

## 2021 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Jurisdiction
Russia

### I1: Hedge funds - 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 not be collected in the 2021 survey.

## I2: Hedge funds - 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:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
16.02.2015
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes
Progress to date: 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 51.1 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 international treaties, 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 a comprehensive system of bilateral MoUs with financial market authorities from different countries.
For more information please refer to Section III9 «Enhancing supervision - Supervisory exchange of information and coordination».
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents
<a href="http://www.cbr.ru/eng/press/pr/?file=17022015_184700eng_sbrfr2015-02-17t18_39_22.htm#highlight=iosco%7Cmmou">http://www.cbr.ru/eng/press/pr/?file=17022015_184700eng_sbrfr2015-02-17t18_39_22.htm#highlight=iosco%7Cmmou</a>

### I3: Hedge funds - 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)*

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

### II4: Securitisation - 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 not be collected in the 2021 survey.

### II5: Securitisation -Strengthening supervisory, 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:
Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation  
01.11.2014

Progress to date: issue is being addressed through  
Primary / Secondary legislation - Yes  
Regulation / Guidelines - Yes  
Other actions (such as supervisory actions) - No

Progress to date: 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: - Ordinance 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; Ordinance No. 4298-U 'On the Procedure for the Insurers 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 (as amended) 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. Bank of Russia Ordinance 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 Bank of Russia Ordinance No. 4346-U of 06/04/2017, Bank of Russia Ordinance No. 5143-U of 15/05/2019 (in force from 02/09/2019) and Bank of Russia Ordinance No. 5444-U of 20/04/2020 (in force from 21/05/2020).

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey  
1. Regulation No. 710-P, dated 10 January 2020 "On Certain Requirements for Insurers' Financial Stability and Solvency" introduces new approaches to determining insurers' financial stability and solvency, establishes a methodology for calculating own funds (equity) as well as prescribes insurers to take the risk of changes in the value of assets and liabilities into account, when determining capital adequacy. The Regulation came into force on 1 July 2021. The new requirements will be implemented on a step-by-step basis. For insurers that carry out compulsory health insurance and small insurers whose insurance premiums amount to less than 2 billion rubles, except for insurers involved in Compulsory Motor Third Party Liability Insurance (CMTPL), an extended transition period has been established and the Regulation will come into force on 1 January 2022. Consequently, all insurers do not apply Ordinance No. 4298-U since 1 January 2022.  
Moreover, the Regulation establishes requirements for the assessment of the value of structured bonds in cases where payments do not depend on certain assets defined in clause 3.7 (for example, bonds with credit rating, interest rates, inflation rate, exchange rates, etc.), taking it equal to the minimum amount possible that can be paid off in accordance with the terms of issue of such bonds.  
In 2023, the Concept of new requirements for calculating insurance reserves will be introduced. The new requirements will make it possible to calculate the amount of insurance liabilities more accurately and, consequently, to estimate the insurers' financial stability more correctly.  
2. The new credit risk calculation requirement (Basel III) for securitization exposures based on the standardized approach has been implemented since October 26, 2018 (The Bank of Russia issued the Regulation No. 647-P of 04/07/2018) with corresponding amendments to Instruction No. 180-I of 28/06/2017 On Banks' Required Ratios (it is now No. 199-I of 29/11/2019 On Banks' Required Ratios and Capital Adequacy Buffers for Banks with a Universal Licence).

Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents

## II6: Securitisation - 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:
Implementation ongoing
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: If you have selected "implementation ongoing" - please specify
Final rule (for part of the reform) in force
Progress to date: please provide a date for your "implementation ongoing" status
01.01.2016
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - No

<p><b>Progress to date: short description of the content of the legislation/regulation/guideline/other actions</b></p> <p>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 were prescribed on a bank level under the Bank of Russia Ordinance No. 4638-U 'On the Form, Procedure, and Terms for the Disclosure by Credit Institutions of Information on Their Activities of 06/12/2017 which was abrogated and replaced by the Bank of Russia Ordinance No. 4983-U 'On the Form, Procedure, and Terms for the Disclosure by Credit Institutions of Information on Their Activities of 27/11/2018, and on a parent level under the Bank of Russia Ordinance 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 Groups Equity Capital (effective from 01/01/2018). Bank of Russia Regulation No. 454-P 'On the Disclosure of Information by Issuers of Registrable Securities of 30/12/2014 established the features of information disclosure by issuers of mortgage-backed bonds and was replaced by the Bank of Russia Regulation No. 714-P 'On the Disclosure of Information by Issuers of Registrable Securities of 27/03/2020 (in force from 01/10/2021).</p>
<p><b>Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</b></p> <p>The securitization market in Russia is still developing. We address the developments basing on the best international practices.</p>
<p><b>Update and next steps: highlight main developments since 2019 survey</b></p>
<p><b>Update and next steps: planned actions (if any) and expected commencement date</b></p>
<p><b>Relevant web-links: please provide web-links to relevant documents</b></p>

### III7: Enhancing supervision - 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-SIBs, since these are [monitored separately](#) by the BCBS.

See, for reference, the following documents:

#### BCBS

- [Framework for G-SIBs \(Jul 2018\)](#)
- [Framework for D-SIBs \(Oct 2012\)](#)

#### IAIS

- [Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector \(Nov 2019\)](#)
- [Application Paper on Liquidity Risk Management \(Jun 2020\)](#)
- [Draft Application Paper on Macroprudential Supervision \(Mar 2021\)](#)

#### FSB

- [Evaluation of the effects of too-big-to-fail reforms \(Mar 2021\)](#)
- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

**Progress to date: short description of the content of the legislation/regulation/guideline/other actions**
**Regulation on Russian systemically important banks (D-SIBs)**

- The Bank of Russia in 2021 updated the methodology of definition of the systemically important credit institutions by issuing the Bank of Russia Ordinance No. 5778-U 'On Methodology for Defining Systemically Important Credit Institutions of 13/04/2021. This update was done in order to stipulate more correctly the weight of the criteria of the international activity of the Russian D-SIBs. This ordinance 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 2021 was disclosed on the official web-site of the Bank of Russia on 11/10/2021. The list includes thirteen credit institutions which account for nearly 77% of total assets of Russian banking sector.

The following policy measures have 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 Bank of Russia Regulation No. 510-P, dated 03/12/2015, 'On the Procedure for Calculating the Liquidity Coverage Ratio (Basel III) by Systemically Important Credit Institutions D-SIBs are subject to the LCR requirements on a consolidated basis in line with the BCBS 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 calculation under Regulation No. 510-P is based on Regulation No. 421-P with an additional specification of the consolidation, alternative options (Alternative Liquidity Approaches, ALA) and supervisory issues. It introduces the LCR on a consolidated basis for banking groups of D-SIBs and on a standalone basis for those D-SIBs which do not have a banking group. The LCR requirement for D-SIBs has been in force since 01/01/2016 (with phase-in arrangements). The LCR must be met on an ongoing basis. Now the minimum LCR requirement is 100%.

Regulation No. 510-P includes 'Principles of Liquidity Risk Management with requirements to D-SIBs to arrange their internal liquidity risk management in order to reduce possible liquidity risks. Supervisory reporting on the LCR by D-SIBs must be performed on a monthly basis, or in the event of non-compliance with the minimum requirements (actual or expected). The Bank of Russia issued Ordinance No. 5164-U of 06/06/2019 (in force from 06/10/2019) amending the methodology of the LCR calculation in order to align it with the corresponding changes in the federal legislation (with regard to term savings certificates with no early withdrawal and the deposit insurance system coverage for legal entities treated as small business) and with FAQs, issued by the BCBS (e.g. with regard to the definition of secured funding). Under Bank of Russia Regulation No. 596-P, dated 26/07/2017, 'On the Procedure for Systemically Important Credit Institutions to Calculate Structural Liquidity Ratio (Net Stable Funding Ratio) ('Basel III) D-SIBs are subject to the NSFR requirements on a consolidated basis in line with BCBS document 'Basel III: The Net Stable Funding Ratio (October 2014). The NSFR is applied on a consolidated basis for banking groups of D-SIBs and on a standalone basis for those D-SIBs, which do not have a banking group. The NSFR must be met on an ongoing basis. The minimum NSFR requirement is consistent with the Basels one and is set at 100%. Supervisory reporting on the NSFR by D-SIBs is performed on quarterly basis. The NSFR requirement for D-SIBs has been in force since 01/01/2018. From 01/01/2017 a surcharge for systemic importance was set at 0.35% on the value of risk-weighted assets and then was gradually increased over time: since 01/01/2018 - 0.65%, since 01/01/2020 - 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 sets criteria for the designation of financial market infrastructures as systemically important. The Federal Law No. 146-FZ 'On Amendments to Certain Legal Acts of the Russian Federation of 02/07/2013 strengthened the regulation of bank holding companies. The Law stipulates that each credit institution which has affiliates is subject to consolidated supervision by the Bank of Russia. The Law aimed at introducing legislative requirements concerning consolidated supervision and disclosure of information by credit institutions, banking groups and holdings on their activities consistent with international practices in this field, including information disclosure in accordance with Pillar 3 Basel II and Basel III. In accordance with Federal Law No. 146-FZ of 02/07/2013 Bank of Russia exercises supervision over the activity of credit institutions and of bank groups. Russian legislation does not empower the Bank of Russia to regulate and supervise the activities of bank holding. The Bank of Russia uses information received from bank holding to supervise credit institutions and banking groups that participate in the bank holding. The Federal Law No. 432-FZ 'On Amendments to Certain Legislative Acts of the Russian Federation, and Repeal of Certain Legislative Acts (Provisions of Legislative Acts) of the Russian Federation of 22/12/2014 (hereinafter - Federal Law No. 432-FZ) introduce on a permanent basis tools to prevent bankruptcy and banks liabilities settlement in case of financial situation deterioration, identifies situations that poses a threat to the interests of creditors (depositors) and (or) the banking system stability. Under Federal Law No. 432-FZ the Bank of Russia is entitled to demand credit institutions to develop and present recovery plans to the Bank of Russia and the systemically important credit institutions are obliged to develop and present their recovery plans to the Bank of Russia. The Bank of Russia performs assessment of the recovery plans of credit institutions. On the basis of the recovery plans presented by systemically important credit institutions the Bank of Russia is entitled to develop action plans containing measures to be taken if the recovery options do not lead to the recovery of systemically important credit institutions. The requirements to the content of the recovery plans of the credit institutions and banking groups as well as the process of their assessment by the Bank of Russia are defined in the Regulation No. 653-P 'On the requirements for the contents, the procedure and the terms for provision by credit institutions of recovery plans and the amendments thereto to the Bank of Russia, the procedure for their assessment by the Bank of Russia and the procedure for informing by credit institutions of the Bank of Russia on occurrence of events in their activities, envisaged by the recovery plan and on taking of decisions on start of its implementation'. As of 2021, all the Russian D-SIBs developed and presented their recovery plans to the Bank of Russia.

By the end of 2015 the Bank of Russia consolidated regulation that adheres to Basel II and Basel III framework. In 2015 Bank of Russia issued Regulation No.509-P 'On the Calculation of the Total capital, Required Ratios, and Sizes (Limits) of Open Currency Positions of Banking Groups of 03/12/2015, which defined the way in which banking groups are required to calculate their equity (capital), required ratios, additional capital buffers and sizes (limits) of their open currency positions, and fixes numeric values for



required ratios and sizes (limits) of open currency positions in order to secure the credit institutions financial sustainability. In 2020 Bank of Russia issued Regulation No. 729-P 'On the methodology of calculating equity (capital), required ratios, additional capital buffers, sizes of required ratios and sizes (limits) of their open currency positions of 'banking groups' of 15.07.2020 (hereinafter – Regulation No. 729-P), which is a new version of Regulation No. 509-P and provides, inter alia, banking groups with an option to use new standardized approach to credit risk estimation for capital adequacy ratio calculation purposes. Also, Regulation No. 729-P obliges parent credit institutions of the banking group to use macroprudential buffers to risk weights of banking group participants' assets including non-resident participants.

Regulation No. 729-P also obliges parent credit institution of the banking group to include information on non-resident participants of the banking group for the calculation of their capital and capital ratios in appliance with standards, which are in force in the countries of their registration with high long-term credit ratings.

The abovementioned requirements are in force since April, 1st 2021.

Bank of Russia Regulation No. 462-P 'On the Procedure of Compiling Statements Required for Consolidated Supervision over Credit Institutions, and also Other Information on the Activities of Banking Groups of 11/03/2015 establishes the procedure for compiling financial statements required for conducting consolidated supervision of credit institutions, and also other information on the activities of banking groups. Bank of Russia Ordinance No. 4619-U "On Procedure and Terms of Disclosure and Submission of Consolidated Financial Statements by Bank Holding Groups" establishes the procedure and terms for the disclosure of consolidated financial statements by parent organizations (management companies) of bank holding groups and their submission to the Bank of Russia. Bank of Russia Ordinance No 4618-U 'On the Methodology for Determining the share of banking activity in the operations of the Bank Holding Group of 27/11/2017 establishes the methodology for determining the assets and income of credit institutions - participants of a banking holding group and of a banking holding company for qualifying an association of legal entities including at least one credit institution to a Bank Holding Group. Bank of Russia Ordinance No. 3777-U 'On Compiling Bank Holding Groups Statements and the Other Risk Information and Submitting them to the Bank of Russia of 09/09/2015 establishes forms, procedure and timelines for bank holding groups parent organizations (management companies) in compiling and submitting the statements and other information on bank holding group risks to the Bank of Russia that is necessary for the supervision of credit institutions participating in bank holding groups. Bank of Russia Ordinance No 3780-U 'On Procedure of notification the Bank of Russia by the parent organisation of the bank holding group of the formation of the bank holding group, the formation of the managing company of the bank holding group and of the powers conferred thereon of 09/09/2015. Bank of Russia Ordinance No 3783-U 'On Procedure of Submitting by the Parent Organisation of the Bank Holding Group to the Bank of Russia Bank Holding Groups Statements and the Other Risk Information by an Electronic Message Supplied with an Authentication Code of 9/09/2015. Bank of Russia Ordinance No. 3089-U 'On the Procedure for Exercising Supervision over Banking Groups of 25/10/2013 establishes the procedure for the Bank of Russia to exercise supervision over the activity of banking groups. Bank of Russia Ordinance No. 4645-U 'On Disclosing Procedure and Terms of Consolidated Financial Statements by the Parent Credit Institutions of Banking Groups of 14/12/2017 establishes the procedure for disclosing and presenting by the parent credit institutions of banking groups consolidated financial statements.

Bank of Russia 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 Groups 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. In accordance with the Federal Law No. 403-FZ 'On amendments to certain legislative acts of the Russian Federation of 29/12/2015 since January 1st 2016 parent credit organization of banking group must quarterly disclose its consolidated financial statements, information on accepted risks and information about financial instruments which are included in calculation of banking groups total capital.

Due to the current shortage of the ruble denominated HQLA the Bank of Russia approved the usage of alternative liquidity approaches (ALA): (Option 1) contractual committed liquidity facilities (CLF); (Option 2) foreign currency HQLA to cover domestic currency liquidity needs. However, in 2019 the Bank of Russia has introduced the plan for phased-in decrease in the CLF usage by credit institutions.

The methodology for defining systemically important insurance organizations is not applied. The Bank of Russia conducted an analysis that showed that Russian insurance organizations do not have criteria of systemic importance in terms of their impact on the financial market of the Russian Federation, therefore it is inappropriate to identify systemically important insurance organizations on the insurance market.

In 2020 the Bank of Russia passed Holistic Framework Baseline Assessment conducted by IAIS. The observance level for ICP standards was assessed as high in the following areas:

- Objectives, Powers & Responsibilities of Supervisor;
- Preventive & Corrective Measures & Sanctions;
- Investments;
- Public Disclosure;
- Macroprudential Supervision.

The Bank of Russia continues working on enhancement of the legislation/regulation in the following areas covered by IAIS ICPs:

- Exit from Market & Resolution;
- Enterprise Risk Management for Solvency Purposes.

Business continuity of financial market infrastructures recognized as systemically important is guaranteed by application methodology of the Bank of Russia No. 20-MP 'Methodology for business continuity provisions conducted by systemically important financial market infrastructures of 27/07/2015. Business continuity stipulates rules for recovery and resolutions planning that go in line with CPMI-IOSCO recommendations.

Regarding the central counterparty (hereinafter – CCP) as a systemically important financial institution, we note that in 2015 the Bank of Russia introduced a reform with a view to improving the regulation of the CCP. The result of its completion was the separation of the CCP as a specific non-bank financial institution and the creation of a comprehensive risk-oriented model of its regulation in line with international standards. In this regard, Federal Law No. 403-FZ dated 29 September 2015 ‘On Amending Certain Laws of the Russian Federation’ and regulatory by-laws were adopted.

Federal Law No. 403-FZ of 29/12/2015 established the framework for regulation and supervision of CCP by the Bank of Russia. In accordance with this Federal Law the Bank of Russia also conducts monitoring of CCP activities with the aim to improve CCP work and support further development basing on the Bank of Russia recommendations.

The effect consists in ensuring that the regulatory environment is commensurate with CCP risk-profile and scale of its operations through setting special requirements. The latter include compliance with mandatory ratios for CCP; requirements to risk management system, risk stress-testing, development of business continuity and resolution and recovery plans, publicly disclosed information submitted to the Bank of Russia for supervisory purposes, individual and collective clearing collateral, allocation and creation of CCP assets as well as requirements to a range of entities CCP and clearing members have the right to open their trading and clearing accounts with.

The definition of ‘qualified CCP’ was introduced. Requirements for a ‘qualified’ CCP are set by Bank of Russia Regulation No. 658-P dated 1 November 2018 ‘On the Requirements for a Qualified Central Counterparty, the Procedure for Recognition of Central Counterparty Management Quality as Satisfactory; on the Basis and the Decision-Making Procedure for Informing the Central Counterparty of the Decision’.

The Bank of Russia sets: requirements to capital formation and management of CCP serving for possible losses coverage due to default on clearing members obligations; requirements to collective clearing collateral; requirements to calculation of banking ratios, limits on open foreign exchange positions and loan-loss provisions of a qualified CCP; requirements to the calculation of bank capital.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Now the Bank of Russia is amending the methodology of the LCR and NSFR calculation in line with FAQs issued by the BCBS (on the treatment of unsecured precious metals assets and liabilities in the LCR and NSFR calculation).

As part of the implementation in Russian regulation principles of assessment of large exposure limits to a counterparty (a group of connected counterparties), Bank of Russia has prepared a draft regulatory act “On required ratio of credit risk concentration on a single counterparty (group of connected counterparties) of a banking group, which parent credit institution is a systemically important bank”, which implements the requirements of the Standard of the Basel Committee on Banking Supervision “Supervisory framework for measuring and controlling large exposures”. The Draft, inter alia, establishes new required ratio, limiting large exposures on a single counterparty (group of connected counterparties) (N30), which is mandatory for use by banking groups, which parent credit institutions are systemically important banks. According to the Draft the sum of all exposure values to a single counterparty or to a group of connected counterparties must not be higher than 25 % of the Tier 1 capital of a banking group.

The Bank of Russia is also currently preparing the update for both recommendations on the content of the recovery plans spelled out in Letter of the Bank of Russia No. 193-T ‘Guidelines for the Development of Recovery Plans by Credit Institutions of 29/12/2012 and the requirements to such plans stipulated in the Regulation No. 653-P. These updates are aimed at promoting more proportional approach to the recovery planning and at further integration of the recovery plans both to the risk management systems of the credit institutions and to the supervisory review and evaluation process. The updates also stipulate additional requirements to the stress scenarios to be used in recovery plans, to recovery options and to recovery plan indicators.

Relevant web-links: please provide web-links to relevant documents

<http://www.cbr.ru/publ/Vestnik/ves150520044.pdf> <http://www.cbr.ru/publ/Vestnik/ves151118104.pdf>

<http://www.cbr.ru/eng/press/pr/?id=31729> (list of D-SIBs)

Regulation No. 421-P – <https://ivo.garant.ru/#/document/70684176/paragraph/1:0> (in Russian)

Regulation No. 510-P – <https://ivo.garant.ru/#/document/71283098/paragraph/1:4> (in Russian)

Regulation No. 596-P – <https://ivo.garant.ru/#/document/71753292/paragraph/1:8> (in Russian)

Regulation No. 729-P – <http://www.cbr.ru/Queries/UniDbQuery/File/90134/1127> (in Russian)

### III8: Enhancing supervision - 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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### III9: Enhancing supervision - 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:
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Implementation ongoing
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Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
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Progress to date: please provide a date for your "implementation ongoing" status
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Progress to date: If you have selected "Implementation completed" - please provide date of implementation
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Progress to date: issue is being addressed through
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Primary / Secondary legislation - Yes
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Regulation / Guidelines - Yes
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Other actions (such as supervisory actions) - Yes
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**Progress to date: 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. Aiming at streamlining cooperation and information sharing, the Bank of Russia signed 41 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 (jurisdictions) 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/CFT, data protection and cooperation in the course of financial resolution procedures.

The Bank of Russia can share information with foreign financial market regulators on the basis of international treaties, bilateral agreements, IOSCO MMoU and IAIS MMoU. The Bank of Russia became 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 a comprehensive framework of bilateral MoUs with financial market/insurance authorities. In particular, 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 National Association of Insurers Commissioners (NAIC) of the USA, the China Banking and Insurance Regulatory Commission (CBIRC) (successor to the China Insurance Regulation Commission (CIRC)), the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) of the Republic of Botswana, the Financial Services Commission of Mauritius (FSC), the National Bank of Kazakhstan (successor to the Agency of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations), the Financial Sector Conduct Authority of the Republic of South Africa (successor to the Financial Services Board of the Republic of South Africa), the Financial Services Authority of Seychelles (FSA), the Central Bank of Armenia, the Republic of Serbia Securities Commission (RSSC), the Lebanese Capital Markets Authority (CMA), the China Securities Regulatory Commission (CSRC), the Cyprus Securities and Exchange Commission (CySEC), the Hellenic Capital Market Commission (HCMC). The Bank of Russia is also a signatory to the multilateral agreement for the Eurasian Economic Union (Agreement on the exchange of information, including confidential information, in the financial sphere in order to create conditions in the financial markets to ensure the free movement of capital).

- 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 (ACPR). Following this recommendation the Bank of Russia forwarded to ACPR a draft MoU in banking supervision in October 2016. Later the Bank of Russia shared with ACPR information about provisions of the national law with regard to data protection and professional secrecy obligations. Similar information was provided by ACPR to the Bank of Russia. The draft MoU is still under consideration by ACPR.

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. The version of the MoU, including the procedure for cooperation in resolution, is signed with:

- Central Bank of Armenia;
- National Bank of Belarus;
- China Banking and Insurance Regulatory Commission (CBIRC);
- National Bank of Kazakhstan;
- Financial and Capital Market Commission of the Republic of Latvia;
- Banking Agency of Republika Srpska and the Banking Agency of the Federation of Bosnia and Herzegovina.

- According to the requirement set by Article 73 of the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" foreign supervisors can get access to offices of credit institutions located in the Russian Federation, which are participants of bank groups with foreign banks as head institutions of such groups, and to the information about their activities subject to the written consent of the credit institution in question. At present, the Bank of Russia works on amendments aimed at removal of this requirement.

**Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation**

We continue developing the information sharing and coordination framework.

**Update and next steps: highlight main developments since 2019 survey**

**Update and next steps: planned actions (if any) and expected commencement date**

**Relevant web-links: please provide web-links to relevant documents**

International Cooperation Section of the Bank of Russia's official website: [http://www.cbr.ru/eng/about\\_br/ip/](http://www.cbr.ru/eng/about_br/ip/)  
 The list of cooperation agreements/ MoUs of the Bank of Russia (available only in Russian): [http://www.cbr.ru/about\\_br/ip/irfr/](http://www.cbr.ru/about_br/ip/irfr/)

### III10: Enhancing supervision - 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:
Implementation ongoing
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - No

Progress to date: 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.

The reorganisation process of banking supervision framework has been completed in 2018. 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 both top-down and bottom-up stress-tests. Both types of stress-tests are based on a macroeconomic scenario which is made by Monetary policy department. Stress-tests take into account the main risks: credit risk, market risk, business risk, interest rate risk etc. Top-down stress-tests are based on BoR own internal dynamic individual models of major banks. Top-down stress-test uses a wide range of financial and econometric models (including PD, LGD, EAD framework, forecasting credit portfolio, client funding etc). Bottom-up stress-test are performed annually and are based on calculations from banks themselves. During the current bottom-up stress-test exercise BoR received the results of this exercise from 30 major banks in the second quarter 2021. BoR assessed the quality of banks stress-testing exercise and is going to communicate with banks on the quality of calculations. The results of the tests are used in supervisory process as an analytical input.

The Bank of Russia is a member of the IAIS and takes active part in the current work of IAIS within the framework of: - Implementation and Assessment Committee; - Financial Inclusion Forum; - Policy Development Committee; - Macroprudential Committee; - Macroprudential Monitoring Working Group; Macroprudential Supervision Working Group; - Governance Working Group; - Insurance Groups Working Group; - Accounting and Auditing Working Group; - Market Conduct Working Group; - Signatories Working Group; - Supervisory Material Review Task Force; - Resolution Working Group; - Financial Crime Task Force; - Standards Assessment Working Group; - Retirement Income and Pension Forum, RIPF; - Operational Resilience Task Force, ORTF.

Progress to date: 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. The Bank of Russia works on adjustment and constantly re-adjustment of regulation in established and new spheres based on the principles of proportionality to risks, with the focus on gradually transition from management guided by rules to management by principles. We are starting to gradually transition towards incentive-based regulation. We pay greater attention to systemic problems and risks, in particular, work on adopting the principle of countercyclicality, using macroprudential tools, and on early warning of problems both in the system as a whole and in individual institutions. In 2017 the Bank of Russia started practical application of a new bank resolution mechanism, the fund for banking sector consolidation was established.

We are also engaged in various reforms aimed at improvement and further development of supervision over our financial system non-banking sectors. Concerning regulatory and supervisory activities by the Bank of Russia to oversee risks associated with financial innovation: we concentrate our efforts on supporting new technology developments with particular attention to greater protection from cyber risks.

Another area the Bank of Russia is engaged in involves the so-called regtech i.e. new regulatory and supervisory approaches for us to elaborate in order to provide adequate risk management of financial institutions that are becoming increasingly high technology companies. Our principles of regulation and supervision over fintech: first you need observation then regulation in proportion to risks. We engage in constant dialogue with the market and created Fintech, an association for financial technology development. The next step for us to accomplish in the coming years is to create a national fintech infrastructure i.e. the necessary elements that will be beneficial to and in demand by all market players and will ensure that players of all sizes have convenient access to the market. The national infrastructure will foster competition in the market, encourage new financial ecosystems and, as a result, provide cheaper and better quality products to the public.

So we suppose that in the case of Russia the implementation of this recommendation is not in fact delayed, rather we on continuing basis enhance our supervisory framework, tools and practices with the aim to proactively identify and address risks.

Update and next steps: highlight main developments since 2019 survey
The project «Complex system of supervisory stress-testing» was successfully implemented in 2020 in full accordance with the initial plan.
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
<a href="http://www.cbr.ru/eng/analytics/?PrId=na_brn">http://www.cbr.ru/eng/analytics/?PrId=na_brn</a> <a href="http://www.cbr.ru/eng/publ/?PrId=god">http://www.cbr.ru/eng/publ/?PrId=god</a> <a href="http://www.cbr.ru/eng/publ/?PrId=nadzor">http://www.cbr.ru/eng/publ/?PrId=nadzor</a>

## IV11: Macroprudential frameworks and tools - Establishing oversight regulatory framework

### 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:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.09.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No

<p><b>Progress to date: short description of the content of the legislation/regulation/guideline/other actions</b></p> <p>As of 01.09.2013 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, established by Russian Government in July 2013. 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. 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 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, 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, chaired by the Governor, to formalize and further strengthen macroprudential policy decision making.</p>
<p><b>Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</b></p>
<p><b>Update and next steps: highlight main developments since 2019 survey</b></p>
<p><b>Update and next steps: planned actions (if any) and expected commencement date</b></p>
<p><b>Relevant web-links: please provide web-links to relevant documents</b></p> <p><a href="http://www.cbr.ru/Eng/today/status_functions/law_cb_e.pdf">http://www.cbr.ru/Eng/today/status_functions/law_cb_e.pdf</a></p>



## IV13: Macroprudential frameworks and tools - Enhancing monitoring and use of macroprudential 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 \(Nov 2016\)](#)
- IMF [Macroprudential Policy Survey database](#)

Progress to date:
Implementation ongoing
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

Progress to date: 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 - 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. 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. 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 empowered the Bank of Russia to establish, as a means to reduce threats to financial stability in Russia, risk ratio surcharges for certain types of assets (macroprudential surcharges). 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). 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 (loan) and the loan-to-value (LTV) ratio for mortgage loans. At present, sectoral add-ons are set, among other things, for unsecured consumer loans, mortgage credits (loans) granted to individuals (for which the LTV exceeds 80%), loans to legal entities in foreign currency. The application specifics of the sectoral add-ons by banks that have undertaken the obligation to apply banking risk management techniques and quantitative risk assessment models for the purpose of calculating required ratios are set by the CBR Ordinance No. 5072-U, dated 12 February 2019, 'On the Specifics of Applying Buffers to Risk Ratios for Certain Assets of Credit Institutions Which Commit to use Banking Methodologies for Risk Management and Models of Qualitative Risk Assessment for Calculating Required Ratios' (entered into force in March 2019). A key change in regulatory approaches is the introduction of the requirement to calculate the debt burden of borrowers (the payment-to-income ratio) from 1 October 2019. This rule applies to credit institutions (with the exception of non-bank credit institutions that have the right to make funds transfers without opening bank accounts and to conduct other banking operations related to them). The PTI ratio is calculated by the lender as the ratio of the borrower's average monthly payments on all loans and borrowings, including the newly issued credit (loan), to its average monthly income according to the formula: [PTI = average monthly payments on all credits (loans)/average monthly income]. A credit institution is obliged to calculate the PTI ratio when making a decision on granting an unsecured consumer loan, a mortgage loan, a loan for financing under an equity participation agreement in construction or a loan secured by a pledge of a motor vehicle in the amount of 10,000 rubles or more or the equivalent amount in a foreign currency, as well as when making a decision on debt restructuring on such loans and (or) when making the following decisions: for loans granted using a bank card – on increasing the credit limit, on extending the term of the loan agreement; for other loans – on increasing the amount of the monthly payment, on changing the loan's currency. Another important tool of the CBR's macroprudential policy is the irrevocable credit line (ICL). An ICL is provided to Russian credit institutions under agreements on the opening of an irrevocable credit line. The CBR, in accordance with the standards of the Basel Committee on Banking Supervision (BCBS), sets the fee for the right to use the ICL at a level that avoids the distorting effect of this fee on the incentives for managing liquidity risk for credit institutions.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
We continue developing our system of macroprudential instruments.

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

### V13: Improving credit rating agencies (CRAs) oversight- 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)*

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

## V14: Improving credit rating agencies (CRAs) oversight - 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:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
13.07.2015

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
<p>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.</p> <p>The Bank of Russia has issued the regulation of IRB Approach in accordance with Basel II in order to develop risk-management technics in banks and reduce reliance on Credit Rating Agencies. In 2020 the Bank of Russia decided on early adoption of the changes in the IRB approach in accordance with Basel III. The following regulations contain banks' requirements for the IRB approach adoption and the procedure of obtaining the permission to use the IRB approach:</p> <p>- Regulation No. 483-P 'On procedure of credit risk calculation based on internal ratings of 06/08/2015 (amended by the following Bank of Russia Ordinances: No. 3869-U of 01/12/2015, No. 5091-U of 10/03/2019, No. 5404-U of 27/02/2020, No. 5442-U of 15/04/2020);</p> <p>- Bank of Russia Ordinance No. 3752-U 'On the Procedure of Obtaining Authorisation to Use Bank's Own Methods to Manage Credit Risks and to Use Models of the Quantitative Assessment of Credit Risks for Calculating Capital Adequacy Ratios and Also on Their Quality Evaluation Procedure' of 06/08/2015 (amended by the Bank of Russia Ordinance № 5404-U of 27/02/2020).</p>
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
<p>Regulation No. 483-P: <a href="http://ivo.garant.ru/#/document/71203444/paragraph/1">http://ivo.garant.ru/#/document/71203444/paragraph/1</a> (in Russian)</p> <p>Ordinance No. 3752-U: <a href="http://ivo.garant.ru/#/document/71173952/paragraph/1">http://ivo.garant.ru/#/document/71173952/paragraph/1</a> (in Russian)</p>

## VI15: Enhancing accounting standards - 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: <https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/>.

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

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:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.04.2016
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - No

## Progress to date: 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 the Bank of Russia Ordinance No. 3580-U 'On the Submission of Financial Reporting by Credit Institutions' of 02/03/15 (amended by the Bank of Russia Ordinance No. 4236-U of 19/12/2016 - in force from 03/02/2017). Credit institutions are obliged to submit financial reporting to the Bank of Russia according to the terms and procedure set by the Bank of Russia Ordinance No. 4927-U of 08/10/2018 'On the List, Forms and Procedure of Compilation and Submission to the Bank of Russia of Reporting Forms by Credit Institutions'. Parent organisations of the bank holding groups are obliged to submit consolidated financial statements to the Bank of Russia according to the terms and procedure set by the Bank of Russia Ordinance No. 4619-U 'On Procedure and Terms of Disclosure and Submission of Consolidated Financial Statements by Bank Holding Groups'. IFRS Standards are mandatory for consolidated financial statements. Federal Law No. 402-FZ provides for application of international standards as a basis for developing national and sectoral accounting standards. The Bank of Russia adopted Regulation No. 532-P of 03/02/2016 which provides for application of certain IFRS. The Regulation stipulates financial accounting rules for professional securities market participants; joint stock investment funds; trade organizers; central counterparties; clearing organizations; specialized depositories of an investment fund, a unit investment fund and a private pension fund; asset management companies of an investment fund, a unit investment fund and a private pension fund; credit bureaus; CRAs; insurance brokers. This Regulation is applicable to joint stock investment funds, CRAs and insurance brokers from 01/01/2017 and to other aforesaid non-credit financial institutions - from 01/01/2018. The Regulation was amended by the Bank of Russia Ordinance No. 4128-U of 05/09/2016 and by the Bank of Russia Ordinance No. 4520-U of 07/09/2017. Specific provisions concerning enforcement: According to Article 56 of Federal Law No. 86-FZ 'On the Central Bank of the Russian Federation (Bank of Russia)' the Bank of Russia exercises ongoing supervision over the compliance by credit institutions and banking groups of Russian legislation, Bank of Russia regulations. Subject to conditions stipulated by Federal Law No. 208-FZ, annual consolidated statements are to be submitted by legal entities to the Bank of Russia. According to Article 57 of Federal Law No. 86-FZ the Bank of Russia is empowered to set the rules, binding for credit institutions, for conducting banking operations, requirements for accounting and reporting, compiling and presenting accounting (financial) statements and statistical reports. In accordance with Article 74 of Federal Law No. 86-FZ should a credit institution violate federal laws or Bank of Russia normative acts (regulations, instructions, ordinances/directions) or orders issued in pursuance of these laws or fail to provide information or provide incomplete or false information, or fail to conduct a mandatory audit or disclose information on its activity and an auditor's opinion on it, the Bank of Russia has the right to require the credit institution to eliminate the violations discovered and to apply to such credit institution sanctions prescribed by legislation. According to Articles 75.1 and 76.8 of Federal Law No. 86-FZ should a credit institution or a non-credit financial institution fail to fulfill within the period established by the Bank of Russia requirement (order) obliging it to eliminate the violations related to the submission and (or) publication (disclosure) of reports and should grounds exist for presuming the existence of offences stipulated by Article 172.1 of the Criminal Code of the Russian Federation ['Falsification by a financial institution of financial accounting and/or reporting documents'], the Bank of Russia shall send the relevant materials within three business days after these circumstances are revealed to the investigative bodies authorised to carry out a preliminary investigation in criminal proceedings on crimes envisaged by Article

172.1 of the Criminal Code of the Russian Federation to decide on the issue of instituting criminal case proceedings. Code of the Russian Federation on Administrative Infractions sets measures of amenability (administrative forfeiture, disqualification) applicable to natural persons (CEO, other corporate executives responsible for accounting) in case of violation of requirements to accounting, including requirements concerning accounting financial statements. Code of the Russian Federation on Administrative Infractions also sets measures of amenability (notification, administrative forfeiture) applicable to credit institutions in case of violation of binding requirements of the Bank of Russia (including requirements concerning accounting financial statements). In terms of appropriate application of fair value measurement by credit institutions the following regulations were adopted: Bank of Russia Regulation No. 372-P 'On the Procedure for Derivatives Accounting' of 04/07/2011 stipulates mandatory accounting of derivatives at fair value by credit institutions from 01/01/2012; Bank of Russia Regulation No. 448-P 'On the Procedure for the Accounting by Credit Institutions of Fixed Assets, Intangible Assets, Real Estate Temporarily Unused in the Main Business, Long-Term Assets Held for Sale, Stock, Facilities and Labor Subjects Received under Settlement, Pledge, the Assignment of which is not Defined,' of 22/12/2014 under which credit institutions are entitled to keep records at fair value of certain types of property for which such an assessment is provided for relevant IFRS; Bank of Russia Regulation No. 579-P 'On the Chart of Accounts for Credit Institutions and the Procedure for its Application' of 27/02/2017 which replaced the Bank of Russia Regulation No. 385-P 'On Accounting in Credit Institutions in the Russian Federation' of 16/07/2012 and according to which the fair value of securities should be determined in accordance with the procedure established by IFRS 13 'Fair Value Measurement'.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents



## VII16: Enhancing risk management - Enhancing guidance to strengthen banks' risk management practice

### 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;<sup>1</sup> 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](#).

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

Progress to date:
Implementation ongoing
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: If you have selected "implementation ongoing" - please specify
Draft in preparation
Progress to date: please provide a date for your "implementation ongoing" status
24.03.2019
Progress to date: If you have selected "Implementation completed" - please provide date of implementation

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - No

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

Bank of Russia Ordinance 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. Stress testing processes shall be used in the bank's assessment of its capital adequacy and shall be performed on a regular basis. When selecting the stress testing scenario, the bank shall ensure whether all the risks and areas of activity material for the credit institution are covered. Banks are also required to regularly (at least once a year) assess the scenarios under consideration, the quality of data and assumptions used for the stress testing exercises and the compliance of the stress testing results with bank's established goals.

The compliance with the requirements stipulated by the Bank of Russia Ordinance No. 3624-U, should be assessed by the Bank of Russia Ordinance 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. In addition to evaluating the quality of risk management procedures based on Ordinance No. 3883-U, Bank of Russia assesses risk management in credit institutions within supervisory assessment of credit institutions' economic condition performed in accordance with the Bank of Russia Ordinance No. 4336-U, dated 03/04/2017, 'On Assessing Banks' Economic Situation'. Based on the assessment results the CBR is authorised to prescribe a bank to adjust their ICAAP and/or to impose capital additions.

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 the Bank of Russia Regulation No. 199-I of 29/11/2019 'On Banks' Required Ratios and Capital Adequacy Buffers for Banks with a Universal Licence' (previous version 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'. Bank of Russia Regulation 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 D-SIBs to arrange their internal liquidity risk management in order to reduce liquidity risk, including foreign currency funding risk.

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. According to Ordinance No. 3624-U, credit institution must define procedures on operational risk management, that meet the requirements of the Regulation No. 716-P 'On the Requirements for the Operational Risk Management System of a Credit Institution and a Banking Group' of 08/04/2020, which establishes regulatory requirements for the operational risk management system, including information security risk and information systems risk. Approval of Regulation No. 716-P is a necessary stage for subsequent application by banks of a new standardized approach to calculation of the amount of operational risk in accordance with the requirements of Basel III. Regulation No. 744-P 'On the Procedure for Calculating Operational Risk (Basel III) and the Bank of Russia Overseeing its Compliance' of 07/12/2020 establishes regulatory requirements for calculating of operational risk for inclusion in the capital adequacy ratios according to the Standardized Approach of Basel III and the procedure for overseeing of the Bank of Russia over its compliance.

3. Credit risk. Bank of Russia Regulation No. 483-P 'On the Procedure of Credit Risk Calculation Based on Internal Ratings' of 06/08/2015 (amended by the following Bank of Russia Ordinances: No. 3869-U of 01/12/2015, No. 5091-U of 10/03/2019, № 5404-U of 27/02/2020, № 5442-U of 15/04/2020). Credit risk management requirements are stipulated by the Bank of Russia Ordinance No. 3624-U.

4. Market risk. Market risk management requirements are stipulated by the Bank of Russia Ordinance No. 3624-U.

5. Interest rate risk in the banking book. As the first step of the implementation of the IRRBB in compliance with the BCBS standard "Interest rate risk in the banking book (April 2016)" the Bank of Russia issued Guidelines No. 8-MR, dated 09/07/2020, "On the Calculation of Interest Rate Risk on Assets and Liabilities of a Credit Institution (a Banking Group)". The guidelines provide the standardised methodology for 2 metrics of the IRRBB, which can be used under Pillar II. Guidelines No. 8-MR are applied by credit institutions (parent credit institutions of banking groups) with total assets of 500 bln rubles or more.

Progress to date: 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.

Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
<p>With regard to the IRBBB after the assessment and calibration Guidelines No. 8-MR will be reissued as the mandatory standardised framework of the IRRBB calculation for banks' economic condition assessment and as a basic approach for Pillar II.</p> <p>The updated reporting form on the IRRBB and corresponding changes in the supervisory assessment with outliers' identification based on the new IRRBB standard will be introduced in 2022.</p> <p>The Bank of Russia has prepared amendments to Ordinance No. 3624-U, which establish requirements to management of IRRBB, organisation of stress testing procedures, management of step-in risk and a reporting form, which will be used by banks to provide information on banking group ICAAP to the Bank of Russia.</p> <p>The amendments are expected to come into force in 2022.</p>
Relevant web-links: please provide web-links to relevant documents
<p>Regulation No. 421-P – <a href="https://ivo.garant.ru/#/document/70684176/paragraph/1:0">https://ivo.garant.ru/#/document/70684176/paragraph/1:0</a> (in Russian)</p> <p>Regulation No. 510-P – <a href="https://ivo.garant.ru/#/document/71283098/paragraph/1:4">https://ivo.garant.ru/#/document/71283098/paragraph/1:4</a> (in Russian)</p> <p>Regulation No. 511-P – <a href="https://ivo.garant.ru/#/document/71283076/paragraph/1:0">https://ivo.garant.ru/#/document/71283076/paragraph/1:0</a> (in Russian)</p> <p>Regulation No. 596-P – <a href="https://ivo.garant.ru/#/document/71753292/paragraph/1:8">https://ivo.garant.ru/#/document/71753292/paragraph/1:8</a> (in Russian)</p> <p>Instruction No. 178-I – <a href="https://ivo.garant.ru/#/document/71639162/paragraph/1:0">https://ivo.garant.ru/#/document/71639162/paragraph/1:0</a> (in Russian)</p> <p>Guidelines No. 8-MR – <a href="http://www.cbr.ru/statichtml/file/59420/20200709_8-mr.pdf">http://www.cbr.ru/statichtml/file/59420/20200709_8-mr.pdf</a> (in Russian)</p> <p>Ordinance No. 3624-U – <a href="https://base.garant.ru/71057396/">https://base.garant.ru/71057396/</a> (in Russian)</p> <p>Regulation No. 483-P: <a href="http://ivo.garant.ru/#/document/71203444/paragraph/1">http://ivo.garant.ru/#/document/71203444/paragraph/1</a> (in Russian)</p>

## VII17: Enhancing risk management - 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:
Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation  
25.10.2013

Progress to date: issue is being addressed through  
Primary / Secondary legislation - Yes  
Regulation / Guidelines - Yes  
Other actions (such as supervisory actions) - No

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Progress to date: 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 Reporting' 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; - Bank of Russia Ordinance No. 3879-U of 03/12/2015 (amended, inter alia, capital disclosure requirements for banks); Bank of Russia 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'" 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. disclosure requirements (at consolidated level) for systematically important banks of LCR, NSFR, G-SIB indicators, countercyclical buffer) , 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 Bank of Russia Ordinance 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 4983-U of 27/11/2018 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. 4983-U of 27/11/2018 "On the Forms, Procedure and Timeframe for Disclosing Information on Activities by Credit Institutions ") and came into force in January 2018. The Law of the Russian Federation No.4015-1 "On the Organization of the Insurance Business in the Russian Federation" of 27/11/1992 (as amended) provides the requirements under which the insurance companies are subject to mandatory actuarial valuation by the responsible actuary on the annual basis with the submission of such valuation together with annual financial statements to the State Insurance Regulator.

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date  
Disclosure requirements related to credit risk and operational risk assessment in accordance with the new standardized approaches as well as related to the assessment of IRRBB according to the Pillar 3 disclosure requirements are expected to be implemented in 2022.

Relevant web-links: please provide web-links to relevant documents

https://www.cbr.ru/analytics/?PrtlD=na\_vr&docid=223  
 https://www.cbr.ru/analytics/Default.aspx?PrtlD=na\_vr&docid=219  
 http://pravo.gov.ru/proxy/ips/?docbody=&nd=102019955 (in Russian)

## VIII18: Strengthening deposit insurance - 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:

Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation

01.12.2013

Progress to date: issue is being addressed through

Primary / Secondary legislation - Yes

Regulation / Guidelines - Yes

Other actions (such as supervisory actions) - Yes

**Progress to date: short description of the content of the legislation/regulation/guideline/other actions**

The Federal Law No. 177-FZ "On the Insurance of Deposits with Banks of the Russian Federation" of 23/12/2003 (earlier title of this Federal Law - "On the Insurance of Individuals' Deposits with Banks of the Russian Federation"), hereinafter - Federal Law No. 177-FZ establishes legal, financial and institutional foundations of the mandatory insurance system of 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 deposits made with banks in Russia.

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 same article also defines the criteria for the credit institutions who should make the payments on the additional rates. 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.

The basic, additional and enhanced rate of insurance premiums shall be established by the DIAs board of directors and shall apply to the accounting base. In accordance with DIA board decisions (Decision from 21/04/2020, protocol № 2; Decision from 27/05/2020, protocol № 3; Decision from 27/04/2021, protocol No. 2): basis reference rate is set at the level of 0.12%; additional rate is set at the level of 25% of basis reference rate; higher additional rates are set at the level of 300% of basis reference rate.

For establishing of bank paying an additional rate or an enhanced additional premium rates, the Bank of Russia shall calculate the basic level of profitability of deposits on a monthly basis for the deposits insured in accordance with this Federal Law No. 177-FZ (except for special accounts (special deposits) intended for forming and use of the fund of overhaul of common property of an apartment house cited in Subitem "b" of Item 8, Part 2, Article 5 of Federal Law No. 177-FZ, and the deposits placed by the legal entities cited in Article 5.1 of Federal Law No. 177-FZ, or for their benefit, and the deposits attracted by the bank as a result of execution of the act of the Russian Federation court or arbitration court, which has entered into force). The basic level of profitability of deposits shall be defined by the Bank of Russia as the average value of the maximum profitability on deposits attracted in bank which have attracted two thirds of the total amount of the deposits in bank of the Russian Federation over the expired calendar month. The basic level of profitability of deposits shall be defined by the Bank of Russia by types of deposits grouped by one or several conditions of their placement in banks of the Russian Federation, on the basis of information on the maximum profitability on the deposits attracted, provided by banks to the Bank of Russia on a monthly basis. The procedure for calculation by banks of the maximum profitability on deposits attracted, proceeding from the interest rates, taking into account other material benefit and other conditions of deposit attraction for the purpose of provision to the Bank of Russia of information on the maximum profitability on deposits attracted shall be established by a regulatory act of the Bank of Russia (Bank of Russia Ordinance No.5697-U). An additional rate of insurance premiums shall be paid by the banks in the case or the cases when:

1) within any month of the quarter, the bank has attracted at least one deposit in the currency of the Russian Federation (except for deposits in the currency of the Russian Federation, certified by savings certificates whose terms do not envisage any rights of the holder to receive the deposit upon demand) or has concluded an agreement on change of terms of the bank deposit agreement in the currency of the Russian Federation on conditions of the maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction in the amount exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than two but not more than three percentage points;

2) within any month of the quarter, the bank has attracted at least one deposit in foreign currency (except for deposits in foreign currency certified by savings certificates whose terms do not envisage any rights of the holder to receive the deposit upon demand) or has concluded an agreement on change of the terms of the bank deposit agreement in foreign currency on conditions of the maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction, in the amount exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than one but not more than 1.5 percentage points;

3) within any month of the quarter, the bank has attracted at least one deposit in the currency of the Russian Federation, certified by the savings certificate whose terms do not envisage any rights of the holder to receive the deposit upon demand, on conditions of maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction, in the amount exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than three but not more than four percentage points;

4) within any month of the quarter, the bank has attracted at least one deposit in foreign currency, certified by the savings certificate whose terms do not envisage any rights of the holder to receive the deposit upon demand, on conditions of maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction, in the amount exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than two but not more than three percentage points.

An enhanced additional rate of insurance premiums shall be paid by banks in the case or the cases when:

1) within any month of the quarter, the bank has attracted at least one deposit in the currency of the Russian Federation (except for deposits in the currency of the Russian Federation, certified by savings certificates whose terms do not envisage any rights of the holder to receive the deposit upon demand) or has concluded an agreement on change of terms of the bank deposit agreement in the currency of the Russian Federation on conditions of the maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction in the amount

exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than three percentage points;

2) within any month of the quarter, the bank has attracted at least one deposit in foreign currency (except for deposits in foreign currency certified by savings certificates whose terms do not envisage any rights of the holder to receive the deposit upon demand) or has concluded an agreement on change of the terms of the bank deposit agreement in foreign currency on conditions of the maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction, in the amount exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than 1.5 percentage points;

3) within any month of the quarter, the bank has attracted at least one deposit in the currency of the Russian Federation, certified by the savings certificate whose terms do not envisage any rights of the holder to receive the deposit upon demand, on conditions of maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction, in the amount exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than four percentage points;

4) within any month of the quarter, the bank has attracted at least one deposit in foreign currency, certified by the savings certificate whose terms do not envisage any rights of the holder to receive the deposit upon demand, on conditions of maximum profitability on the deposit, proceeding from the interest rates and taking into account other material benefit and other conditions of the deposit attraction, in the amount exceeding the basic level of profitability of deposits calculated and published by the Bank of Russia for the respective deposit type for the respective month, by more than three percentage points;

5) financial standing of the bank meets the criteria for payment of the increased additional premium rate established by the Bank of Russia (Bank of Russia Ordinance No.3801-U "On Admission of Financial Position of a Bank Appropriate for Imposition of Increased Additional Premium Rates" of 17/09/2015, hereinafter - Ordinance No. 3801-U).

Ordinance No. 3801-U "On Admission of Financial Position of a Bank Appropriate for Imposition of Increased 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) cumulative assessment results of the risk management indicator (PU4) and (or) the internal control indicator (PU5) are higher than 2,35 quality points for two consecutive quarters (instead of one quarter) and/or at least one restriction and/or ban measure is imposed) are met higher premium rates will be applied.

The additional and enhanced additional rates of insurance premiums in respect of a bank shall be established by the DIA. Bank of Russia Ordinance No. 5699-U 'On the Procedure of Banks Application for not Being Determined as a Bank Obligated to Pay Additional or Increased Additional Premium Rates of 11/01/2021 specifies the aforementioned procedure. Federal Law No. 451-FZ of 29/12/2014 amended Federal Law No. 177-FZ: deposit insurance coverage limit for deposits of individuals and accounts of individual entrepreneurs has been increased up to RUB 1.4 million (this provision does not apply to escrow accounts, coverage limit for which is RUB 10 million). Also article 13.3 of the Federal Law No. 177-FZ sets up specific cases circumstances entailing formation of the right of a depositor who is an individual to receipt of indemnification in an increased amount (RUB 10 million).

The Federal Law No. 322-FZ of 03/08/2018 (came into effect from 01/01/2019) 'On Amending the Federal Law 'On the Insurance of the Individuals' Deposits with the Banks of the Russian Federation' and Certain Laws of the Russian Federation' broadened the deposit insurance system coverage on the deposits of the small enterprises which are inscribed in the special register led according to the Federal Law No. 209-FZ of 24/07/2007 'On the Development of the Small and Medium Entrepreneurship in the Russian Federation'. The Federal Law No. 163-FZ of 25/05/2020 (came into effect from 01/10/2020) 'On Amending Certain Laws of the Russian Federation' broadened the deposit insurance system coverage on the deposits of certain categories of the non-profit organizations and unions of the citizens aimed at social activities (coverage is up to 1,4 million roubles), on the special accounts for capital repair of the multi-apartment buildings (up to 10 million roubles) and granted the right for the coverage of 10 million roubles to the physical persons in certain life conditions (e.g. heritage) defined by the Federal Law No. 177-FZ.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

In the period from 2019 the perimeter of the mandatory Deposit Insurance System (DIS) in banks was significantly expanded by extending insurance coverage to monetary funds:

- placed by individual non-profit organizations, including associations of real estate owners, charitable foundations and religious organizations;
- placed on special accounts intended for the formation and use of funds from the fund for capital repairs of common property in apartment buildings.

Moreover, the insurance coverage limit for temporarily high account balances of natural persons in special life circumstances (e.g. apartment sale, inheritance, execution of a court decision) was increased to 10 mln rubles.

It became possible to pay compensation for deposits opened with the use of a financial platform.

The list of cases when additional premium rate and increased additional premium rate shall be paid was also amended.

Update and next steps: planned actions (if any) and expected commencement date
In 2021, Bank of Russia began to consider the possibility of extension of the perimeter of the mandatory DIS by expansion of insurance coverage to monetary funds placed by other legal persons (except for legal persons providing financial services, legal persons for which insurance coverage limit is not sufficient and accounts for federal budget funds, funds of budgets of the subjects of the Russian Federation, funds of state off-budget funds).
Relevant web-links: please provide web-links to relevant documents

## IX19: Safeguarding financial markets integrity and efficiency - Enhancing 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:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.10.2014
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation



Progress to date: 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. Bank of Russia Ordinance 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. Bank of Russia Regulation 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 trading organizer.

In order to reduce volatility, the trading organizer also has the right to use such a tool as a discrete auction (Clause 1.15.9 of Bank of Russia Regulation No. 437-P dated 17 October 2014 'On Conducting Organised Trading') including during the period of suspension of major trading.

Another mechanism for preventing volatility is the establishment by NCC (JSC) of price corridor bounds which limit bid-offer prices of applications submitted in the course of trading.

The trading organizer also suspends trading in case some technical failures in the work of the means of conducting trading are revealed in accordance with the criteria set by the trading organizer and agreed with the consultative body of the exchange (technical committee).

Bank of Russia Regulation 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.

In 2018 the Bank of Russia launched a special Trading Monitoring Centre (TMC). The work of TMC is based on digital on-line data received by the Bank of Russia from exchanges which is being processed through the range of algos.

On the one hand, these algos detect non-standard processes such as price and volume anomalies, behaviour correlations, etc. On the other hand, these algos produce analytical dataset which allows to track market indicators dynamic such as liquidity, volatility of key financial instruments and indices inter alia in correlation with historical record.

Besides, TMC system includes a block of corporate news and macroeconomic indicators analysis. By means of this tool the Bank of Russia permanently monitors the risks of financial sector inter alia aimed at providing the resilience of organized trades to shock imbalances.

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

<http://www.cbr.ru/finmarket>

## IX20: Safeguarding financial markets integrity and efficiency - Regulation 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:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.10.2014
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

**Progress to date: 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. In particular, according to Article 11 of Federal Law No. 325-FZ of 21/11/2011, in the cases, in the manner, to the extent and within the time limits established by legal acts of the Government of the Russian Federation, the parties shall submit information on the contracts concluded on OTC markets and providing for the transfer of title to the goods admitted to organized trading. In its turn, the exchange in charge of conducting organized trading during which sales contracts are concluded shall maintain a register of OTC contracts.

Russias 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).

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. Bank of Russia Regulation 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.

All Russian credit institutions are required to calculate commodities risk capital charge according to Bank of Russia Regulation No. 511-P, dated 03/12/2015 On the Procedure for Credit Institutions to Calculate Market Risk for the capital adequacy regulation purposes. Commodities risk should be calculated for positions in commodities, including precious metals (except for gold, which is included in the calculation of foreign exchange risk) in accordance with Basel II.

Russian credit institutions must also meet regulatory limits on the amount of their net open positions in precious metals (not only gold, but other precious metals as well) established by Bank of Russia Instruction No. 178-I, dated 28/12/2016, 'On Establishing Values (Limits) of Open Foreign Exchange Positions, Methodology for their Calculation and Specifics of Supervision over their Compliance by Credit Institutions'.

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.

**Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation**

**Update and next steps: highlight main developments since 2019 survey**

**Update and next steps: planned actions (if any) and expected commencement date**

**Relevant web-links: please provide web-links to relevant documents**

Regulation No. 511-P – <https://ivo.garant.ru/#/document/71283076/paragraph/1:0> (in Russian)  
 Instruction No. 178-I – <https://ivo.garant.ru/#/document/71639162/paragraph/1:0> (in Russian)

**IX21: Safeguarding financial markets integrity and efficiency - 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 ongoing reporting of progress in this area by the FSB Official Sector Steering Group, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.

**X22: Enhancing financial consumer protection - 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 refer to OECD's [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles, as well as the [G20/OECD Policy Guidance on Financial Consumer Protection in the Digital Age](#), which provides additional effective approaches for operating in a digital environment. 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. In the case of private pensions, additional guidance can be found in the [Good Practices on the Role of Pension Supervisory Authorities in Consumer Protection Related to Private Pension Systems](#).

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:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.12.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

1. The Civil Code of the Russian Federation; Federal Law No. 86-FZ of 10 July 2002 (as amended) "On the Central Bank of the Russian Federation (Bank of Russia)"; Federal Law N 395-1-FZ of 02.12.1990 (as amended) "On Banks and Banking Activities". Federal law N 324-FZ of 02.07.2021 "On amendments to the Federal law «On banks and banking activities» introduces enhanced information provision to individuals on terms and conditions of bank deposit agreements. The law stipulates a table form for bank deposit agreements.
2. Federal Law No. 123-FZ of 04.06.2018 "On the Financial Ombudsman". The law is to build a system for out-of-court dispute settlement between Russian citizens and financial institutions.
3. Federal Law No. 75-FZ of 07.05.1998 (as amended) "On Non-Government Pension Funds".
4. - Federal Law No. 353-FZ of 21.12.2013 (as amended) 'On Consumer Credit (Loan)' protects retail borrowers in the following: - maximum interest rates are limited; - maximum fines and charges for overdue payments are limited; - scope of information monthly sent to the borrower is defined; - stimulating measures for credit institutions to perform their informational obligations are introduced; - a period during which a person can withdraw from a credit (loan) contract without paying any fines in addition to charged interest during the period is introduced.  
- Federal law N 76-FZ of 01.05.2019 "On the Amendments to certain Legislative Acts of the Russian Federation concerning changes at Borrower's Demand of the Terms of Credit Contract (Loan Contract) Concluded with a Borrower (Natural person) for Activities Other than Entrepreneurship, if the Borrower's Obligations are Secured by a Mortgage"/ This law provides the borrower in a difficult financial situation with a right to apply to the lender and request a grace period for up to 6 months. At the borrowers' choice within the grace period the borrowers' fulfilment of obligations can be deferred or the amount of the payments can be reduced.  
- Federal law N 149-FZ of 26.05.2021 "On amendments to Article 6.1-1 of Federal law "On consumer credit (loan)". Due to the amendments, if lenders deny borrowers' application for mortgage payment holidays, they are obliged to provide them with reasons for denial in accordance with Article 6.1-1 of Federal law 353-FZ.  
- Federal law 327-FZ of 02.07.2021 "On amendments to Article 6.1-1 of Federal law "On consumer credit (loan)"" aims at ensuring equal conditions for individual borrowers in obtaining mortgage payment holidays including physical persons gaining income from business and other activities that imply special tax regimes.  
- Federal law N 106-FZ of 03.04.2020 "On amendments to the Federal law "On the Central Bank of the Russian Federation (Bank of Russia)" and certain legal acts of the Russian Federation regarding the peculiarities of changing the terms of credit (loan) agreements". As part of measures taken to counter the effects of COVID-19 infection, the law allows for provision of a grace period on credit (loan) agreements for individuals, individual entrepreneurs and SMEs who find themselves in a difficult life situation (income reduction of over 30% as compared to the average monthly income in 2019).  
- Federal law N 329-FZ of 02.07.2021 "On amendments to the Federal law "On consumer credit (loan)"" enhances the protection of borrowers. One of the innovation brought about by this law - the law anchors the mechanism to prevent hard-pressure selling of auxiliary services when signing a consumer loan agreement.  
Federal law 238-FZ of 02.07.2021 "On amendments to Article 7 of Federal law "On consumer credit (loan)"" bans lenders from marking borrowers' consent on providing auxiliary services in a pre-printed form (in form of tick marks and other marks that are typographically performed).
5. Ordinance of the Bank of Russia No. 3240-U of 23.04.2014 (as amended) '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.
6. The Federal Law No. 127-FZ of 26.10.2002 (as amended) 'On Insolvency (Bankruptcy)' sets out procedural matters of bankruptcy of a natural person.
7. Bank of Russia Ordinance No. 5112-U of 01.04.2019 'On the Procedure of Defining by the Bank of Russia Categories of Consumer Credits (Loans) and on the Procedure of Calculation on a Quarterly Basis and Publication of Average Market Effective Interest Rate in Percent per Annum'.
8. Federal Law No. 46-FZ of 05.03.1999 (as amended) 'On the Protection of Rights and Legitimate Interests of Investors on the Securities Market' stipulates conditions for investor protection of investors, including natural persons.
9. Federal Law No. 39-FZ of 22.04.1996 (as amended) 'On the Securities Market' defines financial instruments which are available for qualified and non-qualified investors and stipulates rules of interaction between professional financial market participants and their clients as to insure the respect of rights and legitimate interests of investors.
10. Federal law No. 224-FZ of 27.07.2010 (as amended) "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 financial instruments, foreign currency and (or) commodities, equal rights for investors and strengthening investors' trust, stipulates requirements prohibiting market abuse on the organized trading of the aforementioned types of assets.
11. Regulation of the Bank of Russia of 03.08.2015 No. 482-P establishes requirements for the management of client's assets taking into account the client's investment profile (including by defining the client's investment objectives and risk appetite).
12. Ordinance of the Bank of Russia of 28.12.2015 No. 3921-U (as amended) sets out requirements for the composition, scope, procedure for and timing of the information disclosure by securities market professional participants, which allows potential clients to make a conscious choice of the future partner.
13. Federal Law No. 151-FZ of 02.07.2010 (as amended) "On Microfinance Activities and Microfinance Organizations"; Federal Law No. 230-FZ of 03.07.2016 (as amended) 'On the Protection of the Rights and Legitimate Interests of Individuals in the Implementation of Activities for the Repayment of Arrears and on Amending the Federal Law 'On Microfinance Activities and Microfinance Organizations'.
14. Federal Law N 190-FZ of 18.07.2009 (as amended) "On Credit Cooperation".
15. The Law of the Russian Federation No. 4015-1 "On the Organization of the Insurance Business in the Russian Federation" of

27/11/1992 (as amended) provides the requirements under which the insurance companies are obliged to have an official web site on the Internet, containing inter alia the information concerning : - the full title, address, working hours of the insurance company;- information on the managers and owners of the company; information on the official documentation; types of insurance activities performed;- insurance tariffs and rules of insurance; - annual financial statement; - ratings according to the rating agencies; - participation in self-regulatory associations; - any other relevant information. Any transfer of an insurance portfolio in case of insolvency is subject to Bank of Russia's prior approval. The procedure of the involuntary insurance portfolio transfer is stated in the Federal Law No. 127-FZ "On Insolvency (bankruptcy)" of 26.10.2002 (as amended). As concerns financial consumer protection when transferring the insurance portfolio:

- the insurer publishes information about his intention to sell the portfolio;
- the refusal to change the insurer incurs early termination of the insurance agreement and the repayment of the redemption or of a part of the insurance premium to the policyholder the amount of which is calculated due to the difference between the duration of the insurance agreement and the period of time when it was valid;

- In case there was no written refusal to change the insurer received from the policyholder within 5 days after the publication of the insurer's intention to sell the portfolio, the insurance agreement will be transferred as a part of the insurance portfolio.

16. The Federal Law No. 326-FZ "On Obligatory Medical Insurance" of 29.11.2010 (as amended), the Federal Law No. 67-FZ "On Obligatory Carrier Third Party Insurance For Harming Life, Health, Property of Passengers and on the Order of Indemnification for such Harm, Done During Transportation by Metropolitan" of 14.06.2012 (as amended), the Federal Law No. 52-FZ "On the Obligatory Life and Health Insurance for Military Officers, citizens recruited for Military Training, Officers of the Ministry of Internal Affairs, State Fire Service, Officers of the Penitentiary system and National Guard of the Russian Federation" of 28.03.1998 (as amended), The Federal Law No.40-FZ "On Mandatory Insurance of Civil Liability of Vehicle Owners" of 25.04.2002 (as amended), the Federal Law No. 225-FZ "On Mandatory Insurance of Civil Liability of Dangerous Objects Owners for Harm Caused During Production" of 27.07.2010 (as amended) establish the compensational funds for obligatory insurance.

17. The Federal Law No. 223-FZ 'On Self-Regulated Organizations Operating in the Financial Market' of 13.07.2015 (as amended). The goal of this Law is to improve the effectiveness of cooperation between financial markets participants, self-regulated organizations and the regulator.

18. Bank of Russia Ordinance 5691-U of 01.11.2021 «On the Procedure for a Subject of the Experimental Legal Regime to Consider Complaints Received from Persons whose Rights and Legitimate Interests are Violated due to the Establishment and Implementation of the Experimental Legal Regime in the field of Digital Innovations in the Financial Market» is aimed to implement Federal law No.258-FZ of 03.07.2020 "On Experimental Legal Regimes in the Field of Digital Innovations in the Russian Federation". The Ordinance envisages ways in which a person subject to the experimental legislative regime in the field of digital innovations is to provide for accepting complaints and describes situations when complaints are not subject to obligatory examination. The Ordinance also includes the obligation of a person subject to the experimental legislative regime in the field of digital innovations in the financial market to ensure that the entering complaints are registered, it provides for the ways in which the reply or the note informing that the complaint will not be handled are directed to the applicant, the time period in which the complaint must be handled and some special aspects the reply to the complaint must be underwritten.

19. A number of laws has been passed that amend several laws mentioned above or some laws and codes not mentioned in this table:

- Federal law N 192-FZ of 11.06.2021 "On amendments to specific legislative acts of the Russian Federation". The law stipulates the requirements for financial institutions to provide individuals with information on the contract for the provision of financial services including information on conditions and risks related to the performance of the contract. The law also imposes some restrictions on financial instruments transactions with or at the expense of non-qualified investors. The effective date of the regulations concerning the testing of non-qualified investors has been shifted from 01.04.2022 to 01.10.2021.

- Federal law N 203-FZ of 11.06.2021 "On amendments to the Code of administrative violations" provides for harsher administrative punishment for unauthorized lenders, including for a repeated law violation.

- Federal law N 215-FZ of 11.06.2021 "On amendments to the Criminal Code of the Russian Federation and to the Criminal Procedure Code of the Russian Federation" establishes criminal liability for unauthorized lenders who had already been subject to administrative punishment and who committed a large scale law violation.

Short description of financial consumer protection framework

In 2014 the Service for Protection of Financial Services Consumers and Minority Shareholders was established in the Bank of Russia (at present – Service for Consumer Protection and Financial Inclusion, hereinafter – the Service). Main functions and objectives of the Service in terms of consumer protection are as follows: 1. Handling of applications (complaints) received from financial consumers and in some cases (as provided for in the legislation, regulation and Bank of Russia acts) – handling of applications (complaints) received from business entities participants and replying to the applications (complaints).

2. The Service exercises re-active and pro-active conduct supervision in the field of financial consumer protection, takes enforcement measures to the supervised institutions and their management officers in accordance with the legislation of the Russian Federation and the Bank of Russia acts and controls the implementation of the measures.

3. The Service develops requirements for the content of the basic standards on the protection of rights and legitimate interests of individuals and legal entities, who receive financial services provided by SRO members in the financial market. The Service also takes an active part in the implementation of the basic standards and analyses the way they are implemented.

4. Development of Bank of Russia regulatory and other acts and legislative regulation proposals within the responsibility of the Service.

5. Development of proposals how to improve the functioning of financial intermediaries and financial market infrastructures in terms of financial consumers protection based on information obtained inter alia from complaints handling.

6. Consideration and approval of draft federal laws and other regulatory and other acts of the Russian Federation within the competence of the Service.

As far as self-regulation on the financial market in terms of financial consumer protection is concerned, the Federal Law No. 223-FZ "On Self-Regulated Organizations (SRO) Operating in the Financial Market" obliges self-regulated organizations to develop and control implementation of basic standards, designed, inter alia, to protect the rights of the financial services consumers. Basic standards stipulate requirements, which are mandatory for non-credit financial institutions performing certain kind of activities, regardless of whether the organization is an SRO or not. Enhancement of the self-regulatory framework is aimed at the creation of a comprehensive regulatory system that provides appropriate level of control over the market participants, as well as at the increase of the competitive position of the Russian financial market and of the level of protection of financial services consumers. A number of basic standards, including basic standards for brokerage, trust management, forex dealer activity, for insurance (insurance companies and brokers), microfinancing and credit consumer cooperation were adopted. Since 2018 the Bank of Russia has been conducting the countering of illegal activity on financial markets aimed at enhancing financial consumer protection. Thus, there were established units for countering misconduct in regional divisions of the Bank of Russia, Expertise center for countering illegal activity on financial market (established in Krasnodar) and Expertise center for countering financial pyramids (established in Khabarovsk). On the 1st of June 2021 the Bank of Russia published a "List of companies bearing features of illegal activity on financial market", which is being regularly updated. The mentioned list is preventive and aimed at warning citizens of risks arising from illegal financial services.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

### List of abbreviations used

List of abbreviations used