

Russian response

Specific provisions concerning legal capacity of Russian authorities to defer to another jurisdiction's regulatory framework with respect to the authorization and supervision of OTC derivatives market participants, TRs, CCPs, exchanges, electronic trading platforms have not been incorporated into the Russian legislation yet. However creation of such a legal regime is already underway with active participation of the Bank of Russia which is responsible for regulation, control and supervision of financial markets. Simultaneously we have initiated process of mutual recognition of regulatory regimes and central counterparties with one of the jurisdictions.

Russian authorities pay considerable attention to addressing matters related to exercising deference with respect to requirements on market participants related to reporting to TRs, clearing transactions through CCPs, capital, margin and/or other risk mitigation requirements, executing transactions on exchanges or electronic platforms. At present time we work on elaboration of procedures and standards for taking decisions on deference to another jurisdiction's regulatory framework.

Concerning reporting to TRs Russian legislation foresees mandatory conclusion of agreements between both parties of master agreement and TR. However one exclusion is foreseen by Directive of the Bank of Russia No. 3253-U "On Rules for Maintaining a Register of Transactions Concluded on the Terms and Conditions of a Master Agreement (Single Agreement), on Reporting Deadlines and Data to be Entered in the Register, and on Providing the Register of Transactions Concluded on the Terms and Conditions of a Master Agreement (Single Agreement) to the Central Bank of the Russian Federation (the Bank of Russia)". If one party of a contract concluded on the terms of a master agreement is a foreign entity, then the second party of the contract (Russian legal entity) can conclude agreement with a TR on repository services no matter whether the foreign party has concluded such an agreement or not.

Annex: Jurisdictions' authority and process for exercising deference in relation to OTC derivatives regulation

Part A: With respect to the authorisation and supervision of: OTC derivatives market participants; TRs; CCPs; and exchanges or electronic trading platforms:

<p>A.1 What legal capacity, if any, do authorities in your jurisdiction have to defer to another jurisdiction's regulatory framework and/or authorities? Which authorities can exercise this capacity? Please also indicate if/when 'partial' or 'conditional' deference decisions can be made.</p>	<p>Bank of Russia</p>
<p>A.2 Please provide a brief description of the standards that need to be met in coming to a decision as to whether to exercise any such deference, and the criteria/inputs used in assessing whether these standards have been met (e.g. whether "similar outcomes" is the standard used; whether an analysis of enforcement regimes or authority is included as part of the assessment; whether reference is made to implementation of international standards; etc.).</p>	<p>-</p>
<p>A.3 Please provide a brief description of the process by which a decision to defer to another jurisdiction is taken, including any action that needs to be initiated to begin the process (e.g. an application from a jurisdiction or an entity), the general time frame for coming to a decision, any processes in place for reviewing a decision, and whether any other agreements or conditions need to be met in order for an affirmative decision to be taken (e.g. confidentiality agreements, supervisory cooperation, or reciprocal arrangements).</p>	<p>-</p>
<p>A.4 Please provide copies of, or weblinks to, any documentation or forms that have been developed for sharing with jurisdictions or entities as part of the comparability or equivalence assessment.</p>	<p>-</p>
<p>A.5 Please provide a list of jurisdictions that you have already determined to be comparable or equivalent, if any (and for what regulatory purposes), and please note any jurisdictions for which a determination is pending.</p>	<p>-</p>

Part B: With respect to requirements on market participants related to: reporting to TRs; clearing transactions through CCPs; capital, margin and/or other risk mitigation requirements; and executing transactions on exchanges or electronic platforms:

<p>B.1 What legal capacity, if any, do authorities in your jurisdiction have to defer to another jurisdiction's regulatory framework and/or authorities? Which authorities can exercise this capacity? Please also indicate if/when 'partial' or 'conditional' deference decisions can be made.</p>	<p>Bank of Russia</p>
<p>B.2 Please provide a brief description of the standards that need to be met in coming to a decision as to whether to exercise any such deference, and the criteria/inputs used in assessing whether these standards have been met (e.g. whether "similar outcomes" is the standard used; whether an analysis of enforcement regimes or authority is included as part of the assessment; whether reference is made to implementation of international standards; etc.).</p>	<p>-</p>
<p>B.3 Please provide a brief description of the process by which a decision to defer to another jurisdiction is taken, including any action that needs to be initiated to begin the process (e.g. an application from a jurisdiction or an entity), the general time frame for coming to a decision, any processes in place for reviewing a decision, and whether any other agreements or conditions need to be met in order for an affirmative decision to be taken (e.g. confidentiality agreements, supervisory cooperation, or reciprocal arrangements).</p>	<p>-</p>
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