

ICT Stream Proposal

When creating an International Financial Centre it is very important – amongst other aspects – to create an easy and standardised access to the market, following international standards and practices.

The following initiatives have been undertaken in the last six months.

In November 2011 the CEO of SWIFT presented to Mr. Voloshin, the Central Bank of Russia, the MICEX-RTS group and the leading financial institutions in Russia the SWIFT Positioning Paper ‘Moscow International Financial Centre (MIFC): A proposal on how the MIFC Taskforce and SWIFT can partner to meet the needs of the global financial community.’

This paper focuses on the following areas:

1. Success Factors for Moscow as IFC
 - i. Russian Financial Institutions take a leading role.
 - ii. The MIFC achieves relevance and credibility on the international stage.
 - iii. Ensuring compliance with international regulatory requirements.
 - iv. Implementing international standards for increased operational efficiency.
2. Main points addressed in the paper:
 - i. Positioning SWIFT and other members of the TheCityUK to support the creation of the MIFC.
 - ii. Principles, frameworks and recommendations for financial market infrastructures operating in IFCs.
(including IFC and FMI principles, Key areas of CPS-IOSCO, Governance and access, regulatory reporting and many more aspects).
 - iii. Requirements for an IFC in relation to a robust, secure and resilient messaging infrastructure.
(covering payments, securities, money markets, derivatives, etc.)
 - iv. Reference cases of several IFCs based on the above mentioned principles.

On 16 and 17 March 2012 SWIFT participated to the Strategic Session on MIFC; and played an active role in the section on ICT, chaired by Mr. Vahan Vardanyan.

The main outcome of the session was:

- There is a big opportunity for the ICT sector, both for Russian and International players.
- The ICT sector should be involved in the discussions at a much earlier stage.
- Implementation of international practices is very important.

Within the MIFC project a strong focus on the underlying ICT solutions is required, as this will play a major role in the accessibility of the Russian financial markets. The ICT aspect is not incorporated in the current Infrastructure Stream within the MIFC Taskforce.

Therefore the proposal is to set up a joint working group between TheCityUK and the Russian side, whereby both sides discuss and develop a strategy for the underlying ICT infrastructure that will be required to make the MIFC accessible, efficient and reliable.

This working group should consist of members of TheCityUK and on the Russian side of representatives from the MICEX-RTS group, the Central Bank, the Federal Financial Markets Service, the leading financial institutions, as well as selected ICT-solution providers.

SWIFT is ready to co-chair this joint ICT Stream, preferably chaired by a representative from the Russian side.

Steven Palstermans,
Head of Russia, CIS & Mongolia, Central and Eastern Europe, SWIFT