

International Bank Euroclear Settling Trades for Russian Shares, Sources Say

By [The Moscow Times](#)

September 18, 2014



An employee of a bank counts rouble banknotes in Moscow.

International settlement bank Euroclear has begun settling trades for Russian equities, financial market sources said, in a long-planned move that may ease access for foreign investors.

"On Tuesday a notice arrived from Euroclear saying that a possibility has appeared for working out deals with Russian shares, that settlements have begun," said an equity salesman at a Russian brokerage.

Euroclear declined to comment.

Several waves of Western sanctions against Moscow over its role in the Ukraine crisis have limited access to foreign capital for Russia's largest banks and key oil companies. However, the sanctions relate to new share issues by the sanctioned companies and do not bar

foreigners from buying other Russian shares.

Euroclear, based in Brussels, is the largest provider of securities settlement services. It began settling Russian domestic government bonds in early 2013, and Russian corporate bonds in January this year.

The extension of Euroclear's services to Russia would ease access to the market for many foreign investors, as part of a long-standing government policy to liberalise Russian financial markets and boost their liquidity.

Since the beginning of 2012, the share of foreign investors in the treasury bond market has soared from 4 percent to around a quarter.

The impact on the equity market is less clear-cut, however. Foreign investors already account for a significant share of equity trades in Moscow, and they are also the major holders of shares traded abroad in the form of depositary receipts.

"Depositary receipts are located in a different jurisdiction. Considering the tense geopolitical situation, foreign investors, it seems to me, will as before prefer depositary receipts to shares," said a salesman at a Russian investment company.

Euroclear had been aiming to launch operations for Russian equities on July 1. However, it was forced to delay the plan because not all the requisite changes to Russian legislation were yet in place, Euroclear said at the time.

A financial market source said now all the necessary legal changes were in place.

Clearstream, the other major international securities settlement system, announced the start of settlement operations for Russian equities in July.

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