

RESOLUTION OF THE BOARD OF THE NATIONAL BANK
OF THE REPUBLIC OF BELARUS
March 4, 2016, No. 177/8

**On identifying the National Forex Center and approval of
the Regulations on the National Forex Center**

Amendments and addenda:

Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 462/17 dated June 14, 2016 (National Legal Internet Portal of the Republic of Belarus, June 18, 2016, 5/42220)

By virtue of Parts one, three, and paragraph six of Part four of Clause 6, Part two of Clause 7, paragraph three of Clause 16, and in pursuance of paragraph three of Clause 25 in Edict of the President of the Republic of Belarus No. № 231 dated June 4, 2015 “On Carrying out Activities in the Over-the Counter Forex Market”, the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus DECIDE:

1. The Belarusian Currency and Stock Exchange Joint Stock Company shall be identified as the National Forex Center.

The Belarusian Currency and Stock Exchange Joint Stock Company shall be entitled to carry out its activities on conducting transactions in non-deliverable over-the-counter financial instruments initiated by forex companies, banks, nonbank financial institutions (activities in the over-the-counter forex market), after adoption of the relevant legislative act.

2. The enclosed Regulations on the National Forex Center shall be approved.
3. This Resolution shall come into effect from March 7, 2016.

**Prime Minister
of the Republic of Belarus
A. Kobyakov**

**Chairman of the Board
of the National Bank
of the Republic of Belarus
P. Kallaur**

APPROVED

Resolution
of the Council of Ministers
of the Republic of Belarus
and the National Bank
of the Republic of Belarus
March 04, 2016 No. 177/8

**REGULATIONS
on the National Forex Center**

**ARTICLE 1
GENERAL PROVISIONS**

1. The present Regulations shall establish the operating procedures of the National Forex Center (hereinafter “NFC”); procedure of formation of the guarantee fund, in particular, making contributions to the same by legal entities registered in the Republic of Belarus which authorized capital has been formed with due regard to requirements of Edict of the President of the Republic of Belarus No. 231 dated June 4, 2015 “On Carrying out Activities in the Over-the-counter Forex Market” (National Legal Internet Portal of the Republic of Belarus, June 06, 2015, 1/15836) in the amount not less than 200 thousand Belarusian roubles and which are included in the register of forex companies by the National Bank (hereinafter “the forex company”), as well as by banks, nonbank financial institutions, and amounts of such contributions; procedure of repayment of contributed funds to forex companies, banks, nonbank financial institutions (hereinafter “over-the-counter (OTC) forex market entities”), the ceiling amount of payments from the guarantee fund made under obligations of OTC forex market entities to natural persons and/or legal entities which/who have signed agreements on conducting transactions in non-deliverable over-the-counter financial instruments with such OTC forex market entities (hereinafter “the customers”).
2. NFC in its activities shall be governed by the Constitution of the Republic of Belarus, laws of the Republic of Belarus, acts of the President of the Republic of Belarus, the present Regulations, and other legislative acts.

**ARTICLE 2
MAJOR OBJECTIVES AND FUNCTIONS OF NFC**

3. NFC shall be entrusted with major objectives provided for by Part four of Clause 6 in Edict of the President of the Republic of Belarus No. 231 dated June 4, 2015.
4. To attain major objectives, NFC shall:
 - 4.1. acquire, classify, record and store reporting on all transactions in non-deliverable OTC financial instruments effected by OTC forex market entities in accordance with the rules of acquisition, classification, recording and storage of reporting on all transactions in non-deliverable OTC financial instruments approved by NFC; and submission thereof to the National Bank;
 - 4.2. analyze reporting on all transactions in non-deliverable OTC financial instruments mentioned in Sub-clause 4.1 of this Clause and submitted by OTC forex market entities;

detect violation of conduct of such transactions, and notify the National Bank of such violations in the manner and time specified by the National Bank;

- 4.3. acquire, classify, record and store reporting required for evaluation of financial sustainability of forex companies in accordance with the rules of acquisition, classification, recording and storage of reporting required for evaluation of financial sustainability of forex companies approved by NFC;
- 4.4. analyze reporting required for evaluation of financial sustainability of forex companies mentioned in Sub-clause 4.3 of this Clause;
- 4.5. provide contract-based paid services associated with logging, processing, placement of information, and other services associated with implementation of its functions;
- 4.6. notify the National Bank of occurrence of material risks for financial sustainability of forex companies;
- 4.7. detect the facts of noncompliance of forex companies with values of financial ratios established by the National Bank and notify the National Bank thereof;
- 4.8. provide to legal entities, including OTC forex market entities, on the grounds of valid agreements, paid software for carrying out activities involving non-deliverable OTC financial instruments and for submission of reporting to NFC and the National Bank, or carry out paid test of software belonging to legal entities, including OTC forex market entities, on the grounds of valid agreements and in accordance with the procedure established by the National Bank; and issue a certificate of conformity of such software to the requirements set by the National Bank;
- 4.9. form a guarantee fund at the expense of contributions of OTC forex market entities and place its resources on special-status current (settlement) accounts with the Saving Bank "Belarusbank" Joint Stock Company on terms ensuring income generation by NFC on the basis of interest rate:
 - with regard to funds deposited as registration contributions – on the basis of interest rate similar to the maximum annual interest rate fixed by the Saving Bank "Belarusbank" Joint Stock Company on term deposits of legal entities and individual entrepreneurs in respective currency, placed for the period exceeding one year;
 - with regard to funds deposited as calendar contributions – on the basis of interest rate similar to the maximum annual interest rate fixed by the Saving Bank "Belarusbank" Joint Stock Company on term deposits of legal entities and individual entrepreneurs in respective currency, placed for the period from 31 to 90 days.

Income received shall be the ownership of NFC, transferred to its current (settlement) bank account and used by NFC for implementation of its functions specified by the present Regulations;
- 4.10. notify the National Bank of failure of a OTC forex market entity to discharge its liabilities for formation of the guarantee fund;
- 4.11. make payments from the guarantee fund to its customers to discharge liabilities of OTC forex market entities assumed under agreements on conducting transactions in non-deliverable OTC financial instruments (hereinafter "the agreements"), in accordance with the present Regulations;

- 4.12. perform other functions as required by the legislation.
5. To carry out its operation, NFC shall:
- 5.1. elaborate and approve local regulatory legal acts governing operation of NFC, including:
- procedure of analysis and detection of material risks to financial sustainability of a forex company or of noncompliance of a forex company with financial ratios established by the National Bank;
 - procedure of analysis and detection of improper conduct of transactions in non-deliverable OTC financial instruments committed by OTC forex market entities;
- 5.2. develop and approve regulations required for implementation of major objectives and functions of NFC, including:
- the rules of acquisition, classification, recording and storage of reporting on all transactions in non-deliverable OTC financial instruments conducted by OTC forex market entities;
 - the rules of acquisition, classification, recording and storage of reporting required for evaluation of financial sustainability of forex companies;
 - the rules of filing, procession and execution of orders of OTC forex market entities to fix the underlying asset price when conducting transactions in non-deliverable OTC financial instruments.

ARTICLE 3 RIGHTS AND RESPONSIBILITIES OF NFC

6. NFC shall be entitled to:
- 6.1. fix the amount of remuneration for rendering services associated with logging, processing, placement of information, and other services associated with implementation of its functions;
- 6.2. fix the amount of remuneration for software for carrying out activities involving non-deliverable OTC financial instruments and for submission of reporting to NFC and the National Bank, provided by it to legal entities, OTC forex market entities including;
- 6.3. fix the amount of remuneration for testing software owned by legal entities, OTC forex market entities including, in accordance with the procedure established by the National Bank;
- 6.4. use any foreign currency for settlements with OTC forex market entities under signed agreements when forming the guarantee fund and making payments from the guarantee fund to customers under liabilities of OTC forex market entities;
- 6.5. acquire any foreign currency in the domestic foreign exchange market; open accounts with nonresident banks* without the permit of the National Bank; and conduct currency trading on such accounts in the domestic foreign exchange market in order to:
- funnel an aggregate open position of OTC forex market entities (the sum of open positions of OTC forex market entities) to any other OTC forex market entity or any other

nonresident legal entity which are entitled to carry out activities in the over-the-counter forex market in compliance with the legislation of a foreign state and meet the criteria established by the National Bank for external counterparties to which an aggregate open position of customers (the sum of open positions of customers) may be funneled by forex companies;

implement measures aimed at reduction of risks associated with carrying out activities in the over-the-counter forex market (hereinafter “risk management”) when conducting transactions in non-deliverable OTC financial instruments;

* The term “nonresident” shall have the meaning defined in Clause 8 of Article 1 in the Law of the Republic of Belarus “On Currency Regulation and Currency Control” dated July 22, 2003 (National Register of Legal Acts of the Republic of Belarus, 2003, No. 85, 2/978).

6.6.promote its activities, conducted transactions in non-deliverable OTC financial instruments in compliance with the requirements of the legislation;

6.7.be engaged in conducting transactions in non-deliverable OTC financial instruments, initiated by OTC forex market entities funneling an aggregate open position of customers (the sum of open positions of customers) under a certain underlying asset to NFC.

When carrying out transactions in non-deliverable OTC financial instruments, initiated by NFC customers, NFC shall comply with the requirement set in Edict of the President of the Republic of Belarus No. 231 dated June 4, 2015 and have regard to special aspects provided for by Article 6 hereof;

6.8.receive data and copies of documents required for exercising its assigned functions to make payments from the guarantee fund to its customers to discharge liabilities of OTC forex market entities assumed under agreements;

6.9.exercise any other rights provided for by the present Regulations and legislative acts.

7. To carry out its activities, NFC shall:

7.1.have its website on the Internet;

7.2.notify the National Bank of appointment and dismissal of NFC head, employees of an organization unit engaged in internal control (including the manages of such unit) within five days from appointment and dismissal;

7.3.draw up reporting according to form, scope, timeframe and procedure of submission approved by the National Bank, and submit it to the National Bank;

7.4.perform other duties provided for by the present Regulations and other legislative acts.

ARTICLE 4

PROCEDURE OF FORMATION OF THE GUARANTEE FUND AND PROCEDURE OF REFUNDING OF CONTRIBUTED RESOURCES; CEILING AMOUNT OF PAYMENTS FROM THE GUARANTEE FUND

8. The guarantee fund shall be formed by NFC at the expense of contributions of OTC forex market entities in US dollars with a view to refunding in foreign currency, to its customers, contributions deposited by natural persons and legal entities for opening and/or maintaining their open position (hereinafter “margin security”) when forex companies are unable to

discharge their liabilities under agreements at the expense of their equity capital and security capital, and when banks and nonbank financial institutions are unable to discharge their liabilities at the expense of their equity capital.

The guarantee fund shall be generated in monetary form only, in the amount which is not less than the value calculated through multiplication of the quantity of OTC forex market entities by the amount of each OTC forex market entity's registration contribution to the guarantee fund (hereinafter "the minimum amount of the guarantee fund").

Resources of the guarantee fund shall be placed by NFC on special-status current (settlement) accounts with the Saving Bank "Belarusbank" Joint Stock Company.

Resources of the guarantee fund shall be accounted separately from assets of NFC.

9. OTC forex market entities shall transfer their registration contributions and calendar contributions to the guarantee fund.
10. The registration contribution shall be deemed an amount transferred by an OTC forex market entity on a repayable basis and maintained in the guarantee fund in the amount at least 55 thousand USD.

The registration contribution shall be transferred to the guarantee fund in US dollars.

Banks, nonbank financial institutions shall transfer their registration contributions no later than three business days prior to signing their first agreement on conducting transactions in non-deliverable OTC financial instruments.

Forex companies shall transfer their registration contributions no later than three business days from issue, by the National Bank, of the certificate of entering into the register of forex companies, but no later than the day of signing their first agreement on conducting transactions in non-deliverable OTC financial instruments.

11. Should the guarantee fund reduce below the minimum guarantee fund amount through payments to the customers, OTC forex market entities shall replenish their registration contributions to the guarantee fund.

To replenish the guarantee fund up to its minimum amount after making payments from the same, NFC shall make review calculation of such guarantee fund and determine the amount of a registration contribution to be transferred to the guarantee fund by every OTC forex market entity.

Within ten business days from review calculation of the guarantee fund, notification according to form specified by Annex 1, stating the need for transfer of registration contributions to the guarantee fund, shall be sent by NFC to OTC forex market entities.

Any OTC forex market entity shall transfer its registration contribution no later than three business days from receipt of the notification of the need for transfer of such registration contribution to the guarantee fund.

12. Any OTC forex market entity may apply to NFC for refunding of resources in the amount equal to its registration contribution, subject to occurrence of the following totality of circumstances:

OTC forex market entity's being in the process of winding up, or imposing a judgment declaring such OTC forex market entity insolvent (bankrupt) and undertaking liquidation proceedings against the same;

discharge by an OTC forex market entity of all pecuniary liabilities to its customers in accordance with signed agreements.

The application for refunding of contributed resources in the amount equal to the registration contribution shall be sent by an OTC forex market entity according to form specified by Annex 2.

After reconciliation of submitted data, NFC shall refund money contributed to the guarantee fund in the amount equal to the registration contribution no later than five business days from application receipt by NFC.

13. The calendar contribution shall be deemed a contribution transferred by an OTC forex market entity to the guarantee fund from time to time on a repayable basis with a view to maintaining the total amount of transferred calendar contributions at the rate at least 5 percent of the total amount of customers' margin security (hereinafter "the guarantee index").

The calendar contribution shall be transferred to the guarantee fund in US dollars.

Should any sums denominated in currency other than US dollars be subject to inclusion in the calculation of the total amount of customers' margin security, cross-rates calculated on the basis of official rate of the Belarusian rouble to respective currencies fixed by the National Bank as of the date of calculation of such calendar contribution shall be applied for conversion of such sums into US dollars.

14. Should as of 12:00 p.m. of the last business day the guarantee index exceed the total amount of made calendar contributions, an OTC forex market entity shall transfer its calendar contribution to the guarantee fund within the indicated day.
15. Should as of 12:00 p.m. of the first business day the total amount of made calendar contributions exceed the guarantee index, an OTC forex market entity shall be entitled to apply to NFC during the mentioned day for refunding of such overrun amount.

The application for refunding of contributed resources shall be sent by an OTC forex market entity according to form specified by Annex 3.

After reconciliation of submitted data NFC shall refund money contributed to the guarantee fund in the sum by which the total amount of made calendar contributions exceeds the guarantee index, no later than five business days from application receipt by NFC.

16. Release of an OTC forex market entity from its obligation to make registration and calendar contributions, as well as termination of such obligation by setting off its claims against NFC shall not be permitted.
17. Should a registration contribution be not made in the amount and before the time-limit specified in Clauses 10 and 11 hereof or should it be not made in full, and/or should a calendar contribution be not made in the amount and on dates specified in Clauses 13 and 14 hereof or should it be not made in full, NFC shall, no later than 12:00 p.m. of the immediately following business day furnish the National Bank with information on failure of an OTC forex market entity to fulfill its obligation to form the guarantee fund, according to form specified by Annex 4.
18. The ceiling of per customer payments from the guarantee fund under liabilities of an OTC forex market entity shall not exceed 500 US dollars.

ARTICLE 5

DETECTION OF MATERIAL RISKS TO FINANCIAL SUSTAINABILITY OF A FOREX COMPANY, NONCOMPLIANCE OF A FOREX COMPANY WITH FINANCIAL RATIOS, VIOLATIONS IN CONDUCTING TRANSACTIONS IN NON-DELIVERABLE OVER-THE-COUNTER FINANCIAL INSTRUMENTS

19. NFC shall analyze reporting required for evaluation of financial sustainability of a forex company in order to detect material risks to financial sustainability of such forex company, incompliance of such forex company with financial ratios established by the National Bank, in accordance with the procedure specified by the local regulatory legal act elaborated and approved by NFC.

Material risk to financial sustainability of a forex company (material risk of noncompliance with financial ratios established by the National Bank) arises when the actual value of a financial ratio indicated in the reporting submitted to the National Bank departures from the value of such financial ratio established by the National Bank by up to 5 percent (inclusive) of the value of such financial ratio established by the National Bank.

Should any facts be discovered evidencing arising material risks to financial sustainability of a forex company, NFC shall furnish the National Bank with information on the day when such risk is detected, according to form specified by Annex 5.

Should any facts be discovered evidencing noncompliance with financial ratio(s) established by the National Bank, NFC shall furnish the National Bank with information on the day when such facts are detected, according to form specified by Annex 6.

Each line of columns 5, 6 and 7 in Annexes 5 and 6 to the present Regulations shall be filled in with an accuracy of three decimal places.

20. NFC shall analyze submitted reporting on all transactions in non-deliverable OTC financial instruments conducted by OTC forex market entities and shall detect violations in conducting thereof, in accordance with the procedure specified by the local regulatory legal act elaborated and approved by NFC.

Should any violations in conducting transactions in non-deliverable OTC financial instruments by OTC forex market entities be detected, NFC shall furnish the National Bank with information according to form specified by Annex 7, in accordance with the procedure and on dates established by the National Bank.

ARTICLE 6

SPECIAL ASPECTS OF NFC ENGAGEMENT IN CONDUCTING TRANSACTIONS IN NON-DELIVERABLE OVER-THE-COUNTER FINANCIAL INSTRUMENTS, INITIATED BY OTC FOREX MARKET ENTITIES

21. Actual information on NFC's technological capability or incapability to conduct transactions in non-deliverable OTC financial instruments shall be posted by NFC on its web site on the Internet.
22. When creating and maintaining the "Customer's personal virtual account" electronic service destined for accumulation of information on every NFC customer as well as for recording customer's actions within transactions initiated by the same and recording information related to such transactions, NFC shall concern the option of furnishing the customer with information on the total amount of calendar contributions to the guarantee fund made by the same.

23. NFC shall be entitled to incur only a portion of a position funneled to it by the customer which, when funneled, does not entail overrunning NFC's risk limit, and shall notify the customer to that effect via the "Customer's personal virtual account" electronic service or other means of communication.
24. For the purposes of risk management, NFC shall be entitled to funnel, fully or partially, an aggregate open position of customers (a sum of open positions of customers) to an OTC forex market entity or a nonresident legal entity authorized to act in the OTC forex market in compliance with legislation of a foreign state and meeting the criteria set by the National Bank for foreign counterparties to which forex companies may funnel an aggregate open position of customers (the sum of open positions of customers).

 (name of the OTC forex market entity)

NOTICE
of the need to make a registration contribution to the guarantee fund

By virtue of Clause 11 in the Regulations on the National Forex Center approved by Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 177/8 dated March 4, 2016 (hereinafter “the Regulations”) the National Forex Center notifies:

Subsequent to payments from the guarantee fund in accordance with Article 4 of the Regulations, the National Forex Center has recalculated the guarantee fund and has determined the amount of the registration contribution to the guarantee fund to be made by every OTC forex market entity. As of _____ 201__ such amount makes USD _____.

 (name of the OTC forex market entity)

is required to transfer to the guarantee fund its registration contribution in the amount of US dollars _____ no later than _____ 201__.

Head
of the National Forex Center

 (signature)
Seal

 (initials, name)

 (date)

National Forex Center

**APPLICATION
for refunding of contributed resources**

By virtue of Clause 12 in the Regulations on the National Forex Center approved by Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 177/8 dated March 4, 2016, I apply for refunding of resources contributed to the guarantee fund, in the amount of the registration contribution USD _____
to bank account _____
(number and type of a bank account, bank name, bank codes)

due to occurrence of the following circumstances: _____
(indicate the circumstances)

_____ in accordance with the legislative act)

(liquidator (chairperson of the liquidation
commission), crisis manager)

(signature)
Seal

(initials, name)

(date)

National Forex Center

**APPLICATION
for refunding of contributed resources**

By virtue of Clause 15 in the Regulations on the National Forex Center approved by Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 177/8 dated March 4, 2016, I apply for refunding of resources contributed to the guarantee fund, in the amount of USD _____ as of _____ hours _____ min _____ 201__ to bank account _____
(number and type of a bank account,

_____ bank name, bank codes)

As of _____ hours _____ min _____ 201__
the total amount of calendar contributions makes USD _____,
guarantee index is USD _____.

Head of the legal entity

(signature)

Seal

(initials, name)_____
(date)

National Bank of the Republic of Belarus

INFORMATION
on failure to discharge liabilities for formation of the guarantee fund

By virtue of Sub-clause 4.10 of Clause 4 and Clause 17 in the Regulations on the National Forex Center approved by Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 177/8 dated March 4, 2016, the National Forex Center informs that the following facts of failure to discharge liabilities for formation of the guarantee fund have been discovered as of _____ 201__:

No.	Full name of the OTC forex market entity	Type of contribution not made (made not in full), registration or calendar	Deadline for making contribution to the guarantee fund, date	Amount of contribution to be made to the guarantee fund, US dollars	Amount of contribution made to the guarantee fund, US dollars	Balance of contribution amount not made to the guarantee fund, US dollars
1	2	3	4	5	6	7

Head
of the National Forex Center

(signature)
Seal

(initials, name)

(date)

National Bank of the Republic of Belarus

INFORMATION
on arising material risks to financial sustainability of a forex company

By virtue of paragraph three of Part four of Clause 6 in Edict of the President of the Republic of Belarus No. 231 dated June 4, 2015 “On Carrying out Activities in the Over-the-counter Forex Market”, Sub-clause 4.6 of Clause 4 and Clause 19 in the Regulations on the National Forex Center approved by Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 177/8 dated March 4, 2016, the National Forex Center submits information on arising material risks to financial sustainability of a forex company:

No.	Name of the forex company	Date of arising material risks	Name of the ratio	Actual value of financial ratio	Value of financial ratio fixed by the National Bank	Departure, percent
1	2	3	4	5	6	7

Other information (if any) _____

Head
of the National Forex Center

(signature)
Seal

(initials, name)

(date)

National Bank of the Republic of Belarus

INFORMATION
on noncompliance of a forex company with values of financial ratio(s)

By virtue of Sub-clause 4.7 of Clause 4 and Clause 19 in the Regulations on the National Forex Center approved by Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 177/8 dated March 4, 2016, the National Forex Center submits information on noncompliance of a forex company with values of financial ratio(s) fixed by the National Bank:

No.	Name of the forex company	Date of noncompliance with value of financial ratio	Name of ratio	Actual value of financial ratio	Value of financial ratio fixed by the National Bank	Excess, percent
1	2	3	4	5	6	7

Other information (if any) _____

Head
of the National Forex Center

(signature)

Seal

(initials, name)

(date)

National Bank of the Republic of Belarus

INFORMATION
on violation of conducting transactions in non-deliverable OTC financial instruments
by OTC forex market entities

By virtue of paragraph five of Part four of Clause 6 in Edict of the President of the Republic of Belarus No. 231 dated June 4, 2015 “On Carrying out Activities in the Over-the-counter Forex Market”, Sub-clause 4.6 of Clause 4 and Clause 19 in the Regulations on the National Forex Center approved by Resolution of the Council of Ministers of the Republic of Belarus and the National Bank of the Republic of Belarus No. 177/8 dated March 4, 2016, the National Forex Center submits the following information on violations of conducting transactions in non-deliverable OTC financial instruments

No.	Name of the OTC forex market entity	Identification code (of a forex company), BIC (for a bank, nonbank financial institution)	Date of violation	The point of violation
1	2	3	4	5

Head
of the National Forex Center

(signature)
Seal

(initials, name)

(date)