

ANNEX 1

AIX CSD BUSINESS RULES 5 / 2021

COMPARISON TABLE

In this table, underlining indicates new text and striking through indicates deleted text, otherwise the Rule remains unaltered.

№	Rule	Current	Proposed	Justification
1.	Rule 5.2.7	Settlement of transactions executed on the AIX shall be made in the Depository System according to BIS Model II, where the transfer of Admitted Product shall be done on gross basis, while the transfer of money shall be done by netting buy and sell money obligations of a Participant for the Transactions the Participant is obliged to Settle on a Settlement Day, at a level of Participant.	<u>Except as described in Rule 5.2.7.-1,</u> Settlement of transactions executed on the AIX shall be made in the Depository System according to BIS Model II, where the transfer of Admitted Product shall be done on gross basis, while the transfer of money shall be done by netting buy and sell money obligations of a Participant for the Transactions , the Participant is obliged to Settle on a Settlement Day , at a level of Participant .	Corresponding change to reflect new provision (Rule 5.2.7-1) related to alternative settlement model available for AIX trades.
2.	Rule 5.2.7-1	<u>[Absent]</u>	<u>Settlement</u> of transactions executed on the <u>AIX</u> can be made according to BIS Model I, where the transfer of Admitted Product and money shall be done on gross basis, in cases when such settlement is partially or fully placed on the level of an AIX CSD account in the system of a Nominated Custodian and followed with corresponding conditions and procedures. The AIX CSD shall inform the Participants of the conditions and procedure for such settlements in a Notice.	A new rule provides basis for alternative (apart from BIS Model II) settlement model for AIX Trading Members to enable them to settle their leg of AIX trades at the system of Nominated Custodian, such as Euroclear. Considering that a proposed settlement model is theoretically possible also through other Nominated Custodians of AIX CSD, however, with some differences related to the rules of Nominee Custodians, it is provided that for each such settlement model, AIX CSD can give a separate Depository Announcement stipulating details.