# Annex 9

to the Clearing Participant Regulation

**risk management system self-assessment**

C H A R T

\* In this chart the Organization shall mean a candidate to the clearing participants

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| 1. Has the authorized body of the state, the legal entity of which is the Organization, signed a memorandum of understanding on consultations, cooperation and exchange of information with the IOSCO? |
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| Answer "yes" or "no" |
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| 2. . Does the Organization have a risk management system? |
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| Answer "yes" or "no". |
| 3. Does the Organization have internal policies and procedures to manage aggregate and individual types of risks? |
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| Answer "yes" or "no". If "yes" – list these policies and procedures |
| 4. Do internal policies and procedures for risk management of the Organization apply to its foreign subsidiaries, affiliated joint tock companies, branches, representative offices (if any)? |
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| Answer "yes" or "no". If "yes" – insert names and locations of such organizations, companies, branches, representatives to which effect of these policies and procedures do not apply |
| 5. Has the Organization defined responsibilities for risk control? |
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| Answer "yes" or "no" |
| 6. Does the Organization have a clear organizational structure of the risk management system (centralized or decentralized depending on the volume of operations, allocation of internal risk control functions, participation of operating units in risk assessment, separation of responsibility for measuring, monitoring and control of risks from the conduct of those operations (core business) in which the risk arises, an independent line of reporting to senior management about the state of risks)? |
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| Answer "yes" or "no". If "yes" – specify how the structure is organized |
| 7. Does the Organization have systems for distributing powers in risk management, a mechanism for making collegial decisions in case of overlapping areas of responsibility or the need for special control over operations? |
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| Answer "yes" or "no" |
| 8. Is effectiveness of internal risk management policies and procedures of the Organization assessed by its internal audit function and the "external" audit organization? |

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| Answer "yes" or "no". If "yes" – insert the date and results of the recent internal and external audit inspection |
| 9. Does the Organization have mechanisms to ensure internal accounting controls and risk management? |
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| Answer "yes" or "no" |
| 10. Does the Organization have procedures for assessing customer risks? |
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| Answer "yes" or "no" |
| 11. Does the Organization comply with risk limits established in relation to aggregated risks, individual types of risks, individual structural divisions, and individual persons who close transactions? |
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| Answer "yes" or "no" |
| 12. Does the Organization apply risk reduction methods (hedging, insurance, guarantees, access restrictions, creation of reserve capacity)? |
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| Answer "yes" or "no". If "yes" – specify which exactly |
| 13. Does the Organization apply systems of information and reporting on the status of risks, including in comparison with limits, continuous monitoring and internal control of risks in all aspects and concentrations that are of material importance to the broker-dealer? |
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| Answer "yes" or "no". If "yes" – specify which exactly |
| 14. Does the Organization comply with the procedure to make decisions on risk management, including issue of temporary mandatory instructions by the internal control service? |
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| Answer "yes" or "no" |
| 15. Does the Organization continuously assess effectiveness of the risk management system (accuracy of accepted risk levels, adequacy of limits, adequacy of risk measurement methods, adequacy of policies and procedures (from the point of view of changes in market conditions, personnel, technology))? |
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| Answer "yes" or "no". If "yes" – specify which exactly |
| 16. Does the Organization review effectiveness of the risk control mechanism once established by management? |
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| Answer "yes" or "no" |
| 17. Does the Organization have contingency plans, including those for intersection of different types of risks (procedures for coordinating management actions, maintaining adequate information, clear division of responsibilities, ensuring the conduct of operations in special cases, recovery mechanisms and extreme sources of maintaining operational capability)? |
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| Answer "yes" or "no". If "yes" – specify which exactly |
| 18. Does the Organization apply risk assessment methods, including risk sensitivity analysis, scenario analysis, stress and back testing (worst case scenarios associated with risk occurrences)? |
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| Answer "yes" or "no". If "yes" – specify which exactly |
| 19. Does the Organization have mechanisms apply to verify compliance with risk controls once they have been established? |
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| Answer "yes" or "no" |