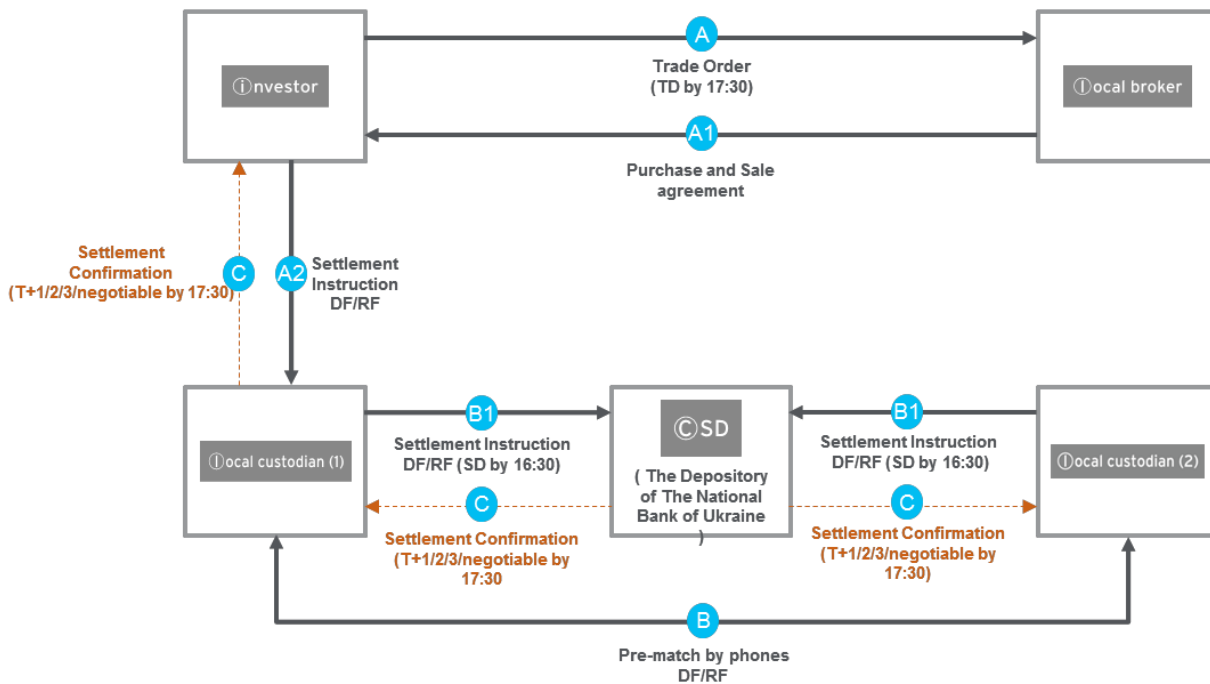


Government Bonds FOP settlement flow chart – OTC



OTC Steps: (bold Lines): **A** to **C**

- All status update / settlement confirmations shown with orange dotted lines.
- This flow chart does not show any trade or settlement amendments.
- Settlement cycle for off exchange is T+3 (subject to negotiation between the parties). Purchase and sale agreement shall be executed with participation of the local licensed broker.
- Cash settlement can be done either on-shore in UAH or off-shore in USD. For the latter payment choice investor shall be aware that future repatriation of UAH sale proceeds can be possible if the first bonds purchase was done by foreign investor in UAH on-shore.
- Pre-matching is not a market practice, but PJSC "Citibank" offer manual pre-matching via phone.
- Cut-off times vary greatly in the market as dependent on the custodian. In general the OTC market operates from 09:30 - 17:30 Local time (GMT+2).
- All Times Stated are Local Time.

KEY: TD – Trade Date	T+1 – Trade Date Plus One Day	T+2 – Trade Date Plus Two Days	SD – Settlement Date
VP – Versus Payment	FoP – Free of Payment	DF – Delivery Free	RF – Receive Free
DVP – Delivery vs. Payment	RVP – Receipt vs. Payment		

Equities and corporate bonds FOP settlement – OTC

(The numbers indicated in the tables are reflective to the flow chart numbering and timeframes represent the usual timing of the flows, but may not be limited to these specific days. All times stated are local time GMT+2).

- (A) On trade date (TD) investor provides trade order to the local broker by 17:30
- (A1) Investor signs sale and purchase agreement with the local broker on TD/TD+1.
- (A2) On settlement date (SD) the investors should send a settlement instruction (DF/RF) to the local custodian by 15:30.
- (B) Once the local custodian has a settlement instruction, the local custodian pre-matches the trade via phone with the custodian of the counterparty.
- (B1,B2) By 16:30 on SD, the local custodian sends the settlement instruction to the CSD (National Depository of Ukraine) which should be matched with the settlement instruction delivered by the custodian of the counterparty.
- (C) When the trade is settled (TD+3) in the CSD, the CSD sends the settlement confirmation to the custodians by 17:30 and the local custodian sends the settlement confirmation to the investor.

Equities and fixed income DVP settlement – on exchange

(The numbers indicated in the tables are reflective to the flow chart numbering and timeframes represent the usual timing of the flows, but may not be limited to these specific days. All times stated are local time GMT+2).

- (1) On Trade Date (TD) the investor sends trade order to the local broker
Investor should send the settlement instruction to the local custodian before SD

- (2) Local Stock Exchange (SE) sends the trade order to the local broker on TD (10:15-17:00).
Local custodian sends settlement instruction/ blocking DVP/RVP to the CSD.

- (3) The local broker sends real-time trade confirmation to the SE.
The local broker replenishes its cash account with the Settlement Center (SC.)
SE sends the trades register to the SC on TD by 17:00.
SC informs on blocked position for trading to the CSD.

- (4) On TD upon execution the local broker sends the trade confirmation to the investor.
Broker has a real time management access to its clearing accounts and cash accounts with the SC.

- (5) The SC sends the settlement confirmation to the CSD.

- (6) CSD sends the settlement confirmation to the local custodian on SD by 18:00.

- (7) The local custodian sends the settlement confirmation to the investor when the trade is settled.

Fixed Income OVP settlement flowchart -OTC primary market (auction)

(The numbers indicated in the tables are reflective to the flow chart numbering and timeframes represent the usual timing of the flows. but may not be limited to these specific days. All times stated are local time GMT +2).

- (A) Investor sends trade order to the local broker on TO by 13:00

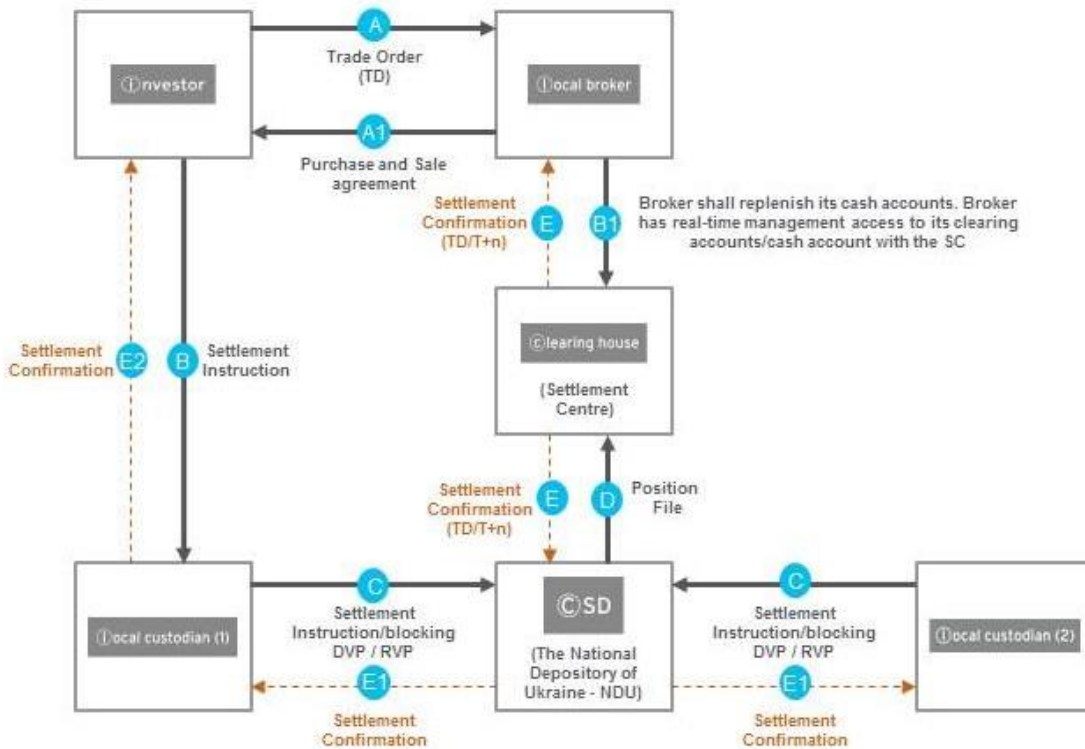
- (B) Local Broker submits bids to the Depository of the Central Bank of Ukraine (NBU) by 14:00 TO.

- (C) CSD announces results by 18:00 on TD to the local broker.

- (D) The local broker sends the trade confirmation to the investor on TD.
- (E) Investor sends settlement instruction to the local custodian on SD.
The Local custodian sends settlement instruction to the NBU on SD.

- (F) On TD+1 the NBU sends the settlement confirmation to the local custodian.
On TD+1 the local custodian sends the settlement confirmation to the investor.

Equities and Fixed Income DVP settlement flow chart – OTC



OTC Steps: (bold Lines): **A** to **E**

- All settlement confirmations shown with orange dotted lines.
- This flow chart does not show any trade or settlement amendment.
- As local banks are not permitted to provide overnight credit facilities to foreign investors, clients must pre-fund their cash accounts with Local Custodian/Broker prior to trade execution.
- Settlement cycle for DVP off-exchange is T+0/n (no overnight settlement).
- Cut-off times vary greatly in the market as dependent on the custodian. In general the OTC market operates from 09:30 - 17:30 Ukrainian time (GMT+2).

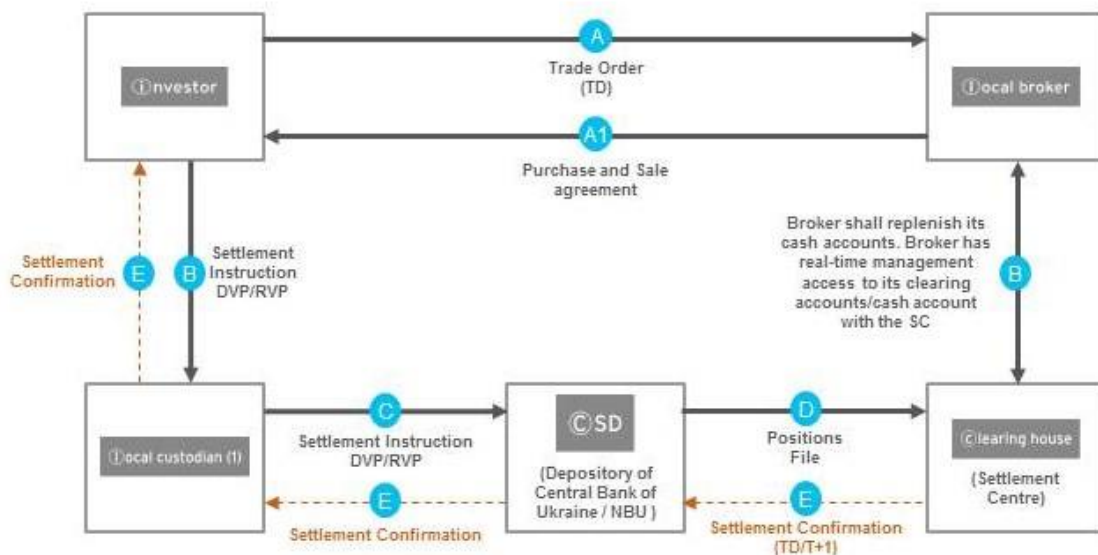
KEY: TD – Trade Date	T+1 – Trade Date Plus One Day	T+2 – Trade Date Plus Two Days	SD – Settlement Date
VP – Versus Payment	FoP – Free of Payment	T+n – Settlement date is negotiable	
DF – Delivery Free	RF – Receive Free		
DVP – Delivery vs. Payment	RVP – Receipt vs. Payment		

Equities and Fixed Income DVP settlement flow chart – OTC

(The numbers indicated in the tables are reflective to the flow chart numbering and timeframes represent the usual timing of the flows, but may not be limited to these specific days. All times stated are local time GMT+2).

- (A) On Trade Date (TD) the investor issues trade order to the local broker.
- (A1) Local broker signs sale and purchase agreement with the Investor.
- (B) Investor sends settlement instruction to the local custodian.
- (B1) Broker shall replenish its cash account at Settlement Centre (SC).
- (C) Local custodian of the investor and local custodian of the counterparty send the settlement instruction/blocking DVP/RVP to the CSD on Settlement Date (SD)
- (D) The CSD should send a file with the traded position to the SC on SD.
- (E) SC sends settlement confirmation on TD/T+n to the CSD and the local broker.
- (E1) CSD sends settlement confirmation to the local custodian of the investor and local custodian of the counterparty on SD.
- (E2) The local custodian sends the settlement confirmation to the investor on when the trade is settled.

Fixed Income DVP settlement flow chart – OTC



OTC Steps: (bold Lines): **A** to **E**

Flows applicable for Government Bonds and T-bills:

- All settlement confirmations shown with orange dotted lines.
- Settlement cycle for on and off exchange is TD/T+1, negotiable for on-exchange transactions (no overnight settlement).
- As local banks are not permitted to provide overnight credit facilities to foreign investors, clients must pre-fund their cash accounts with Local Custodian/Broker prior to trade execution.
- This flow chart does not show any trade or settlement amendments.
- Cut-off times vary greatly in the market as dependent on the custodian. In general the OTC market operates from 09:30 - 17:30 Kyiv time (GMT+2). All Times Stated are Local Time.

KEY: TD – Trade Date	T+1 – Trade Date Plus One Day	T+2 – Trade Date Plus Two Days	SD – Settlement Date
VP – Versus Payment	FoP – Free of Payment	DF – Delivery Free	RF – Receive Free
DVP – Delivery vs. Payment	RVP – Receipt vs. Payment		

Fixed Income DVP settlement flow chart - OTC

(The numbers indicated in the tables are reflective to the flow chart numbering and timeframes represent the usual timing of the flows, but may not be limited to these specific days. All times stated are local time GMT+2).

(A) Investor sends the trade order to the local broker on Trade Date (TD).

(A1) The investor signs purchase and sale agreement with the local broker on TD.

(B) The investor sends settlement instructions DVP/RVP to the local custodian on SD.

(C) The local custodian sends settlement instruction DVP/RVP to the Depository of the National Bank of Ukraine (NBU) on SD.

(D) The NBU sends the position file to the Settlement Centre (SC).

(E) SC sends settlement confirmation to the NBU (TD/TD+1)

The NBU sends the settlement confirmation to the local custodian (TD/TD+1).
Local custodian sends settlement confirmation to the investor (TD/TD+1).

OTC FOP Settlement

- 1. Clients instruct their brokers to buy/sell securities. Brokers arrange the trade and the cash settlement (not reflected in the chart).
- 2. Clients instruct their custodians to receive/deliver securities free of payment.
- 3. Custodian 2 (of the Buyer) enters delivery free instruction into the CSD system.
- 4. Custodian 1 (of the Seller) checks the instruction from Custodian 2 and accepts it, thus creating the matching instruction in the CSD.
- 5. Securities are credited to the account of Client 1 and debited from the account of Client 2.
- 6. Custodian 1 and Custodian 2 send confirmations to their client.

