

2022-N-033
25 April 2022

RUB cash payments on Russian domestic securities

Target audience

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

Effective date

Immediately

Highlights

As announced in our [Newsflash](#) published on 30 March 2022, the National Settlement Depository (NSD) has opened a Type 'C'¹ (i.e. an account opened for non-residents) **cash account** in the name of Euroclear Bank on its books.

We will open a Type 'C' **cash sub-account** on our books for you. This will enable you to segregate your Type 'C' Russian rouble (RUB) cash account activity from your standard RUB cash account activity with us.

Impact

- Please take the necessary actions to reflect the new Type 'C' sub-account(s) in your systems.
- **EasyWay users** - please contact your company administrator to request access to the new Type 'C' sub-account(s) for reporting purposes.
- **SWIFT users** - no additional action needed for reporting

New Type 'C' cash sub-account

We will open an equivalent Type 'C' **cash sub-account** on our books for each standard RUB cash account that you hold with us and for which Type 'C' RUB proceeds are entitled to be reflected.

The opening of these Type 'C' cash sub-account(s) will be processed without requiring any documentation from you.

The new Type 'C' cash sub-account(s) will:

- be opened for the sole purpose of reflecting Type 'C' RUB payments. No other activity will be allowed on the sub-account(s)
- have the following characteristics:
 - **naming convention - Client Name/CRUBxxxxx, City Name** (where xxxxx stands for your standard RUB cash account). This naming convention allows you to:
 1. easily identify the new sub-account as being a Type 'C' RUB cash sub-account
 2. associate your new Type 'C' RUB cash sub-account with your existing standard RUB cash account

¹ also known as a Type 'S' account (Cyrillic translation).



- **reporting subscription** - we will apply the same reporting subscription to your new Type 'C' RUB cash sub-account(s) as per the setup you have on your existing standard RUB cash account(s)
- **money transfer instruction input** - for the moment, money transfer instructions on new Type 'C' RUB cash sub-account(s) are not possible until we have received further clarification from NSD on the cash movements that are permissible on Type 'C' RUB cash accounts
- the Type 'C' RUB proceeds reflected in your Type 'C' RUB cash sub-account are subject to section 16(k) of our *Terms and Conditions governing use of Euroclear*

We will send you an email to confirm the opening of your new Type 'C' RUB cash sub-account(s), including your new account details. Until further notice, any Type 'C' RUB cash sub-account(s) we open on your behalf will not be subject to any fees or interest.

Note: if you receive Russian domestic securities on a Securities Account for which no 'Type C' cash sub-account has been opened yet, we will automatically open a Type 'C' cash sub-account on our books as soon as possible after the receipt of securities

RUB cash payments for income and redemption events

Cash payments due	Referred to as	Current status
Between 28 February and 5 March 2022	'Non-restricted RUB'	<ul style="list-style-type: none"> • NSD has booked payments and tax refunds on our existing (non-Type 'C') cash account. • All transfers between this non-Type 'C' cash account at NSD and our existing (non-Type 'C') cash account at ING Bank Moscow are on hold at NSD pending their compliance review.
After 5 March 2022	'Restricted RUB'	<ul style="list-style-type: none"> • NSD has opened a Type 'C'* (i.e. an account opened for non-residents) cash account in the name of Euroclear Bank on its books. NSD has booked payments and tax refunds on our new Type 'C' cash account. • According to Presidential Decree No. 95, cash movements are only possible between two Type 'C' cash accounts. • How such cash movements between Type 'C' accounts should take place is still being clarified with NSD.

When possible, we should reflect eligible RUB proceeds to your Type 'C' RUB cash sub-account(s) with the **same value date** as our account is credited by NSD, unless your Type 'C' RUB cash sub-account was opened after the value date of the proceeds. In such cases, we should apply the **sub-account opening date** as the earliest possible value date of the payment.

What does this mean for you?

- For the income and redemption proceeds paid on our non-Type ‘C’ cash account, we will not be in a position to credit these on your account until NSD has completed its compliance review. We will provide you with more information once available.
- For income and redemption proceeds paying in Type ‘C’ RUB for securities deposited in NSD, once we receive and reconcile the funds in Type ‘C’ RUB, we will:
 - report that we have received and reconciled the funds via the following reports: (**Note:** there is no distinction between standard RUB and Type ‘C’ RUB in these reports)

Report	Sent to/Available for
MT 567 Cash Status Advice	Your Securities Clearance Account(s)
R59 Income Payable Report – Part 6 (EasyWay Reports)	Your Securities Clearance Account(s)
Reconciliation status in the forecasted movements in EasyWay Corporate Actions	Your Securities Clearance Account(s)

Note: until now, we have not reported the receipt and reconciliation of Type ‘C’ RUB payments. We will start reporting the receipt and reconciliation of Type ‘C’ RUB payments shortly. When we apply this change, the reconciliation reports for past payments will be released and the reconciliation status in EasyWay will be updated.

- report that we have received a ‘Type ‘C’ RUB payment via the following reports:

Report	Sent to/Available for
MT 564 Corporate Action Notification /MT 568 Corporate Action Narrative	Your Securities Clearance Account(s)
R40 Corporate Action Notification (DACE Notices) (EasyWay Reports)	Your Securities Clearance Account(s)
Notices Dashboard in EasyWay Corporate Actions	Your Securities Clearance Account(s)

- report that we have credited and debited your existing standard RUB cash account simultaneously with the same amount in RUB with the specific narrative ‘PAYMENT IN TYPE C RUB’, via the following reports:

Report	Sent to/Available for
MT 566 Corporate Action Movement Confirmation	Your Securities Clearance Account(s)
R59 Income Payable Report – Items Posted (EasyWay Reports)	Your Securities Clearance Account(s)
Booked movement in EasyWay Corporate Actions	Your Securities Clearance Account(s)



Note: these credit and debit movements will also be reported in the cash statements (MT 940, MT 942, MT 950 and/or R35) of your standard RUB cash account.

- (once your Type 'C' cash sub-account has been opened), reflect in your Type 'C' cash sub-account cash account the same amount in RUB as soon as we have performed our reconciliation

Note: this reflection can be performed at the earliest on the next Business Day after the credit and debit of your existing standard RUB cash account.

This movement will be reported with a specific narrative (see example below):

Report	Sent to/Available for
MT 910 Credit Confirmation report (real-time)	Type 'C' RUB Cash sub-account(s)
MT 940, MT 942 and MT 950 Cash statements	Type 'C' RUB Cash sub-account(s)
R29 Executed Money Transfer Instructions report (EasyWay Reports)	Type 'C' RUB Cash sub-account(s)
R35 Cash Movements report (EasyWay Reports)	Type 'C' RUB Cash sub-account(s)

The narrative consists of the code words: CRUB, ISIN, event number and the relevant Securities Clearance Account number.

Example: CRUB – RUXXXX123456 EVENT 7654321 – xxxxx

Note: the amount reflected should also be included in the balance of the R34 Real-time Cash Position report.

For tax refunds, we are reviewing our processing and how to report it to you. We will notify you once further details are available.

Latest status on our link for Russia

For the most up-to-date date information on our link with Russia, please visit our [Current status of our link with Russia](#) webpage.

Keeping you informed

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

Who to contact?

Contact	Contact details
Account Management	<ul style="list-style-type: none">• Taskize: in the Add parties section > Organisation: select: Euroclear Bank > Function: select Account Management• +32 2 326 2812