

# Expanding the list of international financial institutions whose securities may be issued and publicly traded in Russia

The list of international financial institutions whose securities are allowed to be issued and publicly traded in Russia now includes the International Development Association. This decision expands the opportunities for its participation in investment projects in Russia, which will contribute, among other things, to the development of the Russian financial market.

## **Reference**

Prepared by the Russian Ministry of Finance.

The International Development Association (hereinafter IDA), a member of the World Bank Group, has been providing assistance to the world's poorest developing countries since 1960, providing them with grants and loans for 25-40 years at low or zero interest for projects and programmes aimed at reducing poverty, boosting institutional capacity and creating conditions for economic growth. Since its inception, the IDA has invested more than \$312 billion in 112 countries around the world. The IDA includes 173 member countries, of which 78 (including India) are eligible for assistance.

The main sources of funding for the IDA programmes are its own funds (returns from repayment of earlier loans and income from investment activities), contributions from the net income of the International Bank for Reconstruction and Development and the International Finance Corporation, and contributions from donor countries. IDA resources are replenished once every three years through multilateral consultations of donor countries with the IDA.

In 2016, for the first time the IDA received the highest credit ratings of Moody's and S&P. This will enable the IDA to raise funds in capital markets to finance projects in a wide range of areas related to promoting development. At the same time, the IDA Charter requires written confirmation from a member state to borrow funds in its national currency.

In July 2017, the IDA requested permission to enter the capital markets of the Russian Federation to apply its new business model and expand the use of concessional lending. However, until recently the IDA was not allowed to issue securities in Russia due to the restrictions imposed by Federal Law No. 39-FZ of April 22, 1996, On the Securities Market.

Considering the IDA's important role in promoting international development, and the fact that a number of leading international financial institutions such as the European Bank for Reconstruction and Development, the Eurasian

Development Bank, the Asian Infrastructure Investment Bank, and the New Development Bank have already been included in the list of organisations whose securities are allowed to be issued and publicly traded on the Russian stock market approved by the Russian Government, the newly signed Government directive included the IDA in the list.

This decision expands the opportunities for the IDA's participation in investment projects in Russia, which will contribute, among other things, to the development of the Russian financial market.