

Rouble Payments

Payment Instructions – July 2020

Nordea customers can effect payments in roubles (RUB). Rouble payments, however, need specific codification.

Russian banks are under obligation to monitor that payments are made in accordance with the instructions and exchange regulations issued by the Central Bank of Russia.

The following rouble payments are possible:

- Services and foreign trade transactions
- Expenses of representative offices in Russia
- Taxes and similar charges
- Share capital; loan capital and interests
- Other payments mentioned in the VO payment code list

It generally takes two banking days for a rouble payment to arrive at Nordea if sent from Moscow / St Petersburg, but usually a few days more if sent from other locations.

Types of rouble accounts

Non-residents may open an unlimited number of accounts in one or several authorized banks in Russia.

A RUB Current Account (general purpose account) can be used for commercial transactions, taxes, maintenance payments etc.

Accounts may be opened for:

- Non-resident representative offices of foreign companies in Russia.
- Non-resident foreign legal entities, including correspondent banks.
- Non-resident private persons.
- Non-resident entrepreneurs.

Outside Russia, corporate customers of Nordea Bank can open RUB accounts.

Rouble payments to Russia

For a rouble payment to be routed via the payment system of the Central Bank of Russia, the remitter is

required to provide more extensive information than in ordinary payment orders.

As in all payments, the beneficiary's name and address, including the city, should be given. In addition, the following information is required:

- The recipient's INN number (tax code), to be written after the recipient's account number (10 characters for legal entities, 12 characters for individual entrepreneurs and private persons, 5 characters for foreign entities' KIO).
- The recipient's bank and its BIK code (a 9-digit code always beginning with 04).
- The 20-digit account number of the recipient's bank at the clearing centre of the Central Bank of Russia.
- The reason for payment for currency control purposes.

Before the text, there must be added a numerical payment reason code (VO code) of the transaction. The full VO code list can be obtained from your Nordea Cash Management adviser, or Markets' Sales contact.

The code is written after letters 'VO' in brackets (e.g. '(VO22300) Payment under the agreement of finance lease No xxx).

In electronic instructions, for example via Nordea Corporate Netbank, the recipient's bank should be indicated as follows:

Recipient's account number: Account number / INN code Recipient's bank, Line 1: /BIK 123456789/clearing account number. Line 2: Name of recipient's bank. Line 3: Address of recipient's bank.

INN code can be either stated after recipient's account number separated by slash (/) or dot (.) or can be written in Beneficiary name field.

Also, in the field 'Additional Information' the reason for the payment in written form and VO code, as exemplified above, must be added.

For payments to the Russian Federation State Agencies / Budget Administrators (e.g. taxes fines, fees or other charges) there is a requirement to fill in additional codes, which would help the receiver to identify and recognize the payment. Needed codes (e.g. UIN or KBK) are generally found on the claim message.

Rouble payments from Russia

The receiver should ask the Russian remitter to make all rouble payments in accordance with standard requirements of the Central Bank of Russia.

Russian Payment Order forms differ from international practice. Please look at the specified instructions according to the attached example on page 3.

Further information

Nordea / Cross Border Payments

Denmark, Tel: +45 70 33 44 44
Finland, Tel: Tel: +358 20067210
Norway, Tel: +47 24 01 20 01
Sweden, Tel: +46 771 35 03 60

Hedging RUB exchange rate risks

In recent years, deregulations within Russia have contributed to develop a functioning market not only in deliverable Foreign Exchange Forwards but also in other derivatives, both inside and outside Russia.

This gives Nordea's customers possibilities to hedge against fluctuations in the rouble currency rate in desired ways, and thus the opportunity to use roubles for different commercial transactions.

RUB forwards are traded against any convertible currency, but mostly USD and EUR.

In addition to the ordinary forwards the Non-Deliverable-Forwards (NDF) still prevail as an alternative.

A NDF is a product similar to a deliverable forward agreement, but the difference is that there will be no physical exchange of the principal amount. Eventual currency rate differences will be compensated in a net settlement, and paid in EUR or some other convertible currency.

Fixed or floating interest rates in rouble funding are available through ordinary Interest Rate Swaps. Also, RUB funding to more favourable interest rate levels than ordinary Money Market prices can be obtained, e.g. through Cross Currency Swaps by changing loan capital and interest rate payments from e.g. EUR to RUB for periods of 4 - 5 years or more. For intercompany loans of shorter maturities FX Swaps could appear as a good alternative to standard loans.

Information about the current market RUB rates and further guidance can be obtained from your local Nordea Markets Sales persons in the Nordic countries.

Nordea Markets, FX Sales

Global EM Solutions, Tel: +45 33 33 19 14

Model payment order from Russia to a customer of Nordea

ПЛАТЕЖНОЕ ПОРУЧЕНИЕ № 12345

dd.mm.yyyy

Дата

Вид платежа



Сумма прописью Сто двадцать три тысячи четыреста пятьдесят шесть рублей 00 копеек

ИНН xxxxxxxxxxxx	КПП	Сумма	123456-00	
Наименование плательщика		Сч. №	xxxxxxxxxxxxxxxxxxxx	
Платательщик		БИК	xxxxxxxx	
Наименование и местонахождение (филиала) кредитной организации		Сч. №	xxxxxxxxxxxxxxxxxxxx	
Банк плательщика		БИК	044525545 (1)	
АО ЮниКредит Банк, г. Москва		Сч. №	30101810300000000545 (2)	
Банк получателя		Сч. №	30111810220010000006 (3)	
ИНН 9909501603	КПП	Вид оп.	01	Срок плат.
Nordea Банк Абп, Финляндия (4)		Наз. пл.		Очер. плат. X
Получатель		Код		Рез. поле
{VO22300} Оплата по договору финансовой аренды (лизинга)/ дата / номер счёта...(5) в пользу "наименование получателя", "номер счёта" в xxxxx Банке, "Город" / "Страна" (6)				
Назначение платежа				

Подписи

Отметки банка

- 1) Local BIK code of AO UniCredit Bank, Moscow
- 2) Correspondent account of AO UniCredit Bank, Moscow, at the Central Bank of Russia's clearing centre
- 3) RUB account number of Nordea Bank Abp, Finland at AO UniCredit Bank, Moscow
- 4) Beneficiary is always Nordea Bank Abp, Finland
- 5) Please add here the VO code, the agreement number and date, the invoice number and date
- 6) Please add here the final beneficiary name, account number, name of the beneficiary's bank, city and country. If the account is in Nordea please always write also the country, e.g. Nordea Bank Abp, filial i Norge (SWIFT NDEANOKK).

Further information

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Disclaimer

This memorandum should not be considered legal advice or explanation of all relevant issues or considerations. You should therefore consult your own legal or other advisers. Nordea Bank assumes no responsibility for any use of this memorandum.