since 1 January, 2018.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	

I II III IV

V. Improving oversight of credit rating agencies (CRAs)

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13. Enhancing regulation and supervision of CRAs

G20/FSB Recommendations

All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)

National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.

CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.

The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)

Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)

We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)

Remarks

Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:

- [Code of Conduct Fundamentals for Credit Rating Agencies \(Mar 2015\)](#) (including on governance, training and risk management)

Jurisdictions may also refer to the following IOSCO documents:

- Principle 22 of [Principles and Objectives of Securities Regulation \(Jun 2010\)](#) which calls for registration and oversight programs for CRAs
- [Statement of Principles Regarding the Activities of Credit Rating Agencies \(Sep 2003\)](#)
- [Final Report on Supervisory Colleges for Credit Rating Agencies \(Jul 2013\)](#)

Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 13/07/2015

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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13. Enhancing regulation and supervision of CRAs										

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions The regulatory oversight regime which includes registration is established by Federal Law No. 222-FZ ‘On the Activities of Credit Rating Agencies in the Russian Federation, On the Amendment to Article 76.1 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ and the invalidation of certain provisions of legal acts of the Russian Federation’ of 13/07/2015 that introduced the definitions of ‘credit rating’, ‘creditworthiness’, ‘national rating scale’, ‘rating analyst’. The document sets the registration procedure for CRAs, unified rules for their activities and their capital, outlines mandate of the Bank of Russia on CRA supervision and oversight. The Federal Law increases transparency by establishing provisions which prescribe CRAs to publish information about their activity on web sites, establishes concentration limits (banks and non-bank financial institutions are prohibited to exceed 20% share in CRA), regulates internal control systems and enhances CRAs’ resilience, mitigates potential conflict of interests, lays down requirements to rating methodologies, stipulates data disclosure standards. All CRA activities should adhere to outlined standards as of January 14, 2017 for Russian legal entities and July 14, 2017 for foreign legal entities that perform activities in the Russian Federation which have characteristics of rating activities during at least two years preceding the effective date of this Federal Law. The Bank of Russia issued the following regulations - Ordinance of the Bank of Russia No. 3861-U ‘On the Procedure of the Approval of the Grounds of CRA Negative Response to Legal Entity’s or Official Entity’s Request for Rating Services Based on National Rating Scale for the Russian Federation’ of 30/11/2015; - Ordinance of the Bank of Russia No. 3887-U ‘On the Methodology of Determination of the Amount of CRA Equity Capital’ of 07/12/2015; - Ordinance of the Bank of Russia No. 3896-U ‘On the Requirements for the CRA Rating Committee Regulation, including Requirements to the Order of Work of CRA Rating Committee’ of 14/12/2015; - Ordinance of the Bank of Russia No. 3903-U ‘On the Procedure of the Approval by the Bank of Russia of Candidates for the Positions of CRA CEO, CEO Deputy, Head on Internal Control and on the Procedure for the Assessment by the Bank of Russia of Compliance of Persons Indicated in the Part one of Article 7 of Federal Law No. 222-FZ ‘On the Activities of Credit Rating Agencies in the Russian Federation, On the Amendment to Article 76.1 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ and the invalidation of certain provisions of legal acts of the Russian Federation’ of 13/07/2015 with the Requirements for Business Reputation’ of 17/12/2015; - Bank of Russia Regulation No. 521-P ‘On the Procedure for the Bank of Russia to Maintain the Register of Credit Rating Agencies, the Register of Branches and Representative Offices of Foreign Credit Rating Agencies, on the Requirements for the Procedure and Form for Submitting Notifications by Credit Rating Agencies to the Bank of Russia’ of 17/12/2015; - Ordinance of the Bank of Russia No. 3971-U ‘On the Requirements for Professional Education and Experience of Rating Analysts’ of 09/03/2016; - Ordinance of the Bank of Russia No. 4023-U ‘On the Requirements for Data Integrity and Protection with Respect to the Information Obtained by CRAs in the Course of their Activities’ of 20/05/2016; - Ordinance of the Bank of Russia No. 4049-U ‘On the Requirements for the Framework for Organization and Management of CRA Internal Control Function and on Additional Requirements for CRA Concerning Identification, Prevention and Management of the Conflict of Interest’ of 21/06/2016. The Bank of Russia also issued: - Ordinance of the Bank of Russia No. 4062-U ‘On the Procedure, Forms and Terms of Submission of the Information on Rating +	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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V. Improving oversight of credit rating agencies (CRAs)

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13. Enhancing regulation and supervision of CRAs**Update and next steps**Highlight **main developments since last year's survey****Planned actions** (if any) and expected commencement date**Relevant web-links****Web-links to
relevant documents**

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V. Improving oversight of credit rating agencies (CRAs)

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14. Reducing the reliance on ratings

G20/FSB Recommendations

We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)

Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)

We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)

We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and competition among credit rating agencies. (Los Cabos)

We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)

Remarks

Jurisdictions should indicate the steps they are taking to address the recommendations of the [May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings](#), including by implementing their [agreed action plans](#). Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 13/07/2015

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

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14. Reducing the reliance on ratings										

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions Federal Law No. 222-FZ of 13/07/2015 ‘On the Activities of Credit Rating Agencies in the Russian Federation, On the Amendment to Article 76.1 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ and the invalidation of certain provisions of legal acts of the Russian Federation’ sets the requirements for: CRAs methodology; Rating and methodological committees; CRAs management, internal control, independent members of Board of Directors, rating analysts; Detection and prevention of conflicts of interests and their resolution; CRAs information disclosure. Adding to this the given Federal Law provides for the use of national rating scale in regulative purposes unless otherwise required by the international standards and such use is recognized in Russia. The Bank of Russia actively participates in the implementation of IRB Approach of Basel II in order to develop risk-management technics in banks and reduce the reliance on Credit Rating Agencies. The Bank of Russia issued the following regulations: Direction No. 3453-U ‘On Usage Patterns of Credit Ratings Aimed at Application of Regulations of the Bank of Russia’ of 25/11/2014; Regulation No. 483-P ‘On procedure of credit risk calculation based on internal ratings’ of 06/08/2015 (amended by the Ordinance of the Bank of Russia No. 3869-U of 01/12/2015); Ordinance of the Bank of Russia No. 3752-U ‘On provisions on using IRB approach for the calculation of capital adequacy’ of 06/08/2015.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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14. Reducing the reliance on ratings

Update and next steps

Highlight **main developments since last year's survey****Planned actions** (if any) and expected commencement date

Relevant web-links

Web-links to
relevant documents

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VI. Enhancing and aligning accounting standards

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15. Consistent application of high-quality accounting standards

G20/FSB Recommendations

Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)

Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 01.04.2016

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If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
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☐ Final rule (for part of the reform) in force since

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VI. Enhancing and aligning accounting standards

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15. Consistent application of high-quality accounting standards

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

In Russia the enforcement system of consistent application of internationally recognized high-quality accounting standards (i.e., IFRS) is based on federal laws as well as regulations of the Government of the Russian Federation, the Ministry of Finance of the Russian Federation and the Bank of Russia. The main relevant acts are: Federal Law No. 208-FZ 'On Consolidated Financial Reporting' of 27/07/2010 (hereinafter - Federal Law No. 208-FZ), Federal Law No. 402-FZ 'On Accounting' of 06/12/2011 (hereinafter - Federal Law No. 402-FZ), 'Regulations on the Recognition of the International Financial Reporting Standards for Application on the Territory of the Russian Federation' approved by the Regulation of the Government of the Russian Federation No. 107 of 25/02/2011 (hereinafter - Regulation No. 107), Order of the Ministry of Finance of the Russian Federation No. 440 'On Approval of the Plan of the Ministry of Finance of the Russian Federation for 2012-2015 for the Development of Accounting and Reporting on the Basis of International Financial Reporting Standards in the Russian Federation' of 30/11/2011 (with the amendments by the Order of the Ministry of Finance No. 455 of 30/11/2012). The Ministry of Finance of the Russian Federation is both the official standard-setting body in accounting and financial reporting and the endorsement body for IFRS Standards (in cooperation with the Bank of Russia). Legal basis for the application of IFRS by Russian companies was created by Federal Law No. 208-FZ. According to this Federal Law consolidated financial reporting should be prepared in compliance with IFRS standards by public companies (whose shares are included in the quotation list), credit organisations, insurance organisations (except for insurance medical organisations exercising activities solely in the sphere of obligatory medical insurance), non-governmental pension funds, management companies of investment funds, unit investment funds and non-governmental pension funds, clearing organisations, federal state unitary enterprises whose list is endorsed by the Government of the Russian Federation, joint-stock companies whose stocks are in federal ownership and whose list is endorsed by the Government of the Russian Federation. Credit organisations and insurance organisations prepare consolidated financial statements in compliance with IFRS standards starting from 2012. The procedure of recognition of IFRS is defined according to Regulations No. 107. IFRS documents enter into force by decision of the Ministry of Finance with the approval of the Bank of Russia. Currently, all IFRS standards published by IFRS Foundation and required for the preparation of financial reports in 2014, 2015 and 2016 are recognized and in effect. All IFRS standards are recognized in the form they were originally published by IFRS Foundation. IFRS Standards are part of the Russian accounting and reporting regulation: Federal Laws 208-FZ 'On Consolidated Financial Statements' and 402-FZ 'On Accounting'. Federal Law No. 208-FZ stipulates that IFRS Standards and Interpretations of IFRS Standards issued by the IFRS Foundation and endorsed by the Ministry of Finance of the Russian Federation in consultation with the Central Bank of the Russian Federation shall be applied in Russia. Usually IFRS enter into force in the Russian Federation: in case of voluntary application since a date of its official publication and in case of mandatory application since a term defined in regulation. Federal Law No. 208-FZ contains requirements for the consistent application of IFRS. For instance, consolidated financial statements are subject to mandatory audit. In general, the Bank of Russia supervises submission and publication of consolidated financial statements which reflect adherence of the reporting entities to IFRS. General regulation on reporting for banks was implemented by Ordinance of the Bank of Russia No. 3580-U 'On

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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15. Consistent application of high-quality accounting standards														

Update and next steps	
Highlight main developments since last year's survey In 2017, the Bank of Russia issued based on the IFRS 9 'Financial Instruments' regulations on the accounting of financial instruments: Regulation of the Bank of Russia No. 604-P 'On the Procedure for the Recording by Credit institutions of Transactions Involving the Collection of Cash Funds under Bank Deposit Agreements, Loan Agreements, Other Contracts for Raising Funds, Issuing and paying off Bonds, Bills of exchange, Deposit and Savings Certificates' of 02/10/2017; Regulation of the Bank of Russia No. 605-P 'On the Procedure for the Recording by Credit institutions of Transactions for the Provision (placement) of Funds under Loan Agreements, Other Contracts for the Placement of Funds, Transactions Related to the Acquisition of the Right to Demand from Third Parties the Fulfillment of Obligations in Cash, Operations on Obligations under Issued Bank Guarantees and Provision of Funds' of 02/10/2017; Regulation of the Bank of Russia No. 606-P 'On the Procedure for the Recording by Credit institutions of Securities Transactions' of 02/10/2017; Regulation of the Bank of Russia No. 617-P 'On the Procedure for the Recording by Credit institutions of hedge transactions' of 21/11/2017. The above-mentioned regulatory acts of the Bank of Russia come into force from 01/01/2019 and establish for credit institutions the procedure of accounting for financial instruments based on the principles of IFRS, including the accounting for the amount of the allowance for expected credit losses in accordance with IFRS 9 'Financial Instruments'. In 2017 work was carried out to improve the methodological basis for accounting and financial reporting by non-credit financial institutions in accordance with IFRS. A package of documents has been issued that provides for non-credit financial institutions (under certain conditions) more simple accounting rules in comparison with other industry-specific accounting standards for non-credit financial institutions: Regulation No. 612-P of the Bank of Russia 'On the Procedure for Accounting by Non-Credit Financial Institutions' of October 25/10/2017; Regulation of the Bank of Russia No. 613-P 'On the Forms of Disclosure of the Information in the Financial (Accounting) Statements of Non-Credit Financial Institutions and on the Procedure for Grouping of Accounts in accordance with the Accounting (Financial) Reporting Key Figures' of 25/10/2017; +	Planned actions (if any) and expected commencement date In regard with the IFRS 9 implementation the Bank of Russia is planning to amend regulations on calculating of prudential ratios of credit institutions and banking groups, and on compiling of prudential reporting, both on solo and consolidated basis which are expected to be effective starting from 01.01.2019.
Relevant web-links	
Web-links to relevant documents	

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VII. Enhancing risk management

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16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

G20/FSB Recommendations

Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)

National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)

Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)

We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)

Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;¹ and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☒ Final rule (for part of the reform) in force since 01/06/2015, 01/01/2016

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VII. Enhancing risk management

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16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
☐ Regulation / Guidelines
☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Ordinance of the Bank of Russia No. 3624-U 'On the Requirements to the Risk and Capital Management System of the credit institution and the banking group' of 15/04/2015 stipulates the requirements for credit institutions' ICAAP. It includes requirements for banks (banking groups) to have risk management procedures, commensurate to the scale and character of their business, to have capital management procedures including maintenance of capital adequacy sufficient to cover material and potential risks, to conduct stress-tests of material risks, to compile internal ICAAP reporting and develop ICAAP documentation. The compliance with the requirements stipulated by the Ordinance of the Bank of Russia No. 3624-U, should be assessed by Ordinance of the Bank of Russia No. 3883-U 'On the Assessment of Quality of Risk and Capital Management Framework and Capital Adequacy of Credit Institutions and Banking Groups performed by the Bank of Russia' (SREP document) of 07/12/2015. Based on the assessment results the CBR is authorised to prescribe a bank to adjust their ICAAP and/or to impose capital add-ons. 1. Liquidity. In order to control liquidity risk taken by all Russian banks (D-SIBs and non D-SIBs) national liquidity prudential ratios have been in force for more than 20 years. Under the latest version of Regulation of the Bank of Russia No. 139-I 'On Required Ratios for Banks' on 03/12/2012, the banks should meet on a daily basis three required liquidity ratios: N2 at 15 percent for instant liquidity (over 1 day), N3 at 50 percent for current liquidity (over the next 30 days), and N4 at 120 percent for long-term liquidity (over more than 365 days). The Bank of Russia performs monitoring of liquidity of the banking sector on an ongoing basis. In particular, the Bank of Russia conducts top-down liquidity stress-testing exercise. Liquidity risk management requirements are stipulated by the Ordinance No. 3624-U. Moreover, the Bank of Russia assesses risk management in credit institutions, including liquidity and liquidity risk management procedures, in terms of supervisory assessment of 'credit institutions' economic condition assessment in accordance with the Bank of Russia Ordinance No. 4336-U, dated 03/04/2017, 'On Assessing Banks' Economic Situation'. Regulation of the Bank of Russia No. 510-P 'On the Calculation of the Liquidity Coverage Ratio ('Basel III') by Systemically Important Credit Institutions' of 03/12/2015 includes 'Principles of Liquidity Risk Management' that are based on the BCBS's document 'Principles for Sound Liquidity Risk Management and Supervision (September 2008)' with requirements to the SIBs to arrange their internal liquidity risk management in order to reduce liquidity risk, including foreign currency funding risk. Regulation No. 596-P 'On the Calculation by Systemically Important Credit Institutions of the Structural Liquidity Ratio (the Net Stable Funding Ratio) ('Basel III')' of 26/07/2017 set the minimum NSFR requirement aimed to maintain robust and sound assets and liabilities structure for systemically important banks. 2. Operational risk. Capital adequacy requirements - as of November 2009 (amended - July 2012). Requirements to operational risk management with regard to organizations providing payment services, June 2012. Recommendations on operational risk management - as of May 2005 and May 2012. Main recommendations regarding bank's stress-testing procedures were published in 2012 and pertain to development of recovery and resolution plans (Recommendation letter No. 193-T of 29/12/2012). First RRP of banks were analysed by supervisors in 2013. Banks were given recommendation to improve their plans. Operational risk management requirements are stipulated by Ordinance No. 3624-U. 3. Credit risk. Regulation of the Bank of Russia No. 483-P 'On the Procedure of Credit Risk Calculation Based on Internal Ratings' of 06/08/2015 (amended by Ordinance of the Bank of

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

We continue our work in the field of risk management practices development.

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VII. Enhancing risk management

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16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

Update and next steps

Highlight **main developments since last year's survey**

Regulation No. 596-P 'On the Calculation by Systemically Important Credit Institutions of the Structural Liquidity Ratio (the Net Stable Funding Ratio) ('Basel III')' of 26/07/2017 set the minimum NSFR requirement aimed to maintain robust and sound assets and liabilities structure for systemically important banks.

Planned actions (if any) and expected commencement date

Draft of the ICAAP reporting form has been developed and is expected to be published in 3d quarter of 2018. It is planned to assess the ICAAPs of all Russian credit institutions in 4th quarter of 2018.

Relevant web-links

Web-links to relevant documents

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VII. Enhancing risk management

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17. Enhanced risk disclosures by financial institutions

G20/FSB Recommendations

Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)

We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)

Remarks

Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on [Enhancing the Risk Disclosures of Banks](#) and [Implementation Progress Report by the EDTF \(Dec 2015\)](#), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 25/10/2013

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If “Implementation ongoing” has been selected, please specify

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☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

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VII. Enhancing risk management

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17. Enhanced risk disclosures by financial institutions

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Federal Law No 395-1 “On Banks and Banking Activities” contains requirements on disclosure of information concerning activities of credit institutions, banking groups and banking holdings, including information about accepted risks, methods of their measurement and management, as well as asset management. The following legislation is in force: - Federal Law ‘On Consolidated Financial Reporting’ No. 208-FZ of 27/07/2010; - Bank of Russia Ordinance 4645-U ‘On Disclosing Procedure and Terms of Consolidated Financial Statements by the Parent Credit Institutions of Banking Groups’ of 14/12/2017 which establishes the procedure for disclosing and presenting by the parent credit institutions of banking groups consolidated financial statements compiled under Federal Law No. 208-FZ, dated 27/07/ 2010, ‘On Consolidated Financial Statements’ and requires since 01/01/2018 audit of banking groups consolidated financial statements on quarterly basis; - Bank of Russia Ordinance No. 4481-U of 07/08/2017 which defines the procedure of disclosure of annual and semi-annual information on quarterly basis by head credit organizations of bank groups on the assumed risk, their assessment framework and capital and risk managements systems; - Bank of Russia Ordinance No. 4619-U “On Procedure and Terms of Disclosure and Submission of Consolidated Financial Statements by Bank Holding Groups” of 27/11/2017; - Ordinance of the Bank of Russia No. 3879-U of 03/12/2015 (amended, inter alia, capital disclosure requirements for banks); Ordinance of the Bank of Russia No. 4481-U ‘On the Rules and Timeframe for Parent Credit Institutions of Banking Groups to Disclose Information on Risks Assumed, Risk Assessment Procedures, Risk and Capital Management Procedures and on Financial Instruments Included in the Calculation of a Banking Group’s Equity Capital’ of 7/08/2017 establishes forms, procedure and terms of information disclosure by parent credit institutions on accepted risk, risk evaluation procedures, risk and capital management procedures (incl. LCR disclosure requirements (at consolidated level) for systematically important banks) , and Financial Instruments included in regulatory capital according to the Pillar III Basel II and Basel III. - Order of the Ministry of Finance of the Russian Federation No. 98n of 27/06/2016 (in force from 29/07/2016) abrogated the Order of the Ministry of Finance of the Russian Federation No. 133-N ‘On implementation and termination international accounting standards in Russian Federation’ of 26/08/2015. - Amended by the Bank of Russia Ordinance No. 4236-U of 19.12.2016 the Ordinance of the Bank of Russia No. 3580-U ‘On the Submission of Financial Reporting by Credit Institutions’ of 02.03.2015 stipulates the order of reporting to the Bank of Russia the intermediate financial statement with auditor’s conclusion on the semi-annual basis by credit organizations which are not participants of the banking groups and parent organizations of banking groups, which is prepared in accordance with Federal Law No. 208-FZ of 27.07.2010. The requirement of reporting the intermediate financial statement on semi-annual basis starts from 01.07.2017. The requirement of reporting the intermediate financial statement with auditor’s conclusion on semi-annual basis starts from 01.07.2018. - Amended by the Bank of Russia Ordinance 4638-U of 06.12.2017 following the development of the Ordinance No. 4482-U and bringing the composition of the annual and interim information disclosed by credit institutions into conformance with the international standards. The final rule on the revised requirements on the disclosure of the information on the procedures of risk and capital management and the assessment of capital requirements in accordance with BCBS Document “Revised Pillar 3 Disclosure Requirements” (January. 2015) was published in December 2017 (Ordinan

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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17. Enhanced risk disclosures by financial institutions										

Update and next steps

Highlight main developments since last year's survey

Bank of Russia Ordinance No. 4619-U "On Procedure and Terms of Disclosure and Submission of Consolidated Financial Statements by Bank Holding Groups" of 27/11/2017.

Ordinance of the Bank of Russia No. 4481-U "On the Rules and Timeframe for Parent Credit Institutions of Banking Groups to Disclose Information on Risks Assumed, Risk Assessment Procedures, Risk and Capital Management Procedures and on Financial Instruments Included in the Calculation of a Banking Group's Equity Capital" of 7/08/2017 establishes forms, procedure and terms of information disclosure by parent credit institutions on accepted risk, risk evaluation procedures, risk and capital management procedures (incl. LCR disclosure requirements (at consolidated level) for systematically important banks), and Financial Instruments included in regulatory capital according to the Pillar III Basel II and Basel III.

The requirement of reporting the intermediate financial statement on semi-annual basis starts from 01.07.2017. The requirement of reporting the intermediate financial statement with auditor's conclusion on semi-annual basis starts from 01.07.2018. - Amended by the Bank of Russia Ordinance 4638-U of 06.12.2017 following the development of the Ordinance No. 4482-U and bringing the composition of the annual and interim information disclosed by credit institutions into conformance with the international standards. The final rule on the revised requirements on the disclosure of the information on the procedures of risk and capital management and the assessment of capital requirements in accordance with BCBS Document "Revised Pillar 3 Disclosure Requirements" (January, 2015) was published in December 2017 (Ordinance No. 4638-U of 06.12.2017 "On the Forms, Procedure and Timeframe for Disclosing Information on Activities by Credit Institutions") and came into force in January 2018.

Planned actions (if any) and expected commencement date

Countercyclical buffer and remuneration disclosure requirements, Prudential valuation adjustments, G-SIB indicators and RWA according to the Pillar 3 disclosure requirements (phase II) are expected to be implemented in 2018.

Rules for disclosure of TLAC holdings of Russian banks according to the Pillar 3 disclosure requirements (Phase II) are expected to be developed by the end of 2018.

Relevant web-links

Web-links to relevant documents

https://www.cbr.ru/analytics/?PrtID=na_vr&docid=223
https://www.cbr.ru/analytics/Default.aspx?PrtID=na_vr&docid=219

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VIII. Strengthening deposit insurance

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18. Strengthening of national deposit insurance arrangements

G20/FSB Recommendations

National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)

Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI's 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of December 2013

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
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VIII. Strengthening deposit insurance

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18. Strengthening of national deposit insurance arrangements

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The Federal Law No. 177-FZ 'On Insuring Natural Persons' Deposits Made with Banks of the Russian Federation' of 23/12/2003 (hereinafter - Federal Law No. 177-FZ) establishes legal, financial and institutional foundations of the mandatory insurance system of natural person's deposits made with banks in Russia, terms of reference, the procedure of establishment and operation of the organization which fulfills functions related to mandatory insurance of deposits (Deposits Insurance Agency - DIA), the procedure of payout of the compensation on deposits, regulates relations between banks in Russia, DIA, the Bank of Russia and executive bodies of the Russian Federation in the field of mandatory insurance of natural person's deposits made with banks in Russia. Under amendment to Federal Law No. 177-FZ by Federal Law No. 432-FZ of 22/12/2014, differentiated rates of banks' mandatory payments to the deposit insurance fund were prescribed. According to Article 36 of the Federal Law No. 177-FZ there are three types of insurance premiums paid by banks to DIA: the basic, additional and enhanced additional rate of insurance premiums. The basic rate of insurance premiums shall be established in an amount which is uniform for all banks and shall be paid by all banks. An additional rate of insurance premiums shall be established in the amount of at most 50 per cent of the basic rate and shall be uniform for all banks. The enhanced additional rate of insurance premiums shall be established in the amount of at most 500 per cent of the basic rate and shall be uniform for all banks. An additional rate of insurance premiums shall be paid by the banks that have attracted at least one deposit within each month of a quarter or have made an agreement on changing the terms of a banking deposit agreement subject to the conditions of profitability of a deposit comprising interest payments and other material gain in the amount exceeding by more than two but at most by three percentage points of annual interest the basic profitability level of deposits determined by the Bank of Russia for an appropriate month in respect of deposits in the currency of the Russian Federation or in foreign currency. An enhanced additional rate of insurance premiums shall be paid by banks in the instance or in the instances when: - they have attracted at least one deposit within any month of a quarter or have made an agreement on changing the terms of a banking deposit agreement subject to the conditions of profitability of a deposit comprising interest payments and other material gain in the amount exceeding by more than three percentage points of annual interest the basic profitability level of deposits determined by the Bank of Russia for an appropriate month in respect of deposits in the currency of the Russian Federation or in foreign currency; - the financial position of banks satisfies the criteria for paying an enhanced additional rate established by a regulatory act of the Bank of Russia (Direction of the Bank of Russia No.3801-U). Direction of the Bank of Russia No. 3801-U 'On Admission of Financial Position of a Bank Appropriate for Imposition of Higher Additional Premium Rates' of 17/09/2015 prescribes framework for comprehensive assessment of financial position including equity capital, liquidity position, risk management system and internal control of banks that are members of deposit insurance scheme, the assessment itself is carried out by the Bank of Russia. If certain conditions (cumulative assessment results are higher than 2,35 quality points and/or at least one restriction and/or ban measure is imposed) are met higher premium rates will be applied. The Bank of Russia Ordinance No. 3607-U 'On Determining the Base Level of Profitableness of Deposits' of 23/03/2015 specifies the procedure for the determination of the base level of profitableness of deposits, according to which the base level of profitableness of deposits shall be determined by the Bank of

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

	I	II	III	IV	V	VI	VII	VIII. Strengthening deposit insurance				IX	X
18. Strengthening of national deposit insurance arrangements													

Update and next steps	
Highlight main developments since last year's survey Federal law No. 322-FZ "On Amending the Federal Law "On Insurance of Household Deposits with Russian Banks" and certain legislative acts of the Russian Federation" dated 03/08/2018 will enter into force from 01/01/2019. The Federal Law provides for the extension of the deposit insurance framework to funds of small enterprises.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	

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IX. Safeguarding the integrity and efficiency of financial markets

X

19. Enhancing market integrity and efficiency

G20/FSB Recommendations

We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)

Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- in relation to dark liquidity, as set out in the IOSCO [Report on Principles for Dark Liquidity \(May 2011\)](#).
- on the impact of technological change in the IOSCO [Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency \(Oct 2011\)](#).
- on market structure made in the IOSCO Report on [Regulatory issues raised by changes in market structure \(Dec 2013\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of October 2014

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IX. Safeguarding the integrity and efficiency of financial markets

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19. Enhancing market integrity and efficiency

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Federal Law No. 325-FZ 'On Organized Trade' of 21/11/2011 sets legal framework for trade organizers and exchanges. Federal Securities Market Law provides for prudential supervision system for non-bank securities market intermediaries, in particular, sets requirements for non-banks professional market participants, including their securities lending and repos activity. Ordinance of the Bank of Russia No. 4373-U of 11/05/2017 stipulates equity capital requirements for professional securities market participants other than credit institutions, forex dealers, and professional securities market participants also licensed to provide management companies services. Regulation of the Bank of Russia No. 437-P 'On Regulation and Requirements for Organized and Regulated Markets' of 17/10/2014 established organizational and operating requirements for stock and commodity exchanges and trading platforms, including disclosure rules and pre- and post-trade transparency requirements, regulation for derivatives traded on exchanges and foreign exchange market. The said regulation provides occasions for a trading halt or suspension in the trading by a trade organizer. The regulation of the Bank of Russia as of 2017 (to amend the existing regulation) envisages broader scope to launch a discretionary auction, which will become possible as from 01/07/2018. Regulation of the Bank of Russia No. 437-P established an ability of exchanges to trade in different trading conditions, including conditions where quotes are not disclosed to public, so current legislation doesn't set any restrictions on dark liquidity. The legislation does not stipulate for other hidden trade frameworks, except for provisions on trading based on two targeted bids. The framework of anonymous trading does not provide for any restrictions on tendering of "iceberg" bids. The procedure of tendering of such bids is defined by trading rules. Currently there is no "dark pool" trading system at the Russian financial market. There is no specialized regulation of HFT in Russia, but certain requirements to HFT are set by organized trading rules of the Moscow Exchange. The rules are registered by the Bank of Russia in accordance with Article 4 of Federal Law No. 325-FZ 'On Organized Trade' of 21/11/2011. The Bank of Russia conducted a research "Assessing HFT influence on the Russian financial market" (April 2018, a link to the research could be found in Relevant web-links) with the following conclusions: significant number of HFT participants, HFT participants cover substantial share in the volume of trading most liquid assets (from 35% to 50% depending on the type of an asset), HFT participants contribute to the market liquidity, statistically HFT participants (rather than non-HFT participants) tend to quote financial instruments closer to spread. The Bank of Russia is authorized to exchange information (including confidential information) under the IOSCO MMoU and bilateral MoUs pursuant to Federal Law No. 86-FZ dated 10/07/2002 'On the Central Bank of the Russian Federation (the Bank of Russia)', inter alia in the course of the relevant investigation conducted by the Bank of Russia pursuant to Federal law No. 224-FZ dated 27/07/2010 'On combating the misuse of insider information and market manipulation (market abuse) and on amendments to certain legislative acts of the Russian Federation'.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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19. Enhancing market integrity and efficiency												

Update and next steps	
Highlight main developments since last year's survey	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	http://www.cbr.ru/finmarket

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IX. Safeguarding the integrity and efficiency of financial markets

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20. Regulation and supervision of commodity markets

G20/FSB Recommendations

We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)

We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)

Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on [Principles for the Regulation and Supervision of Commodity Derivatives Markets \(Sep 2011\)](#).

Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the [update to the survey](#) published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 01/10/2014

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IX. Safeguarding the integrity and efficiency of financial markets

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20. Regulation and supervision of commodity markets

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

There are several licensed commodity exchanges working in Russia. They represent regulated markets of such commodity goods as: oil and petroleum products, energy and natural gas, metals, timber, construction materials, agricultural commodities, chemicals, pharmaceuticals. Federal Law No. 325-FZ 'On Organized Trading' of 21/11/2011 regulates relationships on commodities and financial markets, introduces principles for state regulation and control of organized trading on these markets. It also stipulates that all OTC transactions with exchange commodities should be reported to commodity exchange. According to Federal Law No. 224-FZ dated 27/07/2010 "On combating the misuse of insider information and market manipulation (market abuse) and on amendments to certain legislative acts of the Russian Federation", the Bank of Russia counters market abuse on organized trading, inter alia related to financial instruments and commodities, such as insider trading and (or) market manipulation. Regulation of the Bank of Russia No. 437-P 'On Regulation and Requirements for Organized and Regulated Markets' of 17/10/2014 sets disclosure rules, trade and post-trade transparency requirements for all types of exchanges. Russia's Government Decree No. 623 on reporting of OTC trades of 23/07/2013 created a mechanism for consolidation of information about most of the trades on OTC markets for such commodities as Coal, Crude oil, Natural gas, LPG, Oil-products and Grain (wheat). This mechanism makes eligible exchange to act as a repository for OTC trades giving it the possibility to calculate representative indices of OTC market (using information about actual deals only). All Russian credit institutions are required to calculate commodities risk capital charge according to Regulation of the Bank of Russia No. 511-P 'On the Procedure for Credit Institutions to Calculate Market Risk' of 03/12/2015 for the capital adequacy purposes. Commodities risk should be calculated for positions in commodities, including precious metals (except for gold, which is included in calculation of foreign exchange risk) in accordance with Basel II. Commodity market transparency was enhanced by extension of commodities types that have mandatory data disclosure requirement and deal registration on stock exchange. Currently, OTC deals with transfer of ownership in commodities should be registered on exchange if underlying contracts are covering natural gas or liquefied petroleum gas (LPG) - Government Decree No. 764 of 28/07/2015. In the fall of 2015 Memorandum of cooperation on commodity markets development was signed by three Russian regulators: Bank of Russia, Federal Antimonopoly Service and Federal Tax Service. The main goal was to achieve comprehensive and reliable indicators (indices) of internal commodity markets.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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IX. Safeguarding the integrity and efficiency of financial markets

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20. Regulation and supervision of commodity markets**Update and next steps**Highlight **main developments since last year's survey****Planned actions** (if any) and expected commencement date**Relevant web-links****Web-links to
relevant documents**

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets	X
21. Reform of financial benchmarks									

G20/FSB Recommendations

We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)

Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO *Principles for Financial Benchmarks*.

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X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

G20/FSB Recommendations

We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)

Remarks

Jurisdictions should describe progress toward implementation of the OECD's [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may also refer to OECD's [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.

Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of December 2013

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X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Federal Law No. 353-FZ 'On Consumer Credit (Loan)' of 21/12/2013 provides protection of the retail borrowers: - maximum interest rates are limited; - maximum fines and charges in case of overdue payments are limited; - scope of information which must be sent to the borrower monthly is defined; - measures, which stimulate credit institutions to perform their informational obligations, are introduced; - a period during which a person can withdraw from a credit contract without paying any fines in addition to charged interest during the period is introduced. Ordinance of the Bank of Russia No. 3249-U 'On the Procedure of Defining by the Bank of Russia Categories of Consumer Credits (Loans) and on the Procedure of Calculation and Publication of Average Market Effective Interest Rate on a Quarterly Basis' of 29/04/2014. Ordinance of the Bank of Russia No. 3240-U 'On the Table Form of Individual Terms and Conditions of Consumer Credit (Loan) Agreement that Creditors shall Present to Borrowers to Make a Decision to Enter into Agreement' of 23/04/2014. In 2014 Service for Protection of Financial Services Consumers and Minority Shareholders was established in the Bank of Russia (at present - Service for Protection of Financial Services Consumers and Ensuring Accessibility to Financial Services). The main objectives of the Service are: - assessment of financial sector regulation from the perspective of protection of rights of consumers of financial services and investors; - preparation of amendments to respective regulations; - investigation of claims and complaints of investors and consumers of financial services; - application of law enforcement measures in respect of (i) providers of financial services, except credit institutions, in case of violation of rights of financial services consumers and investors and (ii) securities issuers and other institutions in case of violation of investors' rights; - analysis and aggregation of practices, identification of major risks to financial services consumers, investors and financial services providers; - development and implementation of financial literacy programs and of informational programs about instruments of the Russian financial market; - providing support for authorized persons who protect the rights of consumers on the Russian financial market. Federal Law No. 422-FZ "On Guaranteeing the Rights of Persons Insured in the Mandatory Pension Insurance System of the Russian Federation in the Process of Funding and Investing of Pension Savings, On Setting and Provision of Payments Using the Funds of Pension Savings" of 28/12/2013. The Federal Law No. 375-FZ "On Amending Certain Legislative Acts of the Russian Federation" of 21/12/2013 was adopted in order to strengthen the control over microfinance organizations. This Law amended the Administrative Code, by specifying (tightening) responsibility for violation of the laws of the Russian Federation on microfinance activities, credit cooperation, agricultural credit cooperation and pawnshops. The Federal Law No. 127-FZ 'On Insolvency (Bankruptcy)' of 26/10/02 (as amended) sets out procedural matters of bankruptcy of a natural person. Federal Law No. 460-FZ 'On Amendments to Certain Legislative Acts of the Russian Federation' of 29/12/2014 introduced new provisions on FOREX dealers activities. Federal Law No. 46-FZ 'On the Protection of Rights and Legitimate Interests of Investors on the Securities Market' of 05/03/1999 stipulates conditions concerning the protection of investors, including natural persons and legal entities who are not licencees. Federal Law No. 39-FZ 'On the Securities Market' of 22/04/1996 prohibits front running and establishes segregation of client's and broker's assets. Federal law No. 224-FZ dated 27/07/2010 "On combating the misuse of insider information and market manipulation (market abuse) and on amendments to certain legislative acts of the Russian Federation", aimed at fair price formation for +

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

Update and next steps

Highlight main developments since last year's survey

To establish provisions for the appropriate use of investment products, the Bank of Russia has developed an investor categorisation framework based on levels of investor welfare and investor financial knowledge. The Bank of Russia proposes to define three categories of investors (unqualified, qualified, and professional) and the financial products they have access to / they would have access to under this new framework.

Currently, a number of basic standards for brokerage, trust management, forex dealer activity, and depository activities have been adopted and approved. Also work is under way to develop the basic standard for corporate governance; basic standards for protecting the rights and interests of investors, for protecting the rights and interests of individuals and legal persons - recipients of financial services provided by members of self-regulatory organizations.

The key document on the financial literacy that was developed and found great resonance in 2017 is the Bank of Russia and the Ministry of Education Road-map, which was signed by the Governor of the Bank of Russia and the Minister of Education of the Russian Federation in April 2017. In September 2017 the National Strategy on Financial literacy was launched.

The Bank of Russia developed the National Financial Inclusion Strategy for 2018–2020 (FIS) which takes a holistic, system-wide approach and addresses the multiple dimensions of financial inclusion. The Bank of Russia Board of Directors approved the document in March 2018. The FIS focuses on the following key priority areas: reaching remote and rural areas, SME finance, underserved segments of the population (elderly, low-income individuals, and the disabled) and expanding the usage, quality, utility and appropriateness of available financial products and services through digital channels. Underlying foundations such as financial infrastructure, information and communications technology infrastructure and data infrastructure as well as developed consumer protection system and high level of financial literacy of the population will also play a great role in achieving progress in financial inclusion.

In 2017 the Bank of Russia, inter alia for the purpose of protecting investors, founded the Competency Center on countering 

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

	I	II	III	IV	V	VI	VII	VIII	IX	X	List of abbreviations used

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Sources of recommendations

- [Hamburg: G20 Leaders' Communique \(7-8 July 2017\)](#)
- [Hangzhou: G20 Leaders' Communique \(4-5 September 2016\)](#)
- [Antalya: G20 Leaders' Communique \(15-16 November 2015\)](#)
- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)
- [Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)
- [Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)
- [Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)
- [Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)
- [Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)
- [London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)
- [Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)
- [FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)
- [FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)
- [FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)
- [FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)