

BANK OF RUSSIA

INSTRUCTION

№ 124-I OF JULY 15, 2005

ON SETTING AMOUNTS (LIMITS) ON OPEN FOREIGN EXCHANGE POSITIONS, THE METHODOLOGY FOR CALCULATING THEM AND THE SPECIFICS OF SUPERVISION OVER THEIR COMPLIANCE BY CREDIT INSTITUTIONS

List of amending documents

(as per the Bank of Russia Ordinance № 1832–U,
dated 1 June 2007, № 1906-U, dated 14 November
2007, and № 2811-U, dated 28 April 2012)

This Instruction is based on the provisions of article 68 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ (Legislation Bulletin of the Russian Federation, 2002, № 28, Article 2790) and is in compliance with the decision of the Bank of Russia Board of Directors (Minutes of the Meeting of the Bank of Russia Board of Directors № 13, dated 8 July 2005), it sets the limits on open foreign exchange positions, the methodology for calculating them and the specifics of supervision over their compliance by credit institutions.

Chapter 1. Procedure for Calculating the Amounts (Limits) of Open Foreign Exchange Positions

1.1. Amounts (limits) of open foreign exchange positions are calculated as ratios of open foreign exchange positions in a single foreign currency and precious metal, a balancing position in Russian rubles, the overall amount of all open foreign exchange positions in a single foreign currency and precious metal to own funds

(capital) of credit institutions the amount of which is defined under the provisions of Bank of Russia Regulation № 215-P, dated 10 February 2003, 'On the Methodology for determining the amount of own funds (capital) of Credit Institutions' registered by the Ministry of Justice of the Russian Federation under № 4269 on 17 March 2003 (Bank of Russia Bulletin № 15, dated 20 March 2003) (hereinafter referred to as 'Bank of Russia Regulation № 215-P').

Comment. Currently Bank of Russia Regulation № 395-P, dated 28 December 2012, 'On the Methodology for determining the amount of own funds (capital) of Credit Institutions (Basel III)' is used instead of Bank of Russia Regulation № 215-P.

1.1.1. For the purpose of calculating open foreign exchange positions in a single foreign currency and precious metal, net positions are calculated as the difference between balance-sheet assets and liabilities, off-balance-sheet claims and liabilities in each foreign currency and each precious metal (both in physical and unallocated forms) except for non-deliverable derivative financial instruments (hereinafter referred to as derivatives). Non-deliverable derivatives are included in the calculation of open foreign exchange positions as an exposure measure calculated in accordance with clauses 1.6, 1.7 and 1.8 of this Instruction.

1.1.2. The calculation of net positions also includes balance-sheet assets and liabilities (except for balances in accounts of the fair value of derivatives), off-balance-sheet claims and liabilities in Russian rubles where the value depends on the dynamics of the corresponding foreign exchange rates to Russian ruble and/or reference prices of precious metals set by the Bank of Russia (hereinafter referred to as the 'foreign exchange rates' and 'precious metal reference price') subject to the calculation of net positions.

The above mentioned balance-sheet assets and liabilities, off-balance-sheet claims and liabilities are included for the purpose of calculating net positions in the following order:

balance-sheet assets and liabilities, off-balance-sheet claims and liabilities in Russian rubles are converted into a foreign currency or a precious metal, to which

they are linked, using the corresponding foreign exchange rates or the corresponding precious metals reference prices as of the date when limits on open foreign exchange positions are calculated;

the resulting amount shall be added to the balance-sheet assets and liabilities and off-balance-sheet claims and liabilities denominated in the same foreign currency or the same precious metal to which balance-sheet assets and liabilities and off-balance-sheet claims and liabilities denominated in Russian roubles are linked.

1.1.3. Invalid from 1 January 2008. 1.2. For the purpose of calculating the amounts (limits) of open foreign exchange positions the following figures shall be calculated separately on daily basis:

net positions (the net balance-sheet position; the net spot position; the net forward position; the net option position; the net position in guarantees (bank guarantees), sureties and letters of credit) for each foreign currency and each precious metal;

overall balance-sheet position for each foreign currency and each precious metal (sum of the net balance-sheet position and net spot position taking into account the position's sign);

overall off-balance-sheet position for each currency and each precious metal (sum of the net forward position, net option position, net position of guarantees (bank guarantees), sureties and letters of credit taking into account the position's sign as well as the balances in foreign currencies and in precious metals accounted as off-balance sheet items aimed at accounting outstanding interest on interbank credits, deposits and other loans as well as outstanding interest on credits and other loans (except from interbank ones) granted to customers. Outstanding interest in foreign currencies and precious metals accounted at the above mentioned off-balance-sheet accounts shall be included into the overall off-balance-sheet position calculated according to the following formula:

$$X_i = (1 - PP_i / 100) \times C_i ,$$

where:

X_i is the amount of outstanding interest in foreign currencies and/or precious metals on the i -th loan as taken into account for the purpose of calculating the overall off-balance-sheet position;

PP_i is the amount of the estimated provisions on the i -th loan calculated under the Bank of Russia Regulation № 254-P, dated 26 March 2004, 'On the Procedure for Making Provisions by Credit Institutions for Possible Losses on Loans, Loan and Similar Debts', registered by the Ministry of Justice of the Russian Federation under № 5774 on 26 April 2004, № 8676 on 27 December 2006 (Bank of Russia Bulletin № 28 dated 7 May 2004, № 26 dated 4 May 2006, № 1 dated 15 January 2007) (hereinafter referred to as 'Bank of Russia Regulation № 254-P');

C is the balance in the corresponding sub-ledger (analytical) account of the off-balance-sheet accounts for the outstanding interest on the i^{th} loan;

open foreign exchange positions in a single foreign currency and precious metal;

balancing position in Russian rubles;

the overall amount of all open foreign exchange positions in a single foreign currency and precious metal.

1.3. For the calculation of the amount (limits) of open foreign exchange positions, open foreign exchange positions in a single foreign currency and precious metal are calculated by summing up the net balance-sheet position, net spot position, net forward position, net option position and net position in guarantees (bank guarantees), sureties and letters of credit taking into account the positions' sign.

For the purpose of calculating open foreign exchange positions in a single foreign currency and precious metal, the sign '+' is used for the net long position calculated as a positive number.

For the purpose of calculating open foreign exchange positions in a single foreign currency and precious metal the sign '-' is used for the net short position calculated as a negative number.

1.4. The net open balance-sheet position is calculated as the difference between the amount of balance-sheet assets and balance-sheet liabilities denominated in the

same foreign currency or the same precious metal taking into account provisions made for financial instruments denominated in the same foreign currency or the same precious metal as the net open balance-sheet position.

1.5. For the purpose of calculating the open foreign exchange position the following shall be taken into account.

1.5.1. Balance-sheet assets shall be taken into account for the calculation of the open balance-sheet position net of provisions made in compliance with the Bank of Russia Regulation № 254-P, dated 20 March 2006, and Bank of Russia Regulation № 283-P 'On the Procedure for Making Provisions by Credit Institutions for Other Possible Losses' registered by the Ministry of Justice of the Russian Federation under № 7741 on 25 April 2006 (Bank of Russia Bulletin № 26, dated 4 May 2006) (hereinafter referred to as the 'Bank of Russia Regulation № 283-P').

1.6. The net spot position is calculated as the difference between claims and liabilities denominated in the same foreign currency and the same precious metal under transactions (except for options) that meet the definition of spot transactions in terms of the Bank of Russia Regulation № 302-P, dated 26 March 2007, 'On Accounting Rules for Credit Institutions Located within the Russian Federation' registered by the Ministry of Justice of the Russian Federation under № 9176 on 29 March 2007, № 10390 on 23 October 2007, № 12584 on 6 November 2008, № 12783 on 2 December 2008, № 12904 on 19 December 2008, № 15476 on 10 December 2009, № 15778 on 22 December, №18003 on 30 July 2010, № 18642 on 6 October 2010, № 19133 on 8 December 2010, № 19564 on 24 January 2011, № 21379 on 15 July 2011, № 21772 on 12 September 2011, № 21855 on 21 September 2011, № 22545 on 12 December 2011 (Bank of Russia Bulletin № 20-21 dated 16 April 2007, № 60 dated 31 October 2007, № 67 dated 19 November 2008, № 72 dated 10 December 2008, № 75 dated 31 December 2008, № 72 dated 16 December 2009, № 77 dated 28 December 2009, № 45 dated 11 August, № 56 dated 13 October, 2010, № 68 dated 15 December 2010, № 7 dated 2 February 2011, № 43 dated 4 August 2011, № 52 dated 21 September, 2011, № 54 dated 28 September 2011, № 71 dated 19 December) (hereinafter referred to as 'Bank of Russia

Regulation № 302-P'). Claims and (or) liabilities on deliverable instruments (contracts) shall be calculated based on the off-balance-sheet accounting data. Claims and (or) liabilities on non-deliverable instruments (contracts) shall be calculated as claims and (or) liabilities on the similar deliverable instruments (contracts).

Comment. Currently the Bank of Russia Regulation № 385-P, dated 16 July 2012, 'On the Accounting Rules for Credit Institutions Located on the Territory of the Russian Federation' is used instead of Bank of Russia Regulation № 302-P.

1.7. The net forward position shall be considered as the difference between claims and (or) liabilities denominated in the same foreign currency and the same precious metal on derivatives (except for options) subject to the provisions of the Bank of Russia Regulation № 372-P, dated 4 July 2011, 'On the Procedure for Accounting of Derivative Financial Instruments' registered by the Ministry of Justice of the Russian Federation under № 21445 on 22 July 2011 (Bank of Russia Bulletin № 43, dated 4 August 2011) and transactions that meet the definition of forward transactions in terms of Bank of Russia Regulation № 302-P. Claims and (or) liabilities on deliverable instruments (contracts) shall be calculated based on the off-balance-sheet accounting data. Claims and (or) liabilities on non-deliverable instruments (contracts) shall be calculated in the same way as claims and (or) liabilities on the similar deliverable instruments (contracts).

1.7.1. Claims and liabilities used for the purpose of calculating the net forward position shall include claims and liabilities on the forward part of the non-deliverable foreign exchange forward which is comprised by a combination of the two following transactions: a foreign exchange forward contract (the forward part of the non-deliverable forward) and a liability to enter into an opposite transaction on the expiration date of the forward contract (spot part of the non-deliverable forward).

1.7.2. Claims and liabilities used for the purpose of calculating the net forward position shall include claims and liabilities on hedging transactions aimed at

compensating for possible losses as a result of adverse changes in the value of the hedged item (underlying instrument).

Hedging transactions shall be taken into account if they are concluded:

in organised markets;

over-the-counter with legal entities which issue securities acceptable as collateral for loans as well as legal entities which are treated as acceptable guarantors (sureties, backers, or acceptors) listed in the clauses 6.2 and 6.3 of Bank of Russia Regulation № 254-P for loan loss provisioning, provided that hedging transactions are in compliance with requirements applicable to collateral as prescribed by Chapter 6 of Bank of Russia Regulation № 254-P.

Hedging transactions with any other counterparty shall not be taken into account for the purpose of calculating the net forward position.

1.7.3. Before the purchase - sale (settlement) price of the financial instrument is fixed based on the contract terms and conditions, claims and liabilities on transactions for purchase and sale of financial instruments if a settlement for such transactions are made based on the price calculated on the date stipulated by the contract shall not be taken into account for the calculation of the net forward position.

After the sale - purchase (settlement) price of financial instruments is fixed, claims and (or) liabilities arising from such transactions are included in the calculation of the net spot position and/or the net forward position (depending on the period from the date when the price is fixed and the date of delivery of financial instruments).

1.7.4. Claims and liabilities under the contracts of foreign currency purchase and sale and/or any other contracts involving financial instruments in a foreign currency without specified settlement date shall not be taken into account for the purpose of calculating the net forward position.

1.8. The net option position shall be calculated as the difference between the amount of claims and liabilities denominated in the same foreign currency or the same precious metal that arise from the credit institution buying or writing options.

The amount equal to the current market value of the underlying asset of the option denominated in a foreign currency or a precious metal multiplied by the Delta are taken into account for the purpose of calculating the net option position. Options with a premium of 0.001 percent of the value of the underlying asset of the option or less shall not be taken into account for the purpose of calculating the net option position.

1.8.1. For put options, the difference between the value of the underlying asset of the option set under the contract and the current market value of the underlying asset shall be calculated.

1.8.2. For call options, the difference between the current market value of the underlying asset and the value of the underlying asset of the option set under the contract shall be calculated.

The current market value of the underlying asset of the option shall be defined based on the average weighted price of the underlying asset calculated on the organised market where the credit institution has entered into the option contract. In the absence of an exchange quotation for the underlying asset, its current market value shall be identified based on the exchange rate of the corresponding foreign currency or on the reference price of the corresponding precious metal set by the Bank of Russia.

For option contracts on securities denominated in a foreign currency, the current market value of the underlying shall be defined as prescribed by the Bank of Russia Regulation № 302-P for the current (fair) value of securities. For option contracts on securities denominated in a foreign currency without any current market value, the Delta shall not be calculated.

1.8.3. *(this subclause is applied as in the previous version of this Regulation)*

Results of calculations set in the subclauses 1.8.1 and 1.8.2 of this clause shall be reduced by the premium received or paid.

1.8.4. *(this subclause is applied as in the previous version of this Regulation)* If the result of the calculation set in the subclause 1.8.3 of this clause is:

zero, the Delta is deemed equal to 0.5;

positive, the Delta is deemed equal to 1.0;

negative, the Delta is deemed equal to 0.

1.9. The net position in guarantees (bank guarantees), sureties, and letters of credit shall be calculated as the difference between off-balance-sheet claims and liabilities denominated in the same foreign currency on the guaranties (bank guaranties), sureties, and letters of credit provided and received.

1.9.1. Claims and liabilities denominated in a foreign currency included in the calculation of the net position in guaranties (bank guaranties), sureties, and letters of credit shall include the following:

guarantees (bank guarantees) provided that are irrevocable under the contract terms and conditions and sureties provided under similar terms and conditions;

guarantees (bank guarantees) and sureties provided that are not irrevocable under the contract terms and conditions for which the credit institution has formed a professional judgment that they will be exercised (will not be revoked);

guarantees (bank guarantees) and sureties received;

irrevocable covered and uncovered letters of credit provided;

covered and uncovered letters of credit provided for which the credit institution has formed a professional judgment that they will be exercised (will not be revoked);

collateral denominated in a foreign currency or a precious metal received against assets.

Guarantees (bank guarantees), sureties and letters of credit provided shall be accounted for the purpose of calculating the net position in guarantees (bank guarantees), sureties and letters of credit net of provisions for possible losses made pursuant to the provisions of Bank of Russia Regulation № 283-P.

1.9.2. The following shall be taken into account for the purpose of calculating claims and liabilities on guarantees (bank guarantees), sureties and letters of credit.

The guarantees (bank guarantees) and sureties provided that are denominated in foreign currencies shall be included in the calculation of the net position when, according to the professional judgment of the credit institution, such financial instruments are classified to quality categories IV - V under the provisions of Bank

of Russia Regulation № 283-P. Such a professional judgment may be based on the information on non-performance/undue performance by the principal (the debtor), including non-performance/undue performance under obligations that do not have any direct relation to such guarantee (bank guarantee) and surety. The procedure for forming and documenting the professional judgment by the credit institution shall be stipulated in its internal documents.

The received guarantees (bank guarantees) and sureties denominated in a foreign currency shall be taken into account for the purpose of calculating the net position from the date signing the corresponding contracts up to the amount of provisions made on a financial instrument that such guarantees (bank guarantees) and sureties secure (percentage of the principal debt amount).

Financial instruments secured by guarantees (bank guarantees) are as follows:

claims on credits as defined by clause 2.3 of the Bank of Russia Instruction № 110-I, dated 16 January 2004, 'On Statutory Ratios for Banks' registered by the Ministry of Justice of the Russian Federation under № 5529 dated 6 February 2004, № 5997 dated 27 August 2004, № 6391 dated 14 March 2005 (Bank of Russia Bulletin № 11 dated 11 February 2004; № 53 dated 8 September 2004; № 19 dated 13 April 2005) (hereinafter referred to as 'Bank of Russia Instruction № 110-I');

Comment. Currently the Bank of Russia Instruction № 139-I, dated 3 December 2012 'On Statutory Ratios for Banks' is used instead of the Bank of Russia Instruction № 110-I.

financial instruments for which provisions are made on credit-related contingent liabilities as prescribed by Chapter 3 of Bank of Russia Regulation № 283-P (as amended by Bank of Russia Ordinance № 1832-U, dated 1 June 2007)

1.9.3. Guarantees (bank guarantees) and sureties received shall be included for the purpose of calculating the net position with the sign '+', guarantees (bank guarantees) and sureties provided shall be included for the purpose of calculating the net position with the sign '-', covered and uncovered letters of credit provided shall be included for the same purpose with the sign '-'.

1.9.4. Covered and uncovered letters of credit provided shall be taken into account for the purpose of calculating the net position from the moment when, according to the professional judgment of the credit institution which provided letters of credit, these financial instruments are classified to quality categories IV–V under the provisions of Bank of Russia Regulation № 283-P.

1.9.5. Collateral denominated in a foreign currency or in a precious metal shall be taken into account for the purpose of calculating the net position as prescribed for guarantees (bank guarantees) and sureties received.

1.10. For the purpose of calculating balancing position in Russian rubles the following shall be taken into account.

1.10.1. For each foreign currency, net positions shall be converted into Russian rubles by applying the foreign exchange rate set the Bank of Russia as of the calculation date.

1.10.2. For each precious metal, net positions in physical terms shall be converted into Russian rubles by applying the reference prices set by the Bank of Russia as of the calculation date.

1.10.3. The balancing position in Russian rubles shall be calculated as the difference between the absolute sum of all open short foreign exchange positions expressed in Russian rubles and the absolute sum of all open long foreign exchange positions expressed in Russian rubles.

1.11. The overall amount of all open foreign exchange positions in a single foreign currency and precious metal shall be calculated as the sum of all open long foreign exchange positions in each foreign currency and each precious metal (including the balancing position in Russian rubles if it is long) that shall be equal (in absolute terms) to the sum of all open short foreign exchange positions in each foreign currency and each precious metal (including the balancing position in Russian rubles if it is short).

Chapter 2. The Amounts (Limits) of the Open Foreign Exchange Position and Controls to Be Exerted by Credit Institutions over Their Compliance

2.1. For the purpose of limiting foreign exchange risk taken by credit institutions the following amounts (limits) of open foreign exchange positions are set:

2.1.1. The overall of all long (short) foreign exchange positions in each foreign currency and each precious metal shall not exceed 20 % of the own funds (capital) of the credit institution on a daily basis.

2.1.2. Any long (short) foreign exchange position in a single foreign currency and precious metal, as well as the balancing position in Russian rubles shall not exceed 10% of the own funds (capital) of the credit institution on a daily basis.

2.2. Open foreign exchange positions can be managed through the purchase and sale of foreign currency and/or any other transactions with financial instruments denominated in a foreign currency if there is every reason to believe that the corresponding transaction will be exercised or there are no reasons that may prevent it from being exercised.

2.3. Credit institutions that have branches as well as large credit institutions that have a wide network of subdivisions shall control the amounts (limits) of their open foreign exchange positions themselves, taking into account the following.

2.3.1. Under one of the methods used to control the amount (limit) of open foreign exchange positions of the head office and the branches of the credit institution, such credit institution shall set sublimits for open foreign exchange positions for head offices and branches. Sublimits may be set as a percentage of the amount of own funds (capital) of the credit institution or in absolute terms. The head office of the credit institution shall set sublimits for its branches, according to the restrictions prescribed by clause 2.1 subclauses 2.1.1 and 2.1.2 of this Instruction.

2.3.2. Credit institutions that have branches as well as large credit institutions that have a wide network of subdivisions shall develop and approve internal documents on the controls to be exerted by the head office over sublimits on the open foreign exchange positions of branches of such credit institutions.

2.4. Credit institutions must comply on a daily basis with the amounts (limits) of open foreign exchange positions prescribed by clause 2.1 subclauses 2.1.1 and 2.1.2 of this Instruction. The method to control daily compliance with amounts (limits) of open foreign exchange positions by credit institutions shall meet the requirements of Bank of Russia Regulation № 242-P, dated 16 December 2003, “On the Organisation of Internal Controls in Credit Institutions and Banking Groups’ registered by the Ministry of Justice of the Russian Federation under № 5489, dated 27 January 2004; № 6222, dated 22 December 2004 (Bank of Russia Bulletin № 7, dated 4 February 2004; № 74, dated 31 December 2004).

Credit institutions shall not carry forward to the next business day the amounts exceeding the limits on their open foreign exchange positions.

Those credit institutions that make transactions on the weekends and public holidays must comply on those days with such amounts (limits) of open foreign exchange positions.

2.5. Credit institutions that have received banking licences from the Bank of Russia for transactions in Russian rubles and foreign currencies and/or licenses to take precious metals in deposits and to invest them, shall ensure compliance with the amounts (limits) of open foreign exchange positions from the date the first transaction is made with financial instruments denominated in a foreign currency or a precious metal or in Russian rubles (the value of the latter linked to changes in the foreign exchange rate set by the Bank of Russia or changes in the reference price of the precious metal set by the Bank of Russia as well as the date of the foreign currency incoming as payments for the authorised capital.

2.6. Those credit institutions that do not have banking licences from the Bank of Russia for transactions in Russian rubles and foreign currencies and/or licences to take precious metals in deposits and to invest them, shall ensure compliance with the amounts (limits) of the open foreign exchange positions from the date the foreign currency is received as payment for the authorised capital and/or the date of transactions with domestic government bonds denominated in a foreign currency and/or transactions with financial instruments denominated in Russian rubles linked

to changes in the foreign exchange rates and the reference prices set for precious metals.

2.7. Credit institutions shall prepare and submit reports on the amounts (limits) of their open foreign exchange positions according to Reporting Form № 0409634 'Report on Open foreign exchange Positions' (hereinafter referred to as 'form 0409634') as prescribed by Appendix 1 to the Bank of Russia Ordinance № 2332-U, dated 12 November 2009, 'On the List, Forms and Procedure for Compiling and Presenting Reporting Forms by Credit Institutions to the Central Bank of the Russian Federation' registered by the Ministry of Justice of the Russian Federation under № 15615 on 16 December 2009, № 17590 on 18 June 2010, № 19313 on 22 December 2010, № 21060 on 20 June 2011, № 22650 on 16 December 2011 (Bank of Russia Bulletin № 75-76 dated 25 December 2009, № 35 dated 25 June 2010, № 72 dated 28 December 2010, № 34 dated 28 June 2011, № 73 dated 23 December 2011)

Chapter 3. The Reasons and Procedures for Setting Control Amounts (Limits) of Open foreign exchange Positions

3.1. Control amounts (limits) of open foreign exchange positions set by territorial divisions of the Bank of Russia shall be the amounts (limits) of open foreign exchange positions as of the quarterly dates with a view to ensure a steady reduction in the breach amounts (limits) of the open foreign exchange positions to the prescribed levels.

Subject to applications by the credit institutions and if these credit institutions exceed such amounts (including forecast ones), the territorial divisions of the Bank of Russia are authorised to set the control amounts (limits) for the open foreign exchange positions based on the reasons listed in clause 3.2 in this Instruction, provided that there is a direct cause-and-effect link between the reasons for such an excess by the credit institution of such amounts (limits) of open foreign exchange positions.

3.2. The reasons for setting the control amounts (limits) of the open foreign exchange positions are as follows:

The Bank of Russia changes the calculation method of amounts (limits) of open foreign exchange positions;

The Bank of Russia changes the calculation method for own funds (capital) of credit institutions.

3.3. The procedure for setting the control amounts (limits) of the open foreign exchange positions shall be as described below.

3.3.1. If the amounts (limits) of the open foreign exchange positions are exceeded for reasons listed in clause 3.2 of this Instruction, the credit institution shall have the right to apply in any format to the territorial division of the Bank of Russia for setting new control amounts (limits) of the open foreign exchange positions and such application shall be signed by the single executive body of the credit institution or deputy single executive body of the credit institution authorised to sign reports, chief accountant or any person acting as chief accountant.

3.3.2. The territorial division of the Bank of Russia shall review such application and it shall within 10 business days upon receipt thereof send to the credit institution a resolution confirming that the new control amounts (limits) of the open foreign exchange position are set or denied. In the event of a favourable decision, the territorial division of the Bank of Russia shall also send to the credit institution information on the new control amounts (values) of the open FX positions and their validity period.

The new control amounts (values) of the open foreign exchange positions may be set by the territorial division of the Bank of Russia for a period not exceeding 1 calendar year.

**Chapter 4. Specifics of the Bank of Russia Exerting Control
over Compliance by the Credit Institutions with the Amounts (Limits)
Set for Open foreign exchange Positions**

4.1. Territorial divisions of the Bank of Russia shall exert control over compliance by credit institutions with the amounts (limits) of the open foreign exchange positions based on the following:

reporting data under forms № 0409101 ‘Balance Sheet of the Credit Institution’, № 0409134 ‘Calculation of the Amount of Own Funds (Capital)’ and № 0409634 ‘Open foreign Exchange Positions Report’ as submitted by the credit institutions as of the 1st day of each month following the reporting month (every ten days for credit institutions that submit reports under Form № 0409701 ‘Report on Foreign Exchange Transactions’);

Comment. Reporting form № 0409124 is used instead of reporting form № 0409134.

reporting data submitted by credit institutions upon request of the Bank of Russia as of any day (any days) within any month under form № 0409634;

data received as a result of on-site inspections performed by the Bank of Russia (its authorised representatives) under Article 73 of the Federal Law of the Russian Federation ‘On the Central Bank of the Russian Federation (Bank of Russia)’ (Legislation Bulletin of the Russian Federation, 2002, № 28, Article 2790; 2003, № 2 Article 157).

4.2. If the set amounts (limits) of open foreign exchange positions in a single currency or a single precious metals, the balancing position in Russian rubles and the overall amount of all open foreign exchange positions in a single currency and precious metal (including the control values set therefor) is exceeded during 6 and more business days in total during a sequence of any 30 business days, the Bank of Russia has the right to apply enforcement measures.

Chapter 5. Final Provisions

This Instruction shall become effective 6 months after the day of its official publication in the Bank of Russia Bulletin.

Governor of the
Central Bank of
the Russian
Federation
S.M. IGNATIEV