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NOTIFICATION BY ISO 15022 AND 20022 MESSAGES

ISO 15022 STANDARD
CORPORATE ACTIONS-RELATED MESSAGES

MT 56X

MT 564
Corporate Action Notification

MT 565
Corporate Action Instruction

MT 566
Corporate Action Confirmation

MT 567
Corporate Action Status and Processing Advice

MT 568
Corporate Action Narrative

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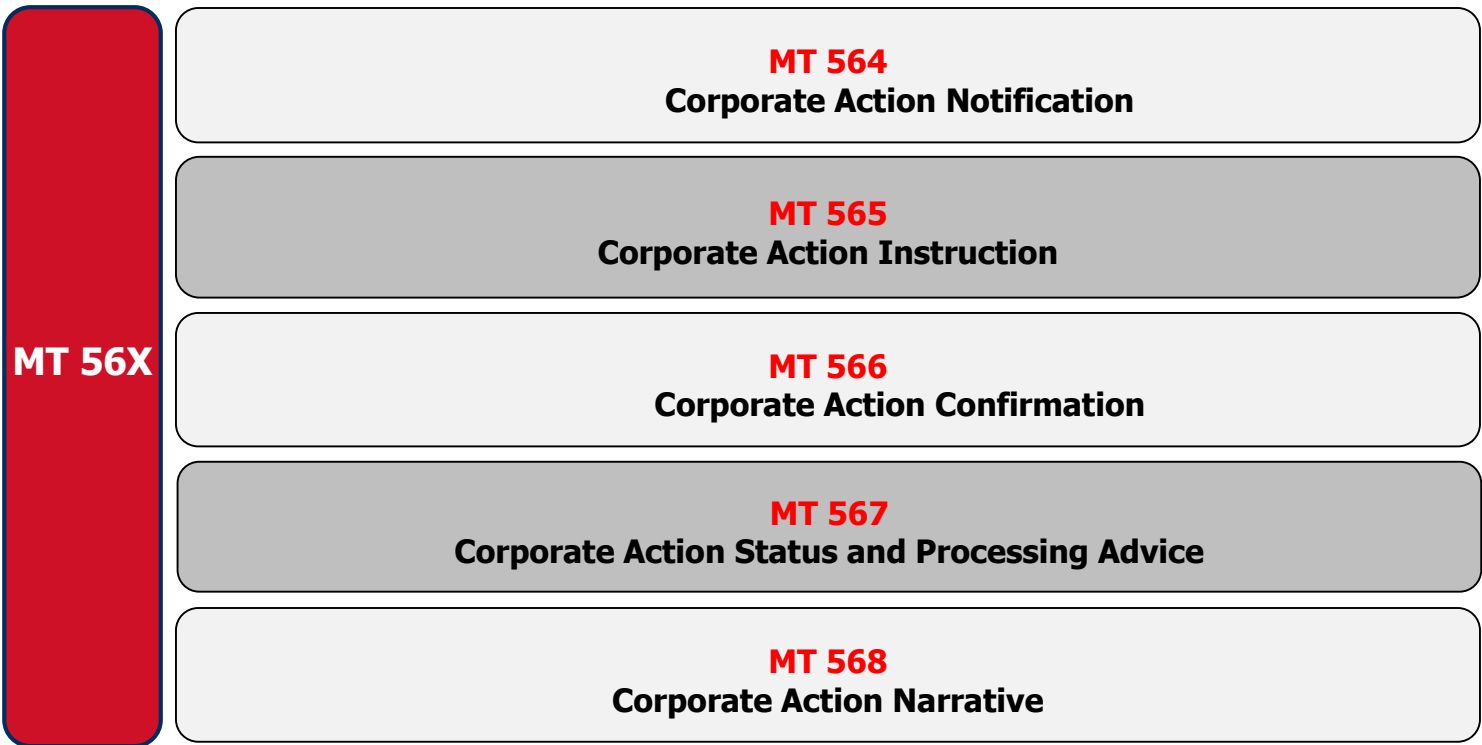
SPECIFIC ASPECTS OF THE ISO 20022 FORMAT

- A data model specifically designed for the financial services sector Completeness of implementation options for each business process

- Message descriptions do not depend on the message transport system used for data interchange (it is possible to use not only SWIFT, but other message transport systems, too)

- Availability of mechanisms designed for use of external data (dictionaries, specific identification codes, etc.)

- Option to adapt to Russian market specifics for transmission of specific information, using extensions

- Support of data transmission in Russian

- Use of a common syntax for messages in different business domains (payments, securities, investment fund transactions, etc.)

- Use of the messaging standard that is common to global financial markets

- Reduced costs of integration with global financial institutions

- Improvement of fully automated straight-through processing (STP)

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ISO 15022 AND ISO 20022 STANDARDS: WHAT IS IN COMMON?

- A Data Dictionary concept

- Message elements (dates, amounts, rates, quantity, flags, etc.)

- A similar message structure (blocks and sub-blocks)

- Common dictionaries and codes

- A message registration system

- Support of version message management

MT 564 Message	Message MX seev.031.001.04
:16R:GENL	`<CorpActnNtfctn>`
:20C::CORP//1234567	`<NtfctnGnlInf>`
:20C::SEME//9876543	`<NtfctnTp>`**NEWM**`</NtfctnTp>`
:23G:NEWM	`<PrcgSts><Cd><EvtSts>`
:22F::CAEV//DVCA	`<EvtCmpltnsSts>`**COMP**`</EvtCmpltnsSts>`
:22F::CAMV//MAND	`<EvtConfSts>`**CONF**`</EvtConfSts>`
:98C::PREP//20130525100000	`</EvtSts></Cd></PrcgSts>`
:25D::PROC//COMP	`</NtfctnGnlInf>`
:16S:GENL	`<CorpActnGnlInf>`
:16R:USECU	`<CorpActnEvtId>`**1234567**`</CorpActnEvtId>`
:35B:ISIN RU0009100762	`<EvtTp><Cd>`**DVCA**`</Cd></EvtTp>`
'A/O SARATOVeNERGO'	`<MndtryVlntryEvtTp><Cd>`**MAND**`</Cd></MndtryVlntryEvtTp>`
:16R:ACCTINFO	`<UndrlygScty>`
:97A::SAFE//MS9801147521	`<FinInstrmId><ISIN>`**RU0009100762**`</ISIN><Desc>`**'A/O SARATOVeNERGO'**`</Desc></FinInstrmId>`
:93B::SETT//UNIT/55000000,	`</UndrlygScty>`
:16S:ACCTINFO	`</CorpActnGnlInf>`
:16S:USECU	`<AcctDtls>`
:16R:CADETL	`<AcctsListAndBalDtls>`
:98A::RDTE//20130505	`<SfkpgAcct>`**MS9801147521**`</SfkpgAcct>`
:16S:CADETL	`<Bal><SttlmPosBal><ElgblBal>`
:16R:CAOPTN	`<ShrtLngPos>`**LONG**`</ShrtLngPos><Qty><Unit>`**55000000**`</Unit></Qty>`
:13A::CAON//001	`</ElgblBal></SttlmPosBal></Bal>`
:22F::CAOP//CASH	`</AcctsListAndBalDtls>`
:11A::OPTN//RUB	`</AcctDtls>`
:17B::DFLT//Y	`<CorpActnDtls>`
:16R:CASHMOVE	`<DtDtls><RcrdDt><Dt><Dt>`**2013-05-05**`</Dt></Dt></RcrdDt></DtDtls>`
:22H::CRDB//CRED	`</CorpActnDtls>`
:98A::PAYD//20130518	`<CorpActnOptnDtls>`
:98B::VALU//UKWN	`<OptnNb>`**001**`</OptnNb>`
:16S:CASHMOVE	`<OptnTp><Cd>`**CASH**`</Cd></OptnTp>`
:16S:CAOPTN	`<CcyOptn>`**RUB**`</CcyOptn>`
	`<DfltPrcgOrStgInstr><DfltOptnInd>`**true**`</DfltOptnInd></DfltPrcgOrStgInstr>`
	`<CshMvmntDtls>`
	`<CdtDbtInd>`**CRDT**`</CdtDbtInd>`
	`<DtDtls>`
	`<PmtDt><Dt><Dt>`**2013-05-18**`</Dt></Dt></PmtDt>`
	`<ValDt><DtCd><Cd>`**UKWN**`</Cd></DtCd></ValDt>`
	`</DtDtls>`
	`</CshMvmntDtls>`
	`</CorpActnOptnDtls>`
	`</CorpActnNtfctn>`

ISO 15022 AND ISO 20022 STANDARDS: DIFFERENCES

- More message types, broken down by business process
- More data fields, in which external data can be used with the help of specific identification codes
- No need to additionally register data fields in which specific identification codes are used
- Option to use Cyrillic characters in messages
- More dictionaries; identification codes broken down by business process
- Option to use extensions to transmit information not provided for by the Standard
- ISO 20022 formats are XML-based, and formats themselves are described with the help of XSD

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EXAMPLE OF ISO 15022 ⇔ ISO 20022 MESSAGE TRANSFORMATION

	STANDARD ISO 20022	STANDARD ISO 15022	
Corporate actions	Corporate Action Notification (seev.031.001.04)	MT 564 - NEWM/REPL/RMDR	CA Notification
	Corporate Action Cancellation Advice (seev.039.001.04)	MT 564 – WITH	CA Cancellation Advice
Meetings	Meeting Notification (seev.001.001.04)	MT 564 – NEWM/REPL/RMDR	Meeting Notification
	Meeting Result Dissemination (seev.008.001.04)	MT 564 – NEWM/REPL	Meeting Result Dissemination
	Meeting Cancellation (seev.002.001.04)	MT 564 – WITH	Meeting Cancellation Notification

Hereinafter, CA stands for Corporate Action

MT MESSAGE TYPE	MT MESSAGE NAME	MX MESSAGE TYPE	MX MESSAGE NAME
564	Corporate Action Notification	seev.031.001.xx	CorporateActionNotification
		seev.035.001.xx	CorporateActionMovementPreliminaryAdvice
		seev.039.001.xx	CorporateActionCancellationAdvice
		seev.044.001.xx	CorporateActionMovementPreliminaryAdviceCancellationAdvice
		seev.001.001.xx	Meeting Notification
		seev.003.001.xx	MeetingEntitlementNotification
		seev.002.001.xx	MeetingCancellation
568	Corporate Action Notification	seev.008.001.xx	Meeting Result Dissemination
568	Corporate Action Narrative	seev.031.001.xx or seev.001.001.xx	CorporateActionNotification
		seev.038.001.xx	CorporateActionNarrative
		seev.039.001.xx or seev.002.001.xx	CorporateActionCancellationAdvice

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ISO 15022 STANDARD
DEPOSITORY AND CLEARING SERVICES-RELATED MESSAGES

MT 53x

MT 54x

MT 540 - MT 543
Receive/Deliver Free / Against Payment Instructions

MT 544 - MT 547
Receive/Deliver Free / Against Payment Confirmations

MT 548
Settlement Status and Processing Advice

MT 549
Request for Statement/Status Advice

MT 535
Statement of Holdings

MT 536
Statement of Transactions

MT 537
Statement of Pending Transactions

MT 530
Transaction Processing Command

MT 578
Settlement Allegement

SPECIFIC ASPECTS OF ISO 15022 MESSAGES

- Separate messages are issued for each securities account of a client and for each security.

- A message indicates the CA Reference assigned to the particular security, along with the general CA Reference assigned to the issuer.
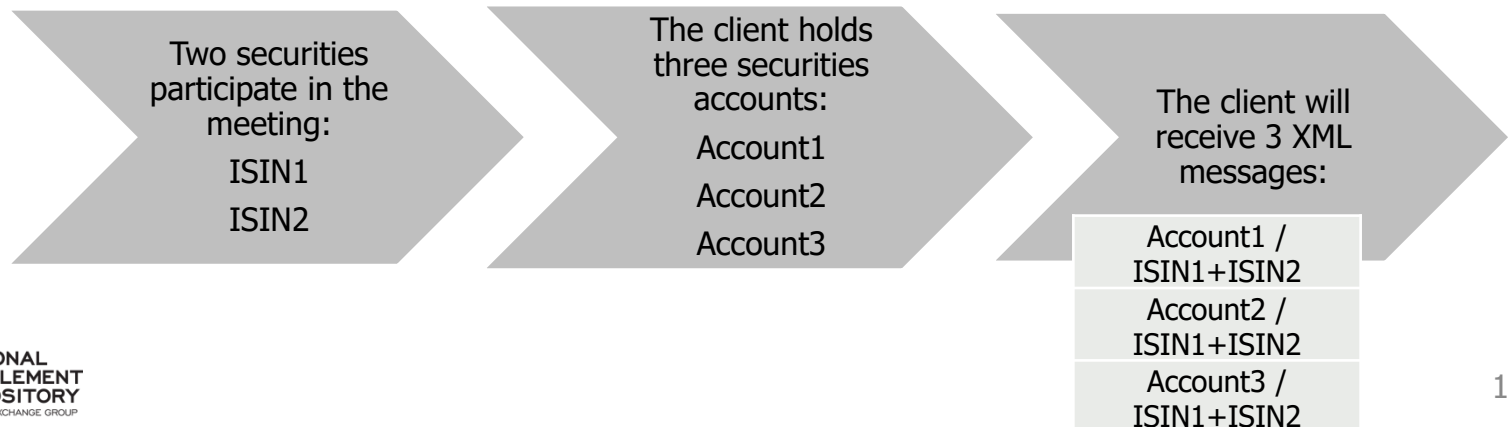
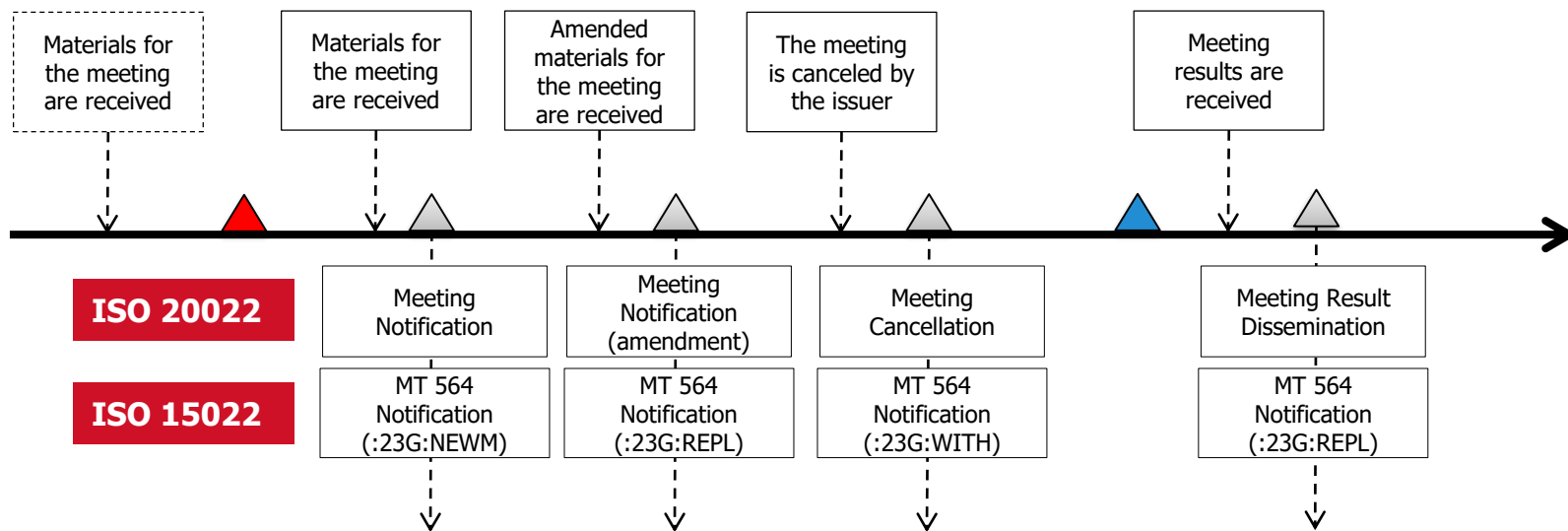- Russian text is transliterated.

Example:

Two securities participate in the meeting:

ISIN1

ISIN2

The client holds three securities accounts:

Account1

Account2

Account3

The client will receive 6 SWIFT messages:

Account1 / ISIN1
Account2 / ISIN1
Account3 / ISIN1
Account1 / ISIN2
Account2 / ISIN2
Account3 / ISIN2

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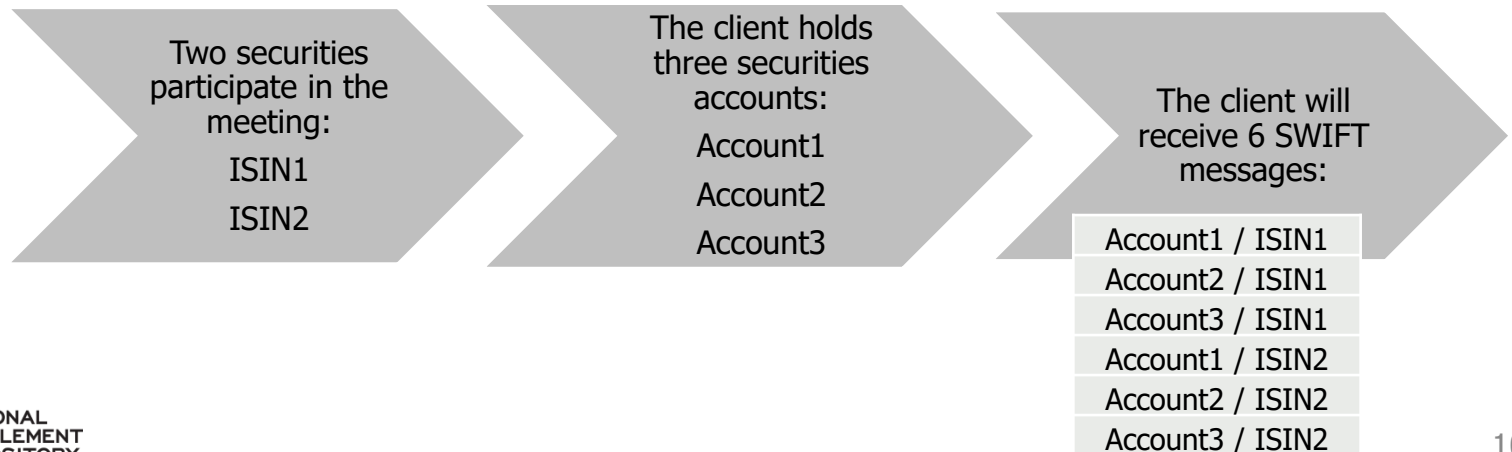
SPECIFIC ASPECTS OF ISO 20022 MESSAGES

- Separate messages relating to a corporate action are issued for each securities account of a client and for each security.

- Meeting messages include details of all securities participating in the meeting.

- A message indicates the CA Reference assigned to the particular security, along with the general CA Reference assigned to the issuer.

Example:

| Two securities participate in the meeting: ISIN1 ISIN2	The client holds three securities accounts: Account1 Account2 Account3	The client will receive 3 XML messages:
		Account1 / ISIN1+ISIN2
		Account2 / ISIN1+ISIN2
		Account3 / ISIN1+ISIN2

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DISSEMINATION FLOWCHART EXAMPLE. MEETINGS

- If materials for the meeting are received before the record date, the relevant message will be sent on the date immediately next to the record date.
- The function of the message "NEWM" is used for the first message for the particular CA, and "REPL" is used for all further messages in the chain.
- In ISO 20022 messages, the 'Amendment' block is used for all messages of that type, excluding the first one.
- For ISO 15022 messages, an additional MT 568 message can be used if the amount of information in the primary MT 564 message exceeds the maximum message length.

▲ (blue)	Meeting date
▲ (red)	Record date
△ (grey)	Information message

DISSEMINATION FLOWCHART EXAMPLE. REDEMPTIONS
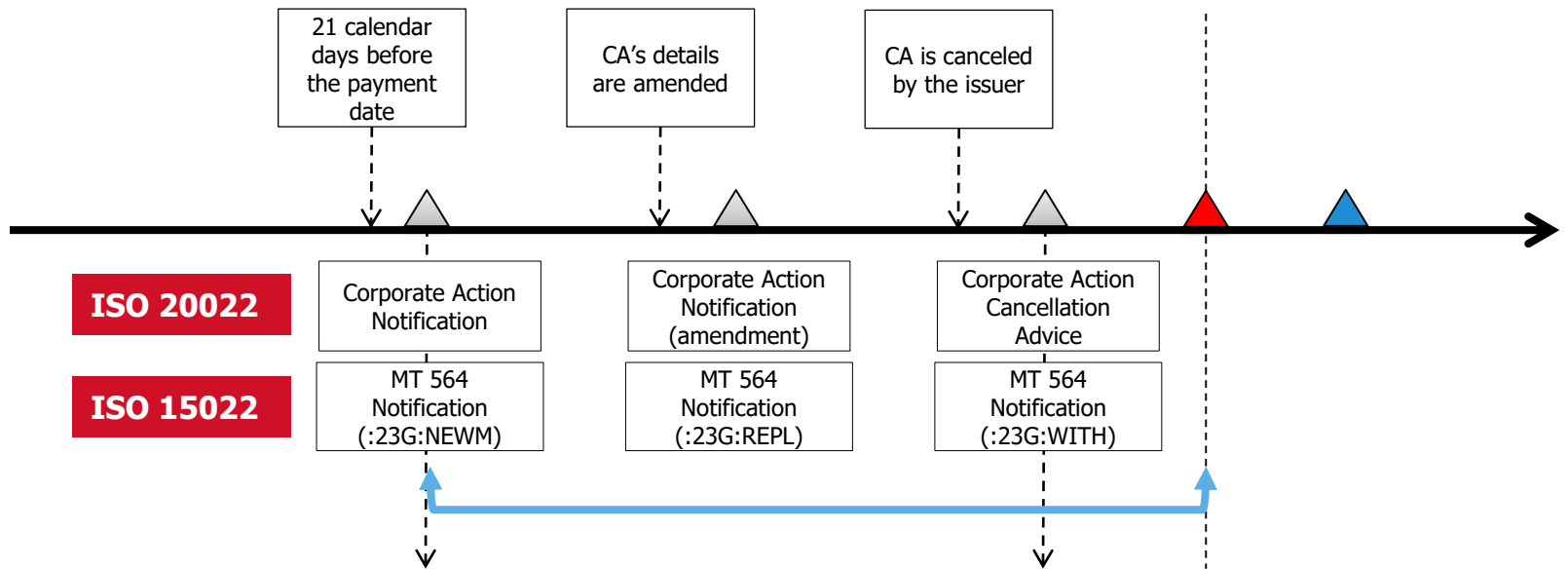
- Messages are sent to the clients with securities balances at the time of message dissemination.
- The function of the message "NEWM" is used for the first message for the particular CA, and "REPL" is used for all further messages in the chain.
- In ISO 20022 messages, the 'Amendment' block is used for all messages of that type, excluding the first one.

▲ (blue)	Payment date
▲ (red)	Record date
△ (grey)	Information message
↪	Messages are sent to all clients with new securities balances within the indicated period.

ISO 20022 AT NSD
LEI ISSUANCE

NSD is a pre-Local Operating Unit (pre-LOU) authorized by the ROC to issue LEI codes.

ISO 20022 MESSAGE NUMBER AND NAME (ENG)	ISO 20022 MESSAGE NAME (RUS)	MESSAGE NAME IN NSD'S BUSINESS PROCESS
IdentificationVerificationRequest acmt.023.001.02	Запрос на верификацию идентификатора	Identification Verification Request
IdentificationVerificationReport acmt.024.001.02	Отчет о верификации идентификатора	Identification Verification Report

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ISO 20022 AT NSD CENTRALIZED UIT UNITS RECORDKEEPING SYSTEM (CUU RKS)

As part of the CUU RKS project, NSD used ISO 20022 messages to interchange the following information with participants:

- Submission/cancellation of an order to subscribe for, redeem, or switch UIT units, including details required to open an account

- Order execution confirmation

- Order/order cancellation status advice

- Instructions to accept securities for safekeeping and/or recordkeeping or to withdraw securities from safekeeping and/or recordkeeping

- Instruction execution notification

- Instruction processing status advice

ISO 20022 AT NSD:
BANK ACCOUNT (PAYMENT) SERVICES

Bank account services are services involving cash transfers in a bank account, as well as other services relating to cash transfers (Payments Initiation, Payments Clearing and Settlement, and Cash Management message groups).

To enable participants to exchange advices, ISO 20022 messages of the 'Administration' group are used.

MESSAGES CREATED USING THE ISO 20022 METHODOLOGY

ISO 20022 MESSAGE NAME (RUS)	MESSAGE NAME (ENG)
Ведомость предварительных извещений о движении	CorporateActionMovementPreliminaryAdviceReport
Статус ведомости предварительных извещений о движении	CorporateActionMovementPreliminaryAdviceReportStatusAdvice
Требование созыва	RequestForMeeting
Статус требования созыва	RequestForMeetingStatus
Запрос инструкции для участия в собрании	MeetingInstructionRequest

ADDITIONAL ADVANTAGES OF THE ISO 20022 STANDARD IMPLEMENTED AT NSD

- The ISO 20022 data model is used as a canonical model for integration interface between NSD's internal systems.

- XSD Schemas of ISO 20022 messages are used to implement a mechanism of automatic generation of screens for end users of NSD's systems.

- Data received from external counterparties is stored in internal systems' databases in the form of ISO 20022 XML messages.

- The ISO 20022 Standard methodology and repository were used to create new message types for automated data interchange between Russian market participants (*e.g.*, proposals to convene a meeting, proposals of agenda items, and proposal to nominate candidates).

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    - Competition increase from new players on the Russian market
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