

on the development of draft regulation for Russian payment system activities, among other topics.

### **1.3.3 *Federal Financial Markets Service (FFMS)***

FFMS is the federal executive body that formulates legislation on the financial markets, and controls and supervises financial markets (except for ~~insurance~~, banking and audit activities). FFMS reports directly to the Government of the Russian Federation.

FFMS regulates securities markets by:

- establishing mandatory requirements for the activities of issuers and professional securities market participants, and for the standards that govern these activities;
- providing for the registration of securities issues and issue prospectuses, as well as monitoring and checking that issuers are in compliance with the terms and conditions of issues;
- licensing of the activities of professional securities market participants;
- establishing owners' rights protection and monitoring the observance of these rights by issuers and professional securities market participants; and
- preventing illegal or unlicensed activities in the securities market.

FFMS is a member of IOSCO.

### **1.3.4 *Stock exchanges***

At present, there are four trading organisers in Russia (the Moscow Interbank Currency Exchange (MICEX), the St Petersburg Currency Exchange (SPCEX), the Russian Trading System Stock Exchange Non-for-Profit Partnership (NP RTS), and the Moscow Stock Exchange (MSE)), and four stock exchanges, two of which are located in Moscow (the MICEX Stock Exchange (MICEX SE) and the Russian Trading System Stock Exchange (RTS)), and two in St Petersburg (the St Petersburg Currency Exchange (SPCEX) and St Petersburg Exchange (SPBEX)).

According to the federal law "On the securities market", stock exchanges are market institutions that organise securities trading. Stock exchanges cannot combine securities trading with other kinds of professional activities in the securities market, with the exception of clearing activities (for a description of clearing and settlement services see Chapter 4).

Stock exchanges may be set up as not-for-profit partnerships or joint stock companies, and may only organise trading between their members. Other securities market participants can conduct their activities only through the intermediation of stock exchange members.

Any professional securities market participant that conducts activities specified in the federal law "On the securities market" may become a stock exchange member. The procedures for joining and leaving the stock exchange as well as for exclusion from the stock exchange are determined by the stock exchange independently, based on its internal regulations.

A wide range of Russian securities (government as well as corporate securities) and derivatives is traded on stock exchanges; only a minority is traded over the counter.

In 2009, the value of securities and derivatives trades executed on the major Russian trading platforms (MICEX, MICEX SE, RTS) amounted to more than 90 ~~billion~~ trillion rubles. The value of foreign currency trading on the organised foreign exchange market (MICEX Foreign Currency Exchange Market) was more than 96 ~~billion~~ trillion rubles.