

**Financial Market Development KPIs
for the short and mid-term:
market participants' outlook**

#	Regulation and Oversight	Market Development	Customer Rights Protection
General	<ul style="list-style-type: none"> › Reporting - IFRS, via e-mail, trimmed volume (saving compilation and analysis costs) › Regulation based on principles › Self-regulation › Tax incentives › Cross-sector approach to regulation › Capital/assets requirements 	<ul style="list-style-type: none"> › More retail investors › More retail and collective investment in the national financial market › A more diversified financial product basket for each investor › Access to quality financial services for different private investor groups › Trust management › A competitive and less segmented financial services market; an industry of intermediaries provides access to all products, cutting marketing costs for the 'underlying' financial industry › Attract non-resident investors to the national market 	<ul style="list-style-type: none"> › Guarantee Funds › Intermediaries industry › Pharmaceutical advertising approach applied to financial services ads › Growing share of the 'white', regulated market. Elimination of grey areas in regulation (the regulator's right to qualify new types of business in the financial market) › Definitive division of retail and qualified investors, cross-sector definition of 'qualified investor'
Shares market	<ul style="list-style-type: none"> › Improve market participants reporting system › Harmonize share issue regulation with international practices 	<ul style="list-style-type: none"> › More issuers › Privatization deals hosted by the Russian market 	<ul style="list-style-type: none"> › Effective disclosure by issuers › Develop corporate relations regulation

		<ul style="list-style-type: none"> › Retain a maximum amount of intermediaries to prevent over-consolidation of the industry › Attract private savings › Synchronize foreign securities placement in Russia and abroad 	
Bonds market	<ul style="list-style-type: none"> › Harmonize bonds issue regulation with international practices 	<ul style="list-style-type: none"> › Securitization, structured bonds › Convertible bonds 	<ul style="list-style-type: none"> › Improved bankruptcy procedures › Bond holders' rights protection
Collective investment	<ul style="list-style-type: none"> › Regulation must be flexible enough not to hinder the emergence of new fund types/families 	<ul style="list-style-type: none"> › Developing a variety of funds tailored to market needs (hedge funds, umbrella funds, foreign currency funds, capital protection funds etc.) 	<ul style="list-style-type: none"> › Investment Policy Statement control, transparency of operations, liability for misconduct
Insurance market	<ul style="list-style-type: none"> › Improved licensing rules › More transparency, asset quality control › Consumer rights protection 	<ul style="list-style-type: none"> › More trust to the insurance industry › Develop long-term insurance types › Pricing for compulsory insurance types 	<ul style="list-style-type: none"> › Out-of-court settlement, standards for insurance products (insurance terms), payout procedures and settlement procedures
Pension insurance	<ul style="list-style-type: none"> › Development of prudential oversight › Non-state pension funds go public 	<ul style="list-style-type: none"> › Support of voluntary pension programs development › Consolidation of the non-state pension funds market 	<ul style="list-style-type: none"> › Guarantee system
Microfinance	<ul style="list-style-type: none"> › Draft up-to-date regulation approaches for the sector 	<ul style="list-style-type: none"> › Bring grey market players into the light › Improve availability of financial services to customers/territories with limited access to traditional financial services. Restrict practices that could incite social tension 	<ul style="list-style-type: none"> › Basic standards and agreements, putting a lid on penalties and maximum tax burden (through general lenders database), unified disclosure standards for loan

			<p>value and penalties</p> <ul style="list-style-type: none"> › Resolve problem issues in raising money from private individuals
<p>Commodity markets</p>	<ul style="list-style-type: none"> › Amend state procurement laws to make acquisition through exchange trading possible › Abolish VAT for exchange trades in gold 	<ul style="list-style-type: none"> › Market (exchange) pricing for the majority of goods. Increase trading volumes › Licensing of commodity markets participants › Foster professional intermediaries in exchange trading › Improve the system of OTC trade registration 	