

Integration of financial markets in the space of the Eurasian Economic Union

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Objectives of the Eurasian Economic Union

(Treaty on the Eurasian Economic Union, 29 May 2014)

- **to create proper conditions for sustainable economic development of the member countries in order to improve the living standards of their population;**
- **to seek the creation of a common market for goods, services, capital and labor within the Union;**
- **to ensure comprehensive modernization, cooperation and competitiveness of national economies within the global economy.**

In accordance with these objectives member countries are called

to create a common financial market of the Union

(article 70 of EEU Treaty dated 29.05.2014)

conduct a coordinated macroeconomic policy

(article 62 u 63 of EEU Treaty dated 29.05.2014)

conduct a coordinated monetary policy

(article 64 of EEU Treaty dated 29.05.2014)

Implement agreed regulation of financial markets

(article 70 of EEU Treaty dated 29.05.2014)

International agreements of the Union regulating common EEU financial market

Agreement on exchange of information, including confidential, in the financial sector in order to create conditions in financial markets to ensure free movement of capital (made on 12.23.2014)

- procedure for exchange of information and its use to deepen integration processes in financial markets determined;
- ensuring inter-country exchange of confidential information to protect the rights of financial market participants.

Agreement on exchange of information on combating legalization (laundering) of proceeds of crime and financing of terrorist activity when moving cash and (or) cash instruments across the EEU customs border

- organization of information exchange between member countries to prevent cases of moving through EEU border of cash for financing of terrorism and/or laundering of proceeds from crime

International agreements of the Union regulating EEU common financial market

Agreement on agreed approaches to regulation of currency legal relations and taking measures for liberalization

- list of currency transactions to which the parties do not apply currency restrictions;
- there is provision for a possibility to open accounts (deposits) without restrictions in foreign and national currencies;
- violations are determined, for which the Parties shall ensure enforcement of administrative and criminal liability.

Agreement on harmonization of legislation of member countries in financial sector

- direction and mechanism of harmonization of legislation in the sphere of financial markets;
- development and adoption of Plan of harmonization of legislations.

Plan for harmonization of legislation of EEU member countries in financial sector

- "Road map" on convergence of legislation of EEU member countries in the sphere of financial markets

International agreements of the Union regulating EEU common financial market

*agreement on admission of
brokers and dealers of one
EEU member country to Stock
Exchanges (trade organizers)
of other member countries*

- admission without additional registration (licensing) of brokers and dealers to national stock exchanges of EEU member countries

*Agreement on unified system
of information disclosure on
issuers, securities,
intermediaries at the EEU
common financial market
EAEC*

- establishment of a platform for building infrastructure of the common financial market, including technological platforms

*Agreement on mutual
recognition of issues of
securities and other
financial instruments in
EEU member countries*

- establishment of prerequisites for development of common organized securities market in EEU

International agreements of the Union regulating EEU common financial market

*Agreement on
cooperation of EEU
member countries for
exchange of
information included
in credit histories*

- development of mechanism of interaction between member countries where residents of member countries will have access to credit resources in banks in the entire EEU territory for cross-border lending and more effective risk management in lending by banks to borrowers of member countries

*Agreement on
audit activity in
EEU territory*

- development of EEU common market for audit services

Settlements in national currencies

Member countries are called also

to improve mechanism of payment-settlement relations between EEU member countries based on expanding the use of national currencies in mutual settlements between residents of EEU member countries

to ensure mutual payments between residents of member countries in national currencies of EEU member countries

National payment cards of EEU member countries

	Republic of Armenia	Republic of BelarusБеларусь	Republic of Kazakhstan	Kyrgyz Republic	Russian Federation
Title of payment card	Armenian Card (ArCa)	БЕЛКАРТ	-	Элкарт	МИР
Introduced in:	2000	2002	-	2006	2015
Number of issued cards as of 2Q 2016.	1 561 956	5 400 000	-	348 340	1 138 676
Share in the market	35,5%	43,0%	-	25,7%	0,5%

Cross-border transfers of individuals, mln. US dollars, 2015

	Republic of Armenia	Republic of Belarus Беларусь	Republic of Kazakhstan	Kyrgyz Republic	Russian Federation
From the country to other EEU countries	291,9	176,3	2391,7	327,7	3068,2
From other EEU countries to the country	1 052,2	260,1	637,7	1631,6	2319,6

To accomplish goals and objectives set forth in EEU Treaty

To implement large-scale and multi-vector directions for development of common financial market

For development of agreed approaches of EEU member countries to building the EEU common financial market



By instruction of the Supreme Eurasian Economic Council
(at the level of presidents of EEU member countries)

The Concept of developing the EEU common financial market
will be developed

Concept of the EEU common financial market

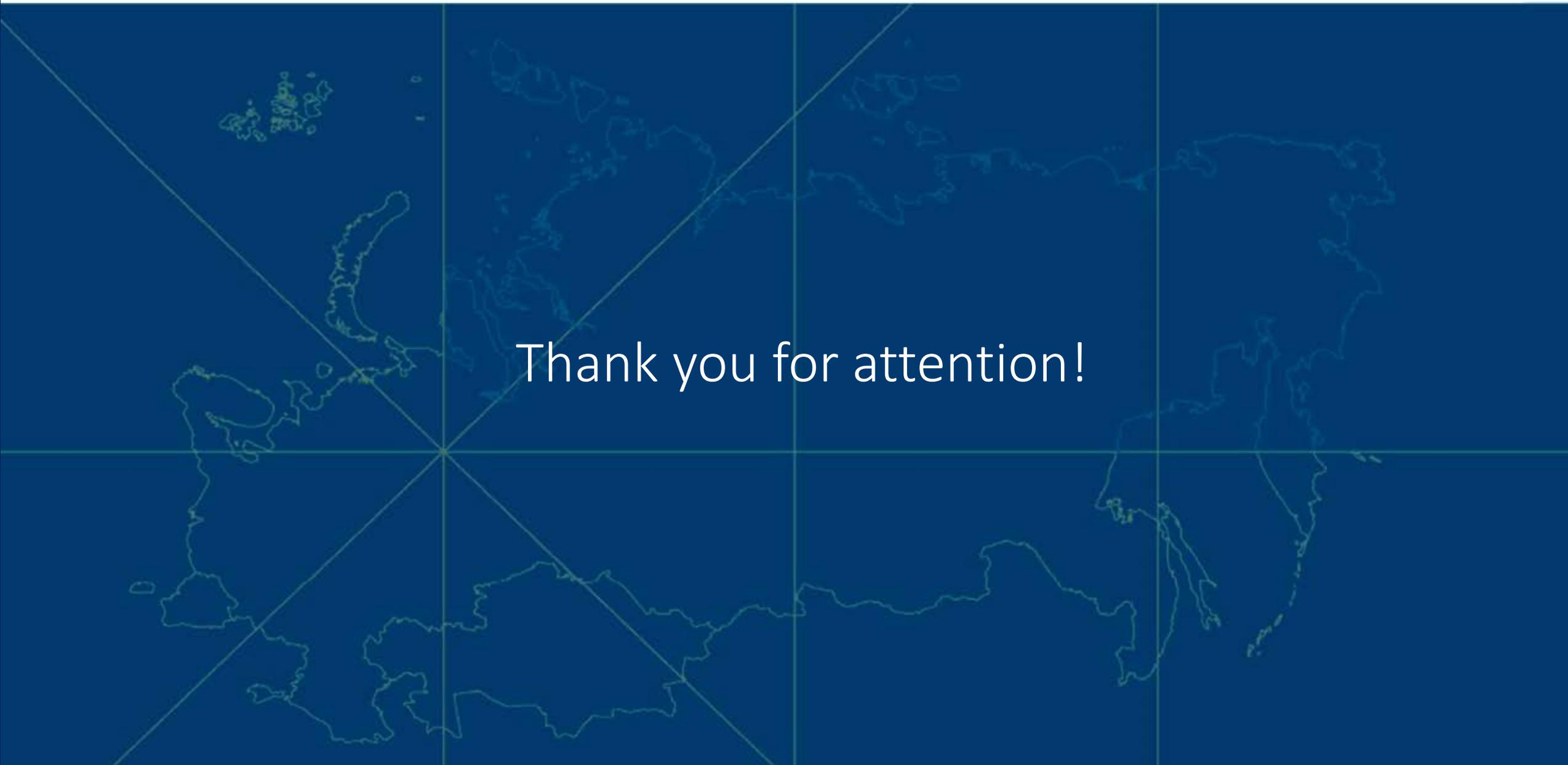
- Defining detailed ways of implementation of objectives of EEU Treaty regarding common financial market, including explanation of the legal framework, terms, conditions, mechanisms and tools conducive to development of common financial market;
- drafting proposals for establishment and development of infrastructure for common financial market, and its technological platforms;
- systematization of work by EEC to prepare draft international agreements included in the law of EEU, governing currency legal relations, banking, insurance and securities market;
- comprehensive review of steps to build EEU common financial market with possibility of mutual harmonization of currency policy and financial markets' regulation

Proposed structure :

- legal framework for common financial market
- criteria for development of common financial market
- mechanism of development of common financial market in the context of harmonization of legislation, administrative cooperation, infrastructure of common financial market , institutional framework of common financial market
- main directions of development of common financial market
- content and detailed concept and forms of implementing main commitments of member countries as stated in EEU Treaty, including limitations and exceptions in financial markets and forms of providing national treatment and most favorable treatment (most-favored-nation treatment)

Expected results of development of common financial market

1. Building of analogous (comparable) regulation;
2. Access of financial market participants (consumers, suppliers, financial services intermediaries) to each others financial markets, including development of such infrastructure, which will facilitate and simplify receiving and supplying of financial services;
3. Granting national treatment given the restrictions specified in EEU Treaty, and most favorable treatment (MFN) and further gradual reduction of these exceptions and limitations;
4. Development the system for protection of rights of financial services consumers;
5. Encouragement of development of competition;
6. Possibility to expand client base for financial market participants;
7. Reducing administrative barriers and costs;
8. Establishment of a supranational body on financial market regulation.



Thank you for attention!