



2022-N-018
28 February 2022

Update on our link with Russia

Target audience

- Network Managers
- Compliance Officers
- Settlement Operations
- Back-office teams

Effective dates

See pages 1 and 2

Highlights

Further to our [Newsletter 2022-N-016](#) published on 25 February 2022, we would like to update you on our link with the Russian market.

Actions

1. Ensure that you (and your underlying clients) carry out the necessary due diligence in order to comply with the UK, US and EU Sanctions.
2. Review your pending transactions to assess if they are in scope of UK, US and EU Sanctions.
3. We encourage you to use EasyWay/SWIFT reporting to verify the status of your settlement instructions.

What does this mean for you?

- **On 25 February 2022**, we closed the Bridge with Clearstream Banking Luxembourg for the settlement of all Russian domestic securities (RU ISINs) and all securities denominated in the Russian rouble (RUB)
- **Effective settlement date Thursday, 3 March 2022:**
 - external settlement for transactions in Russian domestic securities (RU ISINs) will be possible on a **free of payment basis only**
 - internal settlement for transactions in all securities **against RUB will no longer possible**
- **Effective Tuesday, 1 March 2022**, we will change the setup of our link to the Russian market, we will:
 - disable VTB Bank (PJSC) (VTB) as our account operator with the National Settlement Depository (NSD)
 - operate our direct account with NSD ourselves

Note: the change of our setup will have an impact on settlement instructions with settlement date **Monday, 28 February 2022**.

As from Tuesday, 1 March 2022, voluntary corporate actions will no longer be possible.



Important – our account with **ING Bank**, our Cash Correspondent in Moscow remains open for the time being. Given that settlement against RUB in Russian domestic securities will not be possible as from **Wednesday, 2 March 2022**, no incoming funds will be allowed. As a reminder, VTB Bank can no longer be used as our Cash Correspondent.

Where UK, US and EU Sanctions allow, we will continue to process mandatory corporate actions, including income and redemption events.

Important processing information on all impacted securities instructions

We are implementing measures to monitor that any transfer of securities takes place within the limits of permitted activities under the UK, US or EU Sanctions, as applicable.

For this purpose, processing of instructions on the securities will be excluded from straight-through processing and such instructions would be suspended until the necessary due diligence checks are performed. Please refer to [Newsletter 2022-N-016](#) for details.

Settlement instructions for the impacted securities will be treated as manual instructions and therefore the input deadline is set at **S-1 at 10:00**.

Important

We kindly remind you that in accordance with section 3.1.1 of the Operating Procedures of the Euroclear System, Euroclear Bank may suspend and/or block your instructions if they require manual investigation as part of our compliance policy.

We will not take any liability for any damage or loss resulting from such investigation and/or delay in processing of your instruction due to such investigation. If we obtain sufficient comfort that your instructions fall within the permitted activities, then such instructions would be allowed to continue their processing cycle. If it is not the case, then your instructions would be rejected.

In addition to the actions and measures we have taken, we expect you, as our Participant (and any other underlying entity), to also ensure due diligence and compliance with the sanctions, as they should be respected in every step throughout the custody chain.

Keeping you informed

We are closely monitoring the situation and will keep you informed of any further developments.

Who to contact?

Questions on	Contact	Contact details
Specific settlement transactions	Settlement Client Service	+32 2 326 2098
Our link with Russia	Account Management	+32 2 326 2812