

APPROVED

by the decision of the Supervisory Board  
of the CCP NCC

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**THE CLEARING RULES  
OF THE CENTRAL COUNTERPARTY NATIONAL CLEARING CENTRE  
PART III. THE CLEARING RULES ON THE FX MARKET AND PRECIOUS METALS  
MARKET**

Moscow 2021

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## SECTION I. GENERAL PROVISIONS

These “Clearing Rules of the Central Counterparty National Clearing Centre. Part III. The Clearing Rules on the FX market and Precious metals market (hereinafter the Clearing Rules on the FX market and Precious metals market) constitute itself as an integral part of the Clearing Rules of the Central Counterparty National Clearing Centre and jointly with “the Clearing Rules of the Central Counterparty National Clearing Centre. Part I. The Common part” (hereinafter the Common part of the Clearing Rules) cover the relations connected with the settlement of trades in foreign currency and in precious metals, concluded within trading organized by the PJSC Moscow Exchange or not within organized trading in accordance with the Clearing Rules, and also the procedure for execution of OTC Trades in foreign currency and OTC Trades in precious metals with Clearing Members and/or Liquidity Providers.

### Article 1. Terms and definitions

1.1. In the Clearing Rules on the FX market and Precious metals market the terms given in the Common part of the Clearing Rules and also the terms given below are used:

<b><i>Liquidity Provider -</i></b>	the entity, which corresponds to the requirements, set by the Clearing Rules on the FX Market and Precious Metals Market, with which the Clearing House concluded the agreement, which defines the terms and the procedure for the fulfillment of OTC Trades in foreign currency and/or OTC Trades in precious metal.
<b><i>OTC Trade in foreign currency -</i></b>	the trade in foreign currency, executed by the Clearing House with the Liquidity Provider not within the organized trading.
<b><i>OTC Trade in precious metals -</i></b>	the trade in precious metal, executed by the Clearing House with the Clearing Member / Liquidity Provider not within the organized trading.
<b><i>Settlement price -</i></b>	the price used to calculate the variation margin under a swap contract / futures contract defined in accordance with the Clearing Rules on the FX market and Precious metals market.
<b><i>Trade -</i></b>	a trade in foreign currency / precious metal under which the Clearing House executes clearing and to which the Clearing House is a counterparty, including a spot trade, a swap trade, a swap contract or a futures contract, including OTC Trade in foreign currency or OTC Trade in precious metal.

### Article 2. The general provisions

2.1. The Clearing House executes clearing acting as a central counterparty under all Trades, the counterparty to which are the Clearing Members.

2.2. The Clearing House does not clear OTC Trades in foreign currency and OTC Trades in precious metal, executed with the Liquidity providers, and does not act as a central counterparty for Liquidity providers.

- 2.3. The Clearing House executes the clearing of partially secured trades and clearing of secured trades.
- 2.4. The Clearing House executes the clearing of partially secured trades under Trades, concluded by the Clearing Members of the category “O” or “B”.
- 2.5. The Clearing House executes the clearing of secured trades under Trades, concluded by the Clearing Members of the category “C”.
- 2.6. On the FX Market and Precious Metals Market the Clearing House executes clearing in respect of the following trades (contracts), executed on the FX Market and Precious Metals Market:
  - buy-sell trades in foreign currency / precious metals;
  - swap trades in foreign currency / precious metals;
  - futures contracts;
  - swap contracts.
- 2.7. The Clearing House executes clearing in respect of the following OTC Trades in foreign currency and OTC Trade in precious metal, executed by the Clearing Members:
  - buy-sell trades in foreign currency / precious metals;
  - swap trades in foreign currency / precious metals;
  - swap contracts.
- 2.8. Collateral in the foreign currency, recorded under Settlement Accounts, which are not Unified Pool Settlement Accounts, constitutes the other Collateral type.
- 2.9. Procedure and time for Collateral posting and return are defined in the Common part of the Clearing Rules.
- 2.10. List of assets, transfer of Profiles of which is possible the Clearing System of the FX market and Precious metals market and the Clearing System of the Stock market:
  - cash funds in Russian rubles;
  - cash funds in foreign currency, in which the conclusion of Trades on the FX market is possible;
  - precious metals, in which the conclusion of Trades on the precious metals market is possible.
- 2.11. Time for the definition and fulfillment of obligations defined in the Clearing Rules on the FX market and Precious metals market, the clearing session time, and also the clearing operations time, time for documents provision to the Clearing House / by the Clearing House during the interaction process when executing clearing and settlements under Trades in accordance with the Clearing Rules on the FX market and Precious metals market are defined by the Time Specifications on the FX market and Precious metals market, which is the Supplement 1 to the Clearing Rules on the FX market and Precious metals market.

Terms, not defined in the Time Specifications on the FX market and Precious metals, are defined in accordance with the Time Specifications, which is the Supplement to the Common part of the Clearing Rules.

- 2.12. The PJSC Moscow Exchange acts as a Technical Centre on the FX market and Precious metals market.

### **Article 3. Clearing registers**

- 3.1. When executing clearing on the FX market and Precious metals market the Clearing House registers and keeps clearing registers stipulated by the Common part of the Clearing Rules.
- 3.2. Beside the information given in the Common part of the Clearing Rules, when executing clearing on the FX market and Precious metals market, the Clearing House records on clearing registers the following:
- Settlement Account Single Limit;
  - information on obligations and claims of a Clearing Member under each obligation arising from Trade, accepted for clearing;
  - information on obligations of a Clearing Member and of the Clearing House to pay variation margin per a Settlement Account;
  - Net Obligations / Net Claims of a Clearing Member with each Settlement Date in each foreign currency and in each precious metal per a Settlement Account.
- 3.3. Procedure for keeping clearing registers is defined in the Common part of the Clearing Rules and also in the relevant articles of Sections SECTION IV and SECTION V.

## **SECTION II. REQUIREMENTS FOR CLEARING MEMBERS**

### **Article 4. Clearing service terms. The procedure for granting admission to the clearing service**

- 4.1. On the FX market and Precious metals market the following categories of the Clearing Members may be assigned to the Clearing Members:
- Clearing Members of the category “A”;
  - Clearing Members of the category “K”;
  - Clearing Members of the category “O”;
  - Clearing Members of the category “B”;
  - Clearing Members of the category “C”.
- 4.2. Clearing Members of the category “C” can not be a party to fix trades, average weighted trades, party to deliverable and cash-settled futures contracts, executed on the basis of fix orders and party to OTC swap trades in foreign currency / precious metals with Liquidity Providers.
- 4.3. Admission to the clearing service on the FX market and Precious metals market is granted to a Clearing Member, which corresponds to the requirements set out for the relevant category of a Clearing Members in the Common part of the Clearing Rules and also to the requirements set put in this article.
- 4.4. In order to be granted admission to the clearing services a Clearing Member of the category “C” must correspond to the following requirement:
- 4.4.1. have at least one Settlement Account of the Clearing Member, opened with the Clearing House;
- 4.5. In order to be granted admission to the clearing services a Clearing Member of the category “B” must correspond to the requirement, defined in the sub-paragraph 4.4.1 and also to the following requirements:
- 4.5.1. A Clearing Member – Non-credit Institution, which is not a professional participant of the securities market or an entity, which performs any other licensed activity on the financial market, and/or intermediary activity as an insurance broker, and a Clearing Member, which is a Non-resident Non-credit Institution, which does not have a special permission to execute transactions on financial markets issued by a competent authority of the state of establishment of a Clearing Member,
- must possess own funds (capital) in the amount not less than 50 000 000 000 (fifty billion) of Russian rubles, or
  - must possess own funds (capital) in the amount not less than 20 000 000 000 (twenty billion) of Russian rubles and shall have the following rate or organization, which has the right directly or indirectly control performance of the Clearing Member and has the following rating:
    - rate according to the international scale of the long-term creditability under obligations in Russian rubles or in foreign currency not lower than BB-

- according to the classification of rate agencies "Standard & Poor's" or "Fitch Ratings" or than Ba3 according to the classification of the rate agency "Moody's Investors Service", or
- credit rate according to the national scale not less than A- according to the classification of the Analytical Credit Rating Agency (ACRA) or of the rating agency "Expert RA".
- 4.6. Admission to the clearing service of a Clearing Member – Non-credit Institutions, which performs activity on the basis of the license for performing pension provision and pension insurance and/or performance regarding management of investment funds, share investment funds and non-state pension funds, is granted only with the category "C".
- 4.7. In order to execute buy-sell trades in precious metals / OTC Trades in precious metals the Clearing Member must open a trading bank account for the relevant precious metal with the Clearing House.
- 4.8. Only Clearing Members, which are admitted to the clearing on the FX Market and Precious Metals Market, are admitted to the execution of OTC Trades in foreign currency / OTC Trades in precious metals.

#### **Article 5. Specifics of suspension and termination of an admission to the clearing service**

- 5.1. The Clearing House is entitled to suspend admission to the clearing service of a Clearing Member of the category "O", category "B" or "C" under the grounds stipulated by the Common part of the Clearing Rules.
- 5.2. The Clearing House is entitled to set the category "C" for a Clearing Member of the category "B" according to the grounds stipulated by the Common part of the Clearing Rules, and also when a Clearing Member – Non-credit Institution, which is not a professional participant of the securities market or is not an entity, which performs activity on the basis of the license on executing insurance, and/or reinsurance, and/or mutual insurance, and/or intermediary activity as an insurance broker, and a Clearing Member, which is a Non-resident Non-credit Institution, and also does not have a special permission to execute transactions on financial markets issued by a competent authority of the state of establishment of a Clearing Member, does not correspond to the requirement set out in the sub-paragraph 4.5.1 of the Common part of the Clearing Rules.

#### **Article 6. Specific features of opening and closing Trade Accounts of the Clearing Member, procedure for using Trade Accounts of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level**

- 6.1. Registration of Trade Account in the name of a Clearing Member and also registration of Trade Accounts of the 2<sup>nd</sup> level and Trade Accounts of the 3<sup>rd</sup> level is required on the FX market and Precious metals market.
- 6.2. Registration of Trade Accounts in the name of a Clearing Member is performed on the basis of the Request for Settlement Account registration submitted by a Clearing Member to the Clearing House in accordance with the Clearing Rules.



- 6.3. Closure of a Trade Account of a Clearing Member is performed on the basis of the Request for Settlement Account closure.
- 6.4. A Clearing Member of the category “O” or “B” is entitled to set the feature “short-sales prohibition” and/or the feature “unsecured purchases prohibition” for a Trade Account of a Clearing Member via the Clearing System.
- Clearing of Secured Trades with collateral in base currency is performed under Trades concluded with the indication of a Trade Account of a Clearing Member with the feature “short-sales prohibition”.
- Clearing of Secured Trades with collateral in quoted currency is performed under Trades concluded with the indication of a Trade Account of a Clearing Member with the feature “unsecured purchases prohibition”.
- 6.5. A Clearing Member is entitled to set the feature “short-sales prohibition” and/or the feature “unsecured purchases prohibition” for a Trade Account of the 2<sup>nd</sup> level via the Clearing System.
- 6.6. A Trading Member, which concluded with the Clearing House the agreement on keeping clearing registers stipulated by the Common part of the Clearing Rules, is entitled to set the feature “short-sales prohibition” and/or the feature “unsecured purchases prohibition” for a Trade Account of the 3<sup>rd</sup> level via the Clearing System.
- 6.7. The Clearing House transfers information to the Exchange via the Complex of Software and Hardware of the Technical Centre:
- on registered Trade Accounts of a Clearing Member, Trade Accounts of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level;
  - on Trading Members, which have the right to submit orders with the indication of Trade Accounts of the 2<sup>nd</sup> level;
  - on registered Segregated Clients;
  - the other information, stipulated by the Trading Rules on the FX market and Precious metals market.
- 6.8. Calculation of the Settlement Account Single Limit, definition of the Net Obligations / Net Claims, Total Net Obligations / Total Net Claims, Debts of a Clearing Member, check of the ability to register orders, credit and record of cash funds and precious metals of a Clearing Member, fulfillment (termination) of obligations under Trades, emergence and satisfaction of Margin Call, fees payment is performed under a Settlement Account of a Clearing Member.

### **SECTION III. MEASURES AIMED AT RISK MANAGEMENT WHEN CLEARING**

#### **Article 7. List of measures aimed at risk management when clearing**

- 7.1. With the aim to reduce risks connected with clearing on the FX market and Precious metals market, the Clearing House take measures stipulated by the Common part of the Clearing Rules.
- 7.2. Default Fund of the FX market and Precious metals market is formed by the Clearing House from the Default Fund contributions of all Clearing Members of the categories “O” and “B”, admitted to clearing on the FX market and Precious metals market.
- The minimum amount of the Default Fund contribution of each Clearing Member of the category “O” and “B” constitutes 10 000 000 (ten million) of Russian rubles.
- 7.3. Clearing Members of the category “O” and “B” must post Collateral for Stress.
- Procedure for the definition of the Collateral for Stress amount is set out in the Collateral for Stress Calculation Methodology.
- 7.4. When a Clearing Member does not fulfill Default Funds Margin Call and/or Collateral for Stress Margin Call, procedure for issue and satisfaction of which is set out by the Common part of the Clearing Rules:
- the Clearing House assigns the category “C” to a Clearing Member of the category “B”;
  - the Clearing House sets the feature “short-sales prohibition” and the feature “unsecured purchases prohibition” for all Settlement Accounts of a Clearing Member of the category “O”.
- 7.5. When using the contribution of a Defaulting Clearing Member to the Default Fund of the FX market and Precious metal market and/or Collateral for Stress on the FX market and Precious metals market:
- the Clearing House assigns the category “C” to a Clearing Member of the category “B”;
  - the Clearing House sets the feature “short-sales prohibition” and the feature “unsecured purchases prohibition” for all Settlement Accounts of a Clearing Member of the category “O”.
- 7.6. In case of repayment by a Defaulting Clearing Member of funds of the Default Fund of the FX market and Precious metals market during 1 (one) day after the Clearing House forwards to such Defaulting Clearing Member Default Funds Margin Call and/or Collateral for Stress Margin Call the Clearing House is entitled to:
- assign the category “C” to a Clearing Member of the category “B”;
  - remove the feature “short-sales prohibition” and the feature “unsecured purchases prohibition” in respect of a Clearing Member of the category “O”.

7.7. The Collateral sufficiency control on the FX market and Precious metals market is executed using the Settlement Account Single Limit.

**Article 8. Requirements imposed on Liquidity Providers**

8.1. Liquidity Provider shall correspond to the following requirements:

- 1) have the special permission to perform actions on financial markets, issued by the authorized body of the state of residence of the Liquidity Provider, in effect;
- 2) have the credit rate in international rate agencies not less than A- according to the classification of rate agencies such as “Standard & Poor” or “Fitch Ratings” or A3 according to the classification of the rate agency “Moody’s Investors Service”;
- 3) have proprietary funds (capital) not less than 1 000 000 000 (one billion) US dollars.

## **SECTION IV. PROCEDURE FOR AND TERMS OF ACCEPTING OBLIGATIONS FOR CLEARING**

### **SUB-SECTION IV-I. PROCEDURE FOR THE EXECUTION OF OTC TRADES IN FOREIGN CURRENCY AND OTC TRADES IN PRECIOUS METALS**

#### **Article 9. Opportunity to execute OTC Trades in foreign currency and OTC Trades in precious metals**

- 9.1. The Clearing House forms and approves the list of subjects of obligations arising from OTC Trades in foreign currency and OTC Trades in precious metals (hereinafter referred to as the List), the Specification of OTC Trades in foreign currency and the Specification of OTC Trades in precious metals.
- 9.2. Since of the moment, when the List comes into force, execution of OTC Trades in foreign currency / OTC Trades in precious metals, parameters of which are defined in the List, and the clearing of OTC Trades in foreign currency / OTC Trade in precious metals on the basis of the relevant Specification and Clearing Rules, is allowed.
- 9.3. List and Specifications are disclosed on the website of the Clearing House.
- 9.4. The Clearing House is entitled to set the Maximum and the Minimum Values of the Price Range for the foreign currency / precious metal, offered for the sell/buy when executing OTC Trades in foreign currency / OTC Trades in precious metals (hereinafter referred to as the base currency), in the currency, for which buy or sell is executed (hereinafter referred to as the conjugate currency).
- 9.5. Clearing House being party to OTC swap trades in foreign currency / precious metal, executed with Clearing Members, when acting as a central counterparty, transfers to the Repository on the basis of the agreement, concluded with the Repository, information on executed with Clearing Members OTC swap trades in foreign currency / precious metal, on the basis of the information, received from the Clearing Member, inclusively, in the volume, order and terms, defined by legal acts of the Bank of Russia.

#### **Article 10. Procedure for the execution of OTC Trades in foreign currency and OTC Trades in precious metals**

- 10.1. Clearing Members are entitled to execute OTC Trades in foreign currency and OTC Trades in precious metals in accordance with the Clearing Rules on the FX Market and Precious Metals Market:
  - in the name of itself and at its own expense;
  - in the name of itself and at the expense of its client.
- 10.2. When executing OTC Trades in foreign currency and OTC Trades in precious metals with Clearing Members the Clearing House functions as the central counterparty.

- 10.3. With the aim to execute OTC Trade in foreign currency or OTC Trade in precious metals the Clearing Member submits via the Clearing System the Offer, which is the offer to execute the OTC Trade in foreign currency / OTC Trade in precious metal. The Offer of the Clearing Member is addressed to the Clearing House.
- 10.4. Offers to execute OTC Trades in foreign currency / OTC Trades in precious metals, counterparties of the Clearing House to which are Clearing Members, are submitted by Clearing Members via the OTC trades execution System in accordance with the Clearing Rules on the FX market and Precious metals market and OTC trades execution rules of NCC, which are Supplement 2 to the Clearing Rules on the FX market and Precious metals market. The offer, submitted via the OTC trades execution System, is considered to be submitted to the Clearing System since of the moment of its registration in the Clearing System.
- 10.5. The Offer is formed as the electronic document, signed by the HSA of the Clearing Member or of the Clearing House. Such electronic documents, signed by the HSA of the Clearing Member or of the Clearing House, are considered to be electronic documents, equivalent to hard copies of documents, signed by holographic signature. Procedure for using HSA is defined in the Common Part of the Clearing Rules.
- 10.6. Offers can be submitted within the period of time, defined in the Time Specifications on the FX Market and Precious Metals Market.
- 10.6.1. Validity period of the Offer of the Clearing Member to execute an OTC Trade in foreign currency / OTC Trade in precious metal, end counterparty to which is the Clearing Member, is limited by the time of submission of Offers and execution of OTC Trades in foreign currency / OTC Trade in precious metals, set out in the Time Specifications on the FX Market and Precious Metals Market.
- 10.7. The Offers, submitted by the Clearing Member, shall contain the following:
- code of the OTC Trade in foreign currency / OTC Trade in precious metal;
  - reference to the OTC Trade execution Regime;
  - terms of the OTC Trade in foreign currency / OTC Trade in precious metal, stipulated by the Specification;
  - Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level (except for Offers, submitted through the informing Clearing Member).
- 10.8. Offer, submitted by the Clearing Member, may contain the indication of the Clearing Member, Offer of which may be recognized as the Offer with the coinciding terms (for Offers to execute OTC Trades in foreign currency / OTC Trade in precious metal, end counterparty to which is the Clearing Member).
- 10.9. Offer, submitted by the Clearing Member, may contain short code of the client of the Trading Member – Clearing Member (for Offers to execute OTC Trade in foreign currency / OTC Trade in precious metals, end counterparty of which is the Clearing Member).
- 10.10. After the moment, when the information on submitted by the Clearing Member Offer, forwarded in order to execute the OTC Trade in foreign currency / OTC Trade in precious

metal, has become available to the Clearing House via the Clearing System, the Clearing House checks the possibility to register such Offer through the following:

- 10.10.1. Clearing House checks the correspondence of terms, defined in the Offer, to the requirements, defined in the List for such OTC Trade in foreign currency / OTC Trade in precious metal, and to the requirements, stipulated by the relevant Specification;
- 10.10.2. Clearing House checks the fact that the price value, indicated in the Offer, is more than or equal to the Minimum Value of the Price Range and is less than or equal to the Maximum Value of the Price Range, set out by the Clearing House in accordance with the paragraph 9.4 in respect of the base currency for the conjugate currency, under which the Offer is submitted (in case if such values of the price range are set by the Clearing House);
- 10.10.3. Clearing House performs checks equivalent to the ones, defined in the Article 14, in respect of orders to execute on-exchange Trades.
- 10.11. If the result of all checks, defined in the paragraph 10.8, is positive, the Clearing House registers in the Clearing System the receiver Offer. If the result of at least one of the defined checks is negative, the Clearing House forwards to the Clearing Member refusal to register Offers.
  - 10.11.1. Clearing House may forward to the Clearing Member denial of registration of the Offer in other cases, set out in the Clearing Rules.
  - 10.11.2. When registering in the Clearing System the received Offer, the Clearing House starts recording the value of the Single Limit of the Settlement Account, Single Limit of the Settlement Account of the 2nd level and/or of the Single Limit of the Settlement Account of the 3rd level, calculated when the possibility of such Offer registration is checked, as the new values of the Single Limit of such Settlement Account of the relevant level.
- 10.12. Since of the moment, when received Offer is registered in the Clearing System, withdrawal of such offer by the Clearing Member is not admitted.
- 10.13. In cases, defined in the Clearing Rules, the Clearing House is entitled to remove from the Clearing System Offers, submitted by the Clearing Member.
- 10.14. Immediately after the registration in the Clearing System of the Offer, submitted by the Clearing Member, the Clearing House checks whether there are Offers of Clearing Members, which contain coinciding terms.
- 10.15. Offers, which contain coinciding terms, are the counter Offers, submitted within one Regime of execution of OTC Trades in foreign currency, with the following similar terms:
  - base and conjugate currencies codes / code of the swap trade / swap contract;
  - base currency amount;
  - buy or sell price in the conjugate currency / price of the swap trade / swap contract;
  - Date / Dates for the fulfillment of obligations under a Trade;
  - Offer, submitted by the Clearing Member, indicated as the Clearing Member, Offer of which may be recognized as the Offer with the coinciding terms (if defined).

10.16. If there are Offers, which are submitted by Clearing Members and which have coinciding terms, acceptance of the Offer by the Clearing House is the fact of putting two OTC Trades in foreign currency / OTC Trade in precious metals with the data of the Clearing Member into the list of OTC Trades. The moment, when the information from the List of OTC Trades on two OTC Trades in foreign currency / OTC Trade in precious metals with the data of the Clearing Member is reflect in the Clearing System, is the moment, when such Clearing Members – offerors of the acceptance of the Clearing House to execute OTC Trades in foreign currency / OTC Trade in precious metal under the terms, corresponding to terms of Offers, which have coinciding terms, is the moment when the Clearing Member and the Clearing House agree upon essential terms of a trade, and it is the moment of execution of OTC Trades in foreign currency / OTC Trade in precious metals between Clearing Members and the Clearing House.

Moscow, Russian Federation is considered to be the place of the trade execution.

10.16.1. Information on execution of OTC Trades in foreign currency and/or OTC Trade in precious metals, counterparties of the Clearing House to which are Clearing Members, is transferred by the Clearing House to the OTC trades execution System.

10.17. When executing OTC Trade in foreign currency / OTC Trade in precious metal with the Clearing Member, the Clearing House:

- assigns the number to the executed OTC Trade in foreign currency / OTC Trade in precious metal;
- calculates the Single Limit for the Settlement Account, Single Limit for the Settlement Account of the 2<sup>nd</sup> level and/or the Single Limit for the Settlement Account of the 3<sup>rd</sup> level, which forms the part of the Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the Offer, and/or corresponding to the Trade Account of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the Offer, on the basis of which the OTC Trade in foreign currency / OTC Trade in precious metal is executed, not taking into account such Offer and taking into account executed OTC Trade in foreign currency / OTC Trade in precious metal;
- accepts for clearing obligations under executed OTC Trade in foreign currency / OTC Trade in precious metal;
- under OTC Trade in foreign currency / OTC Trade in precious metal, executed with the indication of the Trade Account, changes, taking into account executed OTC Trade in foreign currency / OTC Trade in precious metal, Net Obligation and/or Net Claim of the Clearing Member under the Settlement Account, which forms the part of the Trade Account, defined in the Offer, on the basis of which the OTC Trade in foreign currency / and OTC Trade in precious metal is executed, with the Settlement Dates, corresponding to the Date(s) for the fulfillment of obligations under executed OTC Trades in foreign currency / OTC Trade in precious metal;
- under OTC Trade in foreign currency / OTC Trade in precious metal, executed with the indication of the Trade Account of the 2<sup>nd</sup> level, changes, taking into account executed OTC Trade in foreign currency / OTC Trade in precious metal, Net Obligation and/or Net Claim, recorded under the Settlement Account of the 2<sup>nd</sup> level, which forms the part of the Trade Account of the 2<sup>nd</sup> level, defined in the Offer, and the Net Obligation and/or Net Claim of the Clearing Member under the Settlement

Account, corresponding to the Trade Account of the 2<sup>nd</sup> level, defined in the Offer, on the basis of which OTC Trade in foreign currency / OTC Trade in precious metal is executed, with the Settlement Dates, corresponding to the Date(s) for the fulfillment of obligations under executed OTC Trades in foreign currency / OTC Trade in precious metal;

- under OTC Trade in foreign currency / OTC Trade in precious metal, executed with the indication of the Trade Account of the 3<sup>rd</sup> level, changes, taking into account executed OTC Trade in foreign currency / OTC Trade in precious metal, Net Obligation and/or Net Claim, recorded under the Settlement Account of the 3<sup>rd</sup> level, which forms the part of the Trade Account of the 3<sup>rd</sup> level, defined in the Offer, and the Net Obligation and/or Net Claim, recorded under the Settlement Account / Settlement Account of the 2<sup>nd</sup> level, corresponding to the Trade Account of the 3<sup>rd</sup> level, defined in the Offer, on the basis of which OTC Trade in foreign currency / OTC Trade in precious metal is executed, with the Settlement Dates, corresponding to the Date(s) for the fulfillment of obligations under executed OTC Trade in foreign currency / OTC Trade in precious metal.

10.18. The Clearing House keeps the register of Offers, submitted by Clearing Members and the Clearing House, and the register of OTC Trades in foreign currency and OTC Trade in precious metals, executed with Clearing Members and Liquidity Providers.

#### **Article 11. Special aspects of executing OTC Trades in foreign currency and OTC Trades in precious metals with Liquidity Providers**

11.1. When executing OTC Trades in foreign currency or OTC Trades in precious metals with Clearing Members and Liquidity Providers the Clearing House acts as a central counterparty.

11.2. The Clearing House via the Clearing System provides Clearing Members with the information, received from the Liquidity Provider not changing it, which is required by the Clearing Member in order to forward the Offer to the Clearing House, including information on base currency, price in conjugate currency, amount of base currency, offered to be bought / sold (hereinafter referred to as the Liquidity Provider quotation).

11.2.1. Validity period of the Offer of the Clearing Member is limited by the moment, when the Clearing House has finished the check of the fact whether there is relevant Liquidity Provider quotation, which meets the terms of the Offer, submitted by the Clearing Member. Terms, under which the Liquidity Provider quotation is considered to be the one, which meets the Offer of the Clearing Member, are contained in the paragraph 12.6.

11.3. If at least one of the checks, defined in the paragraph 10.9, has negative result, the Clearing House removes the Offer from the Clearing System.

11.4. Immediately after the registration in the Clearing System of the Offer, submitted by the Clearing Member, the Clearing House checks whether there is any Liquidity Provider quotation, which satisfies the Order, submitted by the Clearing Member and is registered in the Clearing System.



- 11.5. Liquidity Provider quotation is considered to be the one, which satisfies the Offer, registered in the Clearing System and is submitted by the Clearing Member, under the following conditions:
- Liquidity Provider quotation and the Offer, submitted by the Clearing Member are counter to each other;
  - Liquidity Provider quotation and the Offer, submitted by the Clearing Member, contain similar base currency name, conjugate currency name and Date for the fulfillment of obligations under a Trade;
  - Liquidity Provider quotation corresponds to the terms of the Offer, submitted in accordance with the requirements of the Regime of an OTC Trade execution;
  - price, defined in the Liquidity Provider quotation is not more than the buy price (not less than the sell price), defined in the Offer, submitted by the Clearing Member.
- 11.6. If there is relevant Liquidity Provider quotation, which meets terms of the Offer, submitted by the Clearing Member while complying with the limitations, set out by the Clearing House in respect of the Liquidity Provider, the Clearing House with the aim to execute an OTC Trade in foreign currency / OTC Trade in precious metal with the Clearing Member submits to the Clearing System the Offer, which is the acceptance of the offer of the Clearing Member, and executes two OTC Trades in foreign currency / two OTC Trades in precious metals – with the Clearing Member, which submitted the Offer, and with the Liquidity Provider. The procedure for the execution of the abovementioned trades is defined in the paragraphs 11.12 and 11.13.
- 11.7. The Clearing Member and the Clearing House sets that the Offer (acceptance) of the Clearing House, which contain terms of price and value of an OTC Trade in the foreign currency / OTC Trade in precious metal, which meet the requirements of the paragraph 11.12, is the acceptance, which meets the terms of the Offer of the Clearing Member, and the agreement between the Clearing Member and the Clearing House on essential terms of an OTC Trade in foreign currency / OTC Trade in precious metal is considered to be reached.
- 11.8. OTC Trade with the Clearing Member, which submitted the Offer towards the Clearing House, is executed through forwarding by the Clearing Member of the back Offer to the abovementioned Clearing Member. The moment, when the back Offer of the Clearing House (acceptance) is reflected in the Clearing System, is the moment, when the Clearing Member receives the consent of the Clearing House upon execution of an OTC Trade in foreign currency / OTC Trade in precious metal and is the moment when an OTC Trade in foreign currency is executed between the Clearing Member and the Clearing House.
- Moscow (Russian Federation) is the place of the trade execution.
- 11.9. Specifics of execution of OTC swap trades in foreign currency / precious metals in the trading mode “RFS Auction” are defined in the OTC trades execution rules of NCC, which are Supplement 2 to the Clearing Rules on the FX market and Precious metals market.
- 11.10. The Clearing House is not responsible for losses, which may be taken by the Clearing Member in case of execution of an OTC Trade in foreign currency / OTC Trade in precious

metal under the terms, different from the terms, contained in the Offer, submitted by the Clearing Member initially.

- 11.11. OTC Trade in foreign currency with the Liquidity Provider is executed in the order, stipulated by the agreement, executed by the Clearing House with the Liquidity Provider, which defines the procedure and the terms of execution and fulfillment of OTC Trades in foreign currency / OTC Trades in precious metals.
- 11.12. Price of an OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Clearing Member, and an OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Liquidity Provider, is equal to the price, defined in the Offer, submitted by the Clearing Member, or is equal to the price, which is bigger than the price, defined in the by the Clearing Member in the Offer aimed at the foreign currency / precious metal sell, or is equal to the price, which is smaller than the price, defined by the Clearing Member in the Offer to buy foreign currency / precious metal. Meanwhile prices of the abovementioned OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Clearing Member, and of an OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Liquidity Provider, are equal.

Value of an OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Clearing Member, and of an OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Liquidity Provider, which is equal to the minimum value of the ones, defined in the Offer, submitted by the Clearing Member, or in the Liquidity Provider quotation. Meanwhile volumes of the abovementioned OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Clearing member, and of OTC Trade in foreign currency / OTC Trade in precious metal, executed by the Clearing House with the Liquidity Provider, are equal.

- 11.13. If there is no Liquidity Provider quotation in the Clearing System, which can meet the terms of the Offer of the Clearing Member, stipulated by the paragraph 11.5, the Clearing House deletes the Offer, submitted by the Clearing Member, from the Clearing System due to the expiration of the of Offer validity period and calculates the Single Limit in respect of the Settlement Account, the Single Limit in respect of the Settlement Account of the 2<sup>nd</sup> level and/or the Single Limit in respect of the Settlement Account of the 3<sup>rd</sup> level, which forms the part of the Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> level, defined in the Offer, and/or corresponding to the Trade Account of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the Offer, not taking into account such Offer.
- 11.14. Procedure for using Reuters workplaces while submitting Offers and executing OTC Trades in foreign currency / OTC Trade in precious metal is set by the internal document of the Clearing House, where claims to the preparation of messages when the Clearing Member submits Offers via the Reuters workplace. The abovementioned documents are disclosed by the Clearing House through putting it on the Clearing House's website.

## **Article 12. Specifics for execution of OTC Trades in foreign currency and OTC Trades in precious metals**

- 12.1. Clearing Member is entitled to submit to the Clearing system his Offers to execute OTC Trades in foreign currency and OTC Trades in precious metals in the mode “Trades with CCP” using another Clearing Member (hereinafter referred to as the informing Clearing Member), which transfers Offer, generated and signed according to the requirements of the Clearing Rules on the FX market and precious metals market, of the Clearing Member-submitter to the Clearing System.

Clearing Member that submits his Offers to the Clearing System using the informing Clearing Member, here and further in this article shall be referred to as Clearing Member-submitter.

- 12.2. In order to implement opportunity to submit Offers through the informing Clearing Member, Clearing Member-submitter submits to the Clearing House application in the form, defined by the Clearing House, which contains the following:

12.2.1. Identifier of the informing Clearing Member;

12.2.2. Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level, which may be indicated in Offers of the Clearing Member-submitter, submitted through the informing Clearing Member. Into the structure of the Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> level shall be included Settlement Account, which has the feature that defines the Settlement Account usage model: for execution of trades by the Clearing Member – Trading Member and/or for execution of OTC Trades by the Clearing Member.

- 12.3. After receiving application, defined in the paragraph 12.2, Clearing House generates and forwards to the Clearing Member-submitter special code, which shall be indicated by the Clearing Member-submitter in generated Offers, which are forwarded by the informing Clearing Member to the Clearing System in the order, stipulated by this article (hereinafter referred to as the Code for offer forwarding).

Code for offer forwarding define correspondence of the Clearing Member-submitter, Trade Account of the Clearing Member-submitter to the informing Clearing Member, through which Clearing Member-submitter may submit Offers.

- 12.4. Offer, generated by the Clearing Member-submitter, and forwarded to the Clearing System by the informing Clearing Member, shall contain the Code for offer forwarding.

12.5. Offer, generated by the Clearing Member-submitter and forwarded to the Clearing System by the informing Clearing Member, shall contain indication of the Clearing Member, Offer of which may be recognized as the Offer with the matching terms. Meanwhile Identifier of the Clearing Member, Offer of which may be recognized as the Offer with the matching terms, shall correspond to the Identifier of the Informing Clearing Member or Identifier of another Clearing Member-submitter, Offer of which is forwarded by the same informing Clearing Member.

- 12.6. In case of denial of registration of Offer of the Clearing Member-submitter and/or of the Offer of the informing Clearing Member, including the case when Offer of the Clearing Member-submitter does not meet requirements, defined in the paragraphs 12.4, 12.5, Clearing House forwards denial of registration of Offers to both informing Clearing Member and Clearing Member-submitter.

- 12.7. In order to execute OTC Trade in foreign currency / OTC Trade in precious metal on the basis of Offer of the Clearing Member-submitter, forwarded to the Clearing System by the informing Clearing Member, which is the Offer with the matching terms (or another Clearing Member-submitter, Offer of which is the Offer with matching terms and is forwarded by the same informing Clearing Member), informing Clearing Member forwards to the Clearing System message on readiness to execute a trade, which contains the following terms of execution of OTC Trade in foreign currency / OTC Trade in precious metal:
- price of OTC Trade in foreign currency / OTC Trade in precious metal is equal to the price, defined in Offers, forwarded by the informing Clearing Member,
  - volume of an OTC Trade in foreign currency / OTC Trade in precious metal is equal to the volume, defined in Offers, forwarded by the informing Clearing Member, or is less than the volume, defined in Offers, forwarded by the informing Clearing Member.
- 12.8. Immediately after registration in the Clearing System of the Offer, generated by the Clearing Member-submitter and forwarded to the Clearing System by the informing Clearing Member, which is the Offer with matching terms (or another Clearing Member-submitter, Offer of which is the Offer with matching terms and is forwarded by the same informing Clearing Member), Clearing House checks if there is message from the informing Clearing Member on readiness to execute a trade or message on refusal to execute a trade.
- 12.8.1. When receiving from the informing Clearing Member message on refusal to execute a trade, Clearing House deletes from the Clearing System Offer of the Clearing Member-submitter and Offer of the informing Clearing Member, which is the Offer with matching terms (or another Clearing Member-submitter, Offer of which is Offer with matching terms and is forwarded by the same informing Clearing Member).
- 12.8.2. When receiving from the informing Clearing Member message on readiness to execute a trade Clearing House executes OTC Trades in foreign currency / OTC Trades in precious metal with the Clearing Member-submitter, Offer of which is the Offer with matching terms (or with another Clearing Member-submitter, Offer of which is the Offer with matching terms and is forwarded by the same informing Clearing Member) according to the paragraph 10.16, defined in the message on readiness to execute a trade.
- 12.8.3. In case of provision by the informing Clearing Member of the message on readiness to execute a trade or in case if the Clearing House receives message on refusal to execute a trade before the period for Offers submission ends, Clearing House deletes from the Clearing System Offer of the Clearing Member-submitter and Offer of the informing Clearing Member (or other Clearing Member-submitter, Offer of which is the Offer with matching terms and is forwarded by the same informing Clearing Member) with matching terms.
- 12.9. Authentication procedure in respect of Offers, submitted by the Clearing Member-submitter, with the aim to execute trades in the “Trades with CCP” Mode through the informing Clearing Member, is performed by the Technical center using Clearing system at the moment when the Clearing system receives such Offer through checking correspondence of the Code for offer forwarding to the Clearing Identifier, assigned by the

Technical center to the Clearing Member-submitter, and to the Clearing Identifier of the informing Clearing Member, defined by the Clearing Member-submitter when submitting application, defined in the paragraph 12.2.

- 12.10. After receiving Offer in the order, defined in the paragraph 12.8, and passing authentication procedure, stipulated by the paragraph 12.9, Clearing House forwards to the Clearing Member-submitter message on the fact that the Clearing System has received from the informing Clearing Member Offer, generated by the Clearing Member-submitter, to execute trade in the “Trades with CCP” Mode, and containing Code for Offers forwarding.
- 12.11. Clearing Member agrees with the transfer of Offers to the Technical Center with the aim to perform authentication procedure under conditions of confidentiality.
- 12.12. Technical Center via the Clearing System performs authentication of the person, who signed the Offer, by comparing HSA, which is contained in the Offer, and the detail, which is HSA, assigned to the Clearing Member, information about which is in the data base of the Clearing System.
- 12.13. When submitting application, defined in the paragraph 12.2, Clearing Member-submitter chooses informing Clearing Member on his own and take all risks, related to forwarding by the Clearing Member to the Clearing House of Offers, generated by Clearing Member-submitter. Clearing House is not responsible for losses, caused to the Clearing Member-submitter or other entities by bad faith actions (nonfeasance) of the informing Clearing Member.
- 12.14. Submission by the Clearing Member-submitter of the Offer to execute OTC Trade in foreign currency / OTC Trade in precious metal does not require additional confirmation of the Clearing Member-submitter.

## **SUB-SECTION IV-II. PROCEDURE FOR INTERACTION WITH THE EXCHANGE WHEN EXECUTING TRADES**

### **Article 13. Procedure for interaction with the Exchange when submitting orders and concluding Trades**

- 13.1. Immediately after the moment when the information on the sell order submitted by a Trading Member aimed at conclusion of a Trade, under which clearing of secured trades in foreign currency / precious metal, which is the base currency, and/or buy order submitted with the indication of a Trade Account of a Clearing Member with the feature “short-sale prohibition” and/or Trade Account of the 2<sup>nd</sup> level or of the 3<sup>rd</sup> level, which corresponds to the Trade Account of a Clearing Member with the feature “short-sales prohibition”, party to which will be a Clearing Member, becomes available to the Clearing House via the Software and Hardware Complex of the Technical Centre, the Clearing House:
- 13.1.1. checks the fact that the value of the price defined in the order is more than or equal to the Minimum Value of the Price Range and less than or equal to the Maximum Value of the Price Range, set out by the Clearing House;
  - 13.1.2. calculates the Settlement Account Single Limit, this Settlement Account forms a part of the Trade Account of a Clearing Member / corresponds to the Trade Account of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the order, taking into account submitted one; and performs the check of the sufficiency of the Single Limit in respect of the Settlement Account for the orders submission and the check of the sufficiency of the Single Limit in respect of the Settlement Account for the fulfillment of obligations to pay variable parts of the fees in the order defined in the paragraph 12.4;
  - 13.1.3. checks the fact that the values in foreign currency, which is the base currency, calculated in accordance with the Common part of the Clearing Rules in order to check the opportunity to fulfill the transaction, executed under a Trade Account of a Clearing Member if there is the feature “unsecured purchases prohibition” / “short-sales prohibition”, and/or of a Clearing Member of the category “C”, taking into consideration obligations in base currency under a Trade, which may be concluded on the basis of submitted order, for each Settlement Date will not become negative.
- 13.2. Immediately after the moment when the information on the buy order submitted by a Clearing Member aimed at conclusion of the Trade, under which clearing of secured trades in foreign currency, which is quoted currency, and/or buy order submitted with the indication of the Trade Account of a Clearing Member with the feature “unsecured purchases prohibition” and/or the Trade Account of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level corresponding to the Trade Account of a Clearing Member with the feature “unsecured purchases prohibition”, party to which will be a Clearing Member, becomes available to the Clearing House via the Software and Hardware Complex of the Technical Centre, the Clearing House:
- 13.2.1. checks the fact that the value of the price defined in the order is more than or equal to the Minimum Value of the Price Range and less than or equal to the Maximum Value of the Price Range, set out by the Clearing House;

- 13.2.2. checks the fact that the values in foreign currency, which is the quoted currency, calculated in accordance with the Common part of the Clearing Rules in order to check the opportunity to fulfill the transaction, executed under a Trade Account of a Clearing Member if there is the feature “unsecured purchases prohibition” / “short-sales prohibition”, and/or of a Clearing Member of the category “C”, taking into consideration obligations in quoted currency under a Trade, which may be concluded on the basis of submitted order, for each Settlement Date will not become negative;
- 13.2.3. calculates the Settlement Account Single Limit of a Clearing Member, this Settlement Account is a part of the Trade Account of a Clearing Member / corresponds to the Trade Account of the 2nd or of the 3rd level, defined in the order, taking into account submitted one; and performs the check of the sufficiency of the Single Limit in respect of the Settlement Account for the order submission and the check of the sufficiency of the Single Limit in respect of the Settlement Account for the fulfillment of obligations to pay variable parts of the fees in the order defined in the paragraph 12.4.
- 13.3. Immediately after the moment when the information on the order submitted by a Trading Member aimed at conclusion of a Trade, under which clearing of partially secured trades is executed, party to which will be a Clearing Member, becomes available to the Clearing House via the SHC of the TC, the Clearing House.
  - 13.3.1. checks the fact that the value of the price defined in the order is more than or equal to the Minimum Value of the Price Range and less than or equal to the Maximum Value of the Price Range, set out by the Clearing House for the instrument under which the order is submitted;
  - 13.3.2. calculates the Settlement Account Single Limit of a Clearing Member, this Settlement Account is a part of the Trade Account of a Clearing Member / corresponds to the Trade Account of the 2nd or of the 3rd level, defined in the order, taking into account submitted one; and performs the check of the sufficiency of the Single Limit in respect of the Settlement Account and the check of the sufficiency of the Single Limit in respect of the Settlement Account for the fulfillment of obligations to pay variable parts of the fees in the order defined in the paragraph 12.4.
- 13.4. Single Limit in respect of the Settlement Account is sufficient for the order submission under the condition that the value of the Single Limit in respect of the Settlement Account, taking into account obligations under the Trade and obligations to pay variable parts of the fee in respect of the Trade, which may be executed on the basis of the submitted order, it will not become negative or if the Single Limit in respect of such Settlement Account was negative by the moment of the order submission, under the condition that the Single Limit in respect of such Settlement Account, calculated taking into account obligations under the Trade, which may be executed on the basis of the submitted order, will not become less than the Single Limit in respect of this particular Settlement Account, calculated before the order submission.

Single Limit in respect of the Settlement Account is sufficient for the fulfillment of obligations to pay variable parts of the fee in respect of the Trade, which may be concluded on the basis of the submitted order, under the condition that the value of the Single Limit in respect of the Settlement Account, taking into account the abovementioned obligations, will not become negative.

Check of the sufficiency of the collateral for the fulfillment of obligations to pay variable parts of the fee, when submitting orders, is executed in respect of the Settlement Account for the fees withdrawal, procedure for the calculation of which is set out by the Common Part of the Clearing Rules.

Check of the sufficiency of the Single Limit of the Settlement Account for the fulfillment of obligations to pay variable parts of fees is not performed when submitting orders, resulting in enlargement of the Single Limit of the Settlement Account.

- 13.5. When making checks defined in the sub-paragraphs 13.1.2, 13.1.3, 13.2.2, 13.2.3, 13.3.2, for orders to conclude swap trades and swap contracts the abovementioned checks are made for the first and second parts of the swap trade / swap contract taking into consideration the simultaneous emergence of obligations under first and second parts of the swap trade / swap contract.
- 13.6. Checks, defined in the sub-paragraphs 13.1.1, 13.2.1, 13.3.1, are not made in respect of orders to conclude fix trades, orders to execute average weighted trades and fix orders.
- 13.7. For the orders to execute fix trades, orders to execute average weighted trades and fix orders, additionally the check that such order is submitted with the indication of the Clearing Member of the category “A”, “K”, “B” or “O” as a party to the trade, is executed.
- 13.8. In case if the feature, indicating the necessity to control Settlement Account of the 2<sup>nd</sup> level Single Limit, is set, the Clearing House:
  - 13.8.1. calculates the value of the Settlement Account Single Limit, which is the part of the Trade Account of the 2<sup>nd</sup> level / which corresponds to the Trade Account of the 3<sup>rd</sup> level, defined in the order, taking into consideration submitted order; and controls calculated Settlement Account of the 2<sup>nd</sup> level Single Limit in the order defined in the paragraph 12.10;
  - 13.8.2. calculates the value of the Settlement Account of the 2<sup>nd</sup> level Single Limit, this Settlement Account of the 2<sup>nd</sup> level is a part of the Trade Account of the 2<sup>nd</sup> level / corresponds to the Trade Account of the 3<sup>rd</sup> level defined in the order, without taking into consideration Collateral, information about which is recorded under such Settlement Account of the 2<sup>nd</sup> level, and checks the performance of such restriction in case if a Clearing Member imposes the restriction on the minimum value of the Settlement Account of the 2<sup>nd</sup> level Single Limit.
- 13.9. In case if the Settlement Account of the 3<sup>rd</sup> level Single Limit is imposed, the Clearing House:
  - 13.9.1. calculates the value of the Settlement Account of the 3<sup>rd</sup> level Single Limit, this Settlement Account of the 3<sup>rd</sup> level is a part of the Trade Account of the 3<sup>rd</sup> level defined in the order, including submitted order; and controls calculated Settlement Account of the 3<sup>rd</sup> level Single Limit in the order defined in the paragraph **Ошибка! Источник ссылки не найден.**
- 13.10. Control of the Settlement Account of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level Single limit is considered to be successfully passed under the condition that the value of the Settlement Account of the relevant 2<sup>nd</sup> or of the 3<sup>rd</sup> level Single Limit including obligations arising from the Trade, which may be concluded on the basis of submitted order will not become negative, or if the Single Limit for such Settlement Account of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level, calculated taking



into account the defined obligations, will not become less than the Single Limit for such Settlement Account of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level, calculated till the moment of the orders submission.

- 13.11. Under the order submitted with the indication of the Trade Account of the 2<sup>nd</sup> level firstly, is executed the control of the Settlement Account of the 2<sup>nd</sup> level Single Limit and secondly, the control of the Settlement Account Single Limit of a Clearing Member.

Under the order, submitted with the indication of the Trade Account of the 3<sup>rd</sup> level, firstly, is executed the control of the Settlement Account of the 3<sup>rd</sup> level Single Limit, secondly, the control of the Settlement Account of the 2<sup>nd</sup> level, and thirdly, the control of the Settlement Account Single Limit of a Clearing Member.

- 13.11.1. Control of the Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level Single Limit is performed in case if the relevant feature is removed by a Clearing Member / Trading Member.
- 13.11.2. Control of the Settlement Account Single Limit of a Clearing Member is obligatory.
- 13.11.3. Control of the order Single Limit is considered to be successfully passed under the condition that all levels of the Single Limit control have been passed.
- 13.11.4. In case if the control of the order Single Limit is not passed on any control level, the Single Limit control on next levels is not conducted.

- 13.12. In case if a Clearing Member / Trading Member for the Trade Account of the 2<sup>nd</sup> level / of the 3<sup>rd</sup> level sets the feature “short-sales prohibition” and/or the feature “unsecured purchases prohibition” in accordance with the paragraph 6.5 / 6.6, when submitting orders with the indication of the Trade Account of the 2<sup>nd</sup> level / of the 3<sup>rd</sup> level the checks similar to ones, defined in the sub-paragraphs **Ошибка! Источник ссылки не найден.** / **Ошибка! Источник ссылки не найден.**, are made, taking into consideration the Single Limit, Collateral and obligations, recorded under the relevant Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level.

- 13.13. When submitting the order with the indication of a Trade Account of the 1<sup>st</sup>, of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level, into the structure of which a Settlement Account of the corresponding level, to which corresponds identification data of a client of a Clearing Member / client of a Trading Member is included, the check on the correspondence of the defined identification data of a client of a Clearing Member, including a Segregated Client / client of a Trading Member, to the identification data of a Trading Member on behalf of which such order is submitted, or to the identification data of a Trading Member is additionally made.

- 13.13.1. The check, defined in this paragraph, is, firstly, made under the Trade Account of the 3<sup>rd</sup> level, secondly, under the Trade Account of the 2<sup>nd</sup> level and thirdly, under the Trade Account of a Clearing Member (if the correspondence between the Settlement Account of the particular level and the identification data of a client of a Clearing Member / client of a Trading Member).

- 13.13.2. The check, defined in this paragraph, under the order is considered to be successfully passed under the condition of successful passing of the defined check on all levels.

- 13.13.3. In case if the abovementioned check fails at any levels, next level check is not executed.

- 13.14. Immediately after the moment when the Clearing House finished checks, stipulated by this article for the relevant orders, the information on the results of such checks becomes available to the Exchange via the SHC of the TC: in case if the result of all required checks is positive – the Exchange receives the information on the possibility to register the order, in case if the result of at least one check is negative – the Exchange receives the information on impossibility to register the order.
- 13.14.1. Report on impossibility to register the order may be forwarded by the Clearing Member to the Exchange in other cases, defined in the Clearing Rules.
- 13.14.2. In case if it is possible to register the order the Clearing House starts recording the value of the Settlement Account Single Limit, Settlement Account of the 2<sup>nd</sup> level Single Limit and/or Settlement Account of the 3<sup>rd</sup> level Single Limit, calculated when checking the possibility to register the order, as the new values of the Single Limit for such Settlement Accounts of the relevant level.
- 13.14.3. In case if it is impossible to register the order the Clearing House does not change the values of the Settlement Account Single Limit, Settlement Account of the 2<sup>nd</sup> level Single Limit and/or Settlement Account of the 3<sup>rd</sup> level Single Limit.
- 13.15. After the moment when the information on withdrawal of the registered order, in which a Clearing Member was indicated as a party to a Trade, became available to the Clearing House via the SHC of the TC, the Clearing House calculates Settlement Account Single Limit, Settlement Account of the 2<sup>nd</sup> level Single Limit and/or Settlement Account of the 3<sup>rd</sup> level Single Limit; the particular Settlement Account forms a part of the relevant Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the order, or corresponds to the relevant Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the order, without taking into consideration withdrawn order.
- 13.16. When registering the order, which is acceptable counter order in respect of the earlier registered one in accordance with the Clearing Rules on the FX market and Precious metals market, the Clearing House concludes a Trade with each Clearing Member defined in the order as a party to a Trade.
- 13.17. After the moment when the information on the registration of a Trade became available to the Clearing House via the SHC of the TC:
- the Clearing House calculates Settlement Account Single Limit, Settlement Account of the 2<sup>nd</sup> level Single Limit and/or Settlement Account of the 3<sup>rd</sup> level Single Limit; the particular Settlement Account forms a part of the relevant Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the order or corresponds to the Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level, defined in the order, on the basis of which the Trade is concluded, without taking into account such order (part of such order) and taking into consideration the concluded Trade;
  - the Clearing House accepts obligations arising from the concluded Trade;
  - under the Trade, concluded with the indication of the Trade Account if a Clearing Member, the Clearing House taking into consideration concluded Trade changes the Net Obligation / Net Claim of a Clearing Member under the Settlement Account, which forms a part of the Trade Account of a Clearing Member, defined in the order,

on the basis of which the Trade is concluded, with Settlement Dates corresponding to the Date(s) of obligations fulfillment under concluded Trade;

- under the Trade, concluded with the indication of the Trade Account of the 2<sup>nd</sup> level, the Clearing House taking into consideration concluded Trade changes the Net Obligation / Net Claim, recorded under the Settlement Account of the 2<sup>nd</sup> level, which forms a part of the of the Trade Account of the 2<sup>nd</sup> level, defined in the order, and the Net Obligation / Net Claim of a Clearing Member under the Settlement Account, which corresponds to the Trade Account of the 2<sup>nd</sup> level, defined in the order, on the basis of which the Trade is concluded, with Settlement Dates corresponding to the Date(s) of obligations fulfillment under concluded Trade;
- under the Trade, executed with the indication of the Trade Account of the 3<sup>rd</sup> level, changes, taking into account the executed Trade, the Net Obligation and/or the Net Claim, recorded under the Settlement Account of the 3<sup>rd</sup> level, defined in the order, and the Net Obligation and/or Net Claim, recorded under the Settlement Account / Settlement Account of the 2<sup>nd</sup> level, corresponding to the Trade Account of the 3<sup>rd</sup> level, defined in the order, on the basis of which the Trade is executed, with the Settlement Dates, corresponding to the Date(s) for the fulfillment of obligations under the executed Trade.

## **SECTION V. CLEARING PROCEDURE**

### **Article 14. Procedure for the execution of mark-to-market clearing session. Procedure for Margin Calls emergence and satisfaction**

- 14.1. During mark-to-market clearing session, executed on each Settlement Day at the time set out by the Time Specifications on the FX market and Precious metals market, the Clearing House besides the actions defined in the Common part of the Clearing rules executes the following actions:
- 14.1.1. defines Settlement Prices in accordance with the paragraph 14.2;
  - 14.1.2. calculates and sets new values of the Single Limits on Settlement Accounts, Single Limits on Settlement Accounts of the 2<sup>nd</sup> level for each Clearing Member;
  - 14.1.3. calculates and sets new values of the Single Limit on Settlement Account of the 3<sup>rd</sup> level for each Trading Member, which concluded the agreement on keeping clearing registers with the Clearing House;
  - 14.1.4. defines obligations of Clearing Members of the Clearing House to pay variation margin in accordance with the Article 15;
  - 14.1.5. records termination of counter homogeneous obligations under futures contracts and swap contracts;
  - 14.1.6. forms and forwards the Report on obligations under Derivatives to each Clearing Member that have obligations under futures contracts and/or swap contracts;
  - 14.1.7. forms and forwards the Report on obligations under Derivatives to each Trading Member that concluded with the Clearing House the agreement on keeping clearing registers under Settlement Account of the 2<sup>nd</sup> level, opened for such Trading Member, under which the information on obligations under futures contracts and/or swap contracts is recorded;
- 14.2. The Settlement Price for the relevant underlying asset and the relevant Settlement Date is defined as the sum of the Central rate for buy-sell trades in foreign currency / precious metal, which is the particular underlying asset, denominated in Russian rubles, set out by the Clearing House for the current Settlement Day, and the central value of the Swap Trades Indicative Rate on the date corresponding to such Settlement Date.
- 14.3. Counter homogeneous obligations under futures contracts and/or swap contracts, which are to be terminated during the clearing session, stand for the obligations under futures contracts and/or under the second part of the swap contract, which meet the following requirements:
- are obligations under derivatives of one type (deliverable or cash settlement);
  - are offset obligations;
  - have same base currency and conjugate currency;
  - are obligations with one Settlement Date;
  - are obligations with the same lots;
  - are obligations under futures contracts and/or swap contracts concluded on the basis of orders / Offers, in which the same code of a client of a Trading Member (or the

code of a client of a Trading Member in both orders / both Offers is not indicated) or the same Trade Account of the 1<sup>st</sup>, 2<sup>nd</sup> or of the 3<sup>rd</sup> level is indicated.

- 14.4. During mark-to-market clearing session, after the definition of obligations to pay variation margin and execution of the other actions stipulated by the Article 15, the Clearing House among obligations under futures contracts and swap contracts defines obligations, which are counter and homogeneous in accordance with the paragraph 14.3, and records termination of counter and homogeneous obligations under futures contracts and swap contracts, wherein first of all obligations under futures contracts and swap contracts with earlier date and time of conclusion are terminated (FIFO method).
- 14.4.1. When indicating a Trade Account of the 2<sup>nd</sup> level in the order / Offer to conclude the futures contract of the swap contract, the Clearing House also records information on termination of obligations arising from the defined contracts under the defined Settlement Account of the 2<sup>nd</sup> level, which forms the part of the Trade Account of the 2<sup>nd</sup> level defined in the order / Offer.
- 14.4.2. When indicating a Trade Account of the 3<sup>rd</sup> level in the order / Offer to conclude the futures contract or the swap contract, the Clearing House also records the information on termination of obligations arising from the defined contracts under the Settlement Account of the 2<sup>nd</sup> level, which corresponds to the Trade Account of the 3<sup>rd</sup> level defined in the order / Offer, and under the Settlement Account of the 3<sup>rd</sup> level, which forms a part of the Trade Account of the 3<sup>rd</sup> level defined in the order / Offer.
- 14.4.3. Information on termination of obligations arising from futures contracts and swap contracts, recorded under Settlement Accounts of the 1<sup>st</sup>, 2<sup>nd</sup> and of the 3<sup>rd</sup> level, is provided to a Clearing Member as a part of the Report on obligations under Derivatives, forwarded to a Clearing Member in accordance with the sub-paragraph 14.1.6.
- 14.4.4. Information on termination of obligations arising from futures contracts and swap contracts, recorded under Settlement Accounts of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level, is provided to a Trading Member as the part of the Report on obligations under Derivatives, forwarded to a Trading Member in accordance with the sub-paragraph 14.1.7.
- 14.5. Procedure for Margin Calls emergence and satisfaction is defined in the Common part of the Clearing Rules.

## **Article 15. Variation margin**

- 15.1. On a Settlement Day following the swap contract conclusion date the variation margin under the swap contract is calculated according to the formula:

$$VMO = (Rc - (BR + SR)) \times L, \text{ where}$$

VMO – the variation margin under the swap contract;

Rc – the Settlement Price defined on the current Settlement Day;

BR – swap contract basic rate;

SR – swap contract price;

L – swap contract lot.

Starting from the second Settlement Day following the swap contract conclusion date and to the Settlement Date of the obligations under the second part of the swap contract inclusively, the variation margin under the swap contract, obligations under which are not terminated, is calculated according to the formula:

$$VM_T = (R_c - R_{c_p}) \times L, \text{ where}$$

$VM_T$  – the swap contract variation margin;

$R_c$  – the Settlement Price defined on the current Settlement Day;

$R_{c_p}$  – the Settlement Price defined on the previous Settlement Day;

$L$  – swap contract lot.

- 15.2. On the Settlement Day following the swap contract conclusion date, the variation margin under the futures contract is calculated according to the formula:

$$VMO = (R_c - \text{Price}) \times L, \text{ where}$$

$VMO$  – the futures contract variation margin;

$R_c$  – the Settlement Price defined on the current Settlement Day;

Price – futures contract price;

$L$  – futures contract lot.

Starting from the second Settlement Day following the futures contract conclusion date and to the Settlement Date of obligations under the futures contract inclusively, the variation margin under the futures contract, obligations under which are not terminated, is calculated according to the formula:

$$VM_T = (R_c - R_{c_p}) \times L, \text{ where}$$

$VM_T$  – the futures contract variation margin;

$R_c$  – the Settlement Price defined on the current Settlement Day;

$R_{c_p}$  – the Settlement Price defined on the previous Settlement Day;

$L$  – futures contract lot.

With the aim to calculate variation margin under deliverable and cash settled futures contracts, executed on the basis of fix orders, the Settlement Price, calculated on current Settlement Day, is considered to be equal:

- till the date for the calculation of the fix rate of the Moscow Exchange, calculated on the date, defined in accordance with the terms of deliverable and cash-settled futures contracts, executed on the basis of the fix order (hereinafter referred to as the fix date), including this date, under deliverable and cash-settled futures contracts, executed on the basis of the fix order – to the forward price of such foreign currency, corresponding to the date, following the fix date;
- on the date, following the fix date, under deliverable futures contracts, executed on the basis of fix orders – to the Central exchange rate of the relevant foreign currency;
- on the date, following the fix date, under cash-settled futures contracts, executed on the basis of fix orders – to the fix price of the relevant foreign currency, defined on the fix date.

- 15.3. For a Clearing Member, who is the seller under the swap contract / futures contract, the Clearing House calculates the value  $VM_S$  according to the formula:  
 $VM_S = -VOL_i \times VM$ , where  
 $VOL_i$  – the number of concluded swap contracts / futures contracts in i-underlying asset, obligations under which are not terminated and under which a Clearing Member is the seller;  
 $VM$  – the variation margin under the swap contract / futures contracts, calculated in accordance with the paragraphs 15-15.2.
- 15.4. For a Clearing Member, who is the buyer under the swap contract / futures contract, the Clearing House calculates the value  $VM_B$  according to the formula:  
 $VM_B = VOL_i \times VM$ , where  
 $VOL_i$  – the number of concluded swap contracts / futures contracts in i-underlying asset, obligations under which are not terminated and under which a Clearing Member is the buyer;  
 $VM$  – the variation margin under the swap contract / futures contracts, calculated in accordance with the paragraphs 15-15.2.
- 15.5. If the value calculated in accordance with the paragraph 15.3 or 15.4 is negative, this means that a Clearing Member has the obligation to pay variation margin to the Clearing House in the amount, which is equal to the absolute value of the  $VM_S$  or  $VM_B$ , if it is positive – then a Clearing Member has the claim towards the Clearing House to receive the variation margin in the amount, which is equal to the value  $VM_S$  or  $VM_B$ .
- 15.5.1. Obligations to pay / claim to receive variation margin are recorded under a Settlement Account of a Clearing Member, which forms the part of the Trade Account of a Clearing Member defined in the order / Offer / corresponds to the Trade Account of the 2nd or of the 3rd level defined in the order / Offer.
- 15.5.2. When indicating a Trade Account of the 2nd level in the order / Offer to conclude the futures contract or the swap contract, the Clearing House also records the information on obligations to pay / claims to receive variation margin under the Settlement Account of the 2nd level, which forms the part of the Trade Account of the 2nd level defined in the order / Offer.
- 15.5.3. When indicating a Trade Account of the 3rd level in the order / Offer to conclude the futures contract or the swap contract, the Clearing House also records the information on obligations to pay / claims to receive variation margin under the Settlement Account of the 2nd level, which corresponds to the Trade Account of the 3rd level defined in the order and under a Settlement Account of the 3<sup>rd</sup> level, which forms the part of the Trade Account of the 3<sup>rd</sup> level defined in the order / Offer.
- 15.5.4. Information on the size of obligations to pay / claims to receive variation margin recorded under a Settlement Account of a Clearing Member / Settlement Account of the 2nd level is provided to a Clearing Member as a part of the Report on obligations under Derivatives forwarded to a Clearing Member in accordance with the sub-paragraph 14.1.6.
- 15.5.5. Information on the size of obligations to pay / claims to receive variation margin recorded under the Settlement Account of the 2nd and/or of the 3rd level is provided to a Trading

Member as a part of the Report on obligations under Derivatives forwarded to a Trading Member in accordance with the sub-paragraph 14.1.7.

- 15.6. After the definition of obligations to pay / claims to receive variation margin in accordance with this Article of the Clearing Rules on the FX market and Precious metals market and till the termination of recording obligations under futures contracts and swap contracts in accordance with the Article 14, the Clearing House:
- 15.6.1. calculates the sum, which is denominated in Russian rubles, which the buyer under the swap contract is obliged to pay to the seller under the swap contract under the second part of the swap contract, as the product of the Settlement Price defined on the Settlement Day and the number of concluded swap contracts, obligations under which are not terminated, for each swap contract with the particular underlying asset and the Settlement Date of obligations under the second part of the swap contract;
- 15.6.2. calculates the sum, which is denominated in Russian rubles, which the buyer under the futures contract is obliged to pay to the seller under the futures contract under the second part of the futures contract, as the product of the Settlement Price defined on the Settlement Day and the number of concluded futures contracts, obligations under which are not terminated, for each futures contract with the particular underlying asset and the Settlement Date;
- 15.6.3. recalculates Net Obligations / Net Claims, which are denominated in Russian rubles with the relevant Settlement Date, recorded under Settlement Accounts of a Clearing Member, taking into account the sum of obligations under the second part of the swap contract / under futures contracts calculated in accordance with the sub-paragraphs 15.6.1, 15.6.2;
- 15.6.4. recalculates values of Net Obligations / Net Claims, which are denominated in Russian rubles with the relevant Settlement Date, information about which is recorded under Settlement Accounts of the 2nd and/or of the 3rd level, taking into account the sum of obligations under the second part of swap contracts / under futures contracts calculated in accordance with the sub-paragraphs 15.6.1, 15.6.2;
- 15.6.5. accepts for clearing obligations to pay / claims to receive variation margin, recorded under a Settlement Account of a Clearing Member, defined in accordance with the Clearing Rules on the FX market and Precious metals market;
- 15.7. Obligations to pay / claims to receive variation margin, defined in accordance with this article, recorded under a Settlement Account of a Clearing Member, which is registered for the fx market and precious metals market and which is not the Unified Pool Settlement Account, are included into the clearing pool in accordance with the Article 16;
- 15.8. The Clearing House does not accrue and pay interest on the sum of paid and/or received variation margin.

**Article 16. Procedure for the definition of obligations to be settled. Procedure for the fulfillment of obligations defined on the basis of clearing results**

- 16.1. On the FX market and Precious metals market Clearing Member is entitled to replace Trade Account of the 1st, 2nd and/or 3rd level, which defines clearing registers and set of accounts, under which obligations, arising from Trade(s) are recorded and shall be fulfilled.



Procedure for and terms of such replacement are defined in the Common part of the Clearing Rules.

- 16.2. In case of adoption of the legal act of the Russian Federation regarding move of non-working (holidays) and weekends or announcing non-working day as a workday, in accordance with which Settlement Date for obligations under Trades, executed by the Clearing House with Clearing Members, becomes holiday or non-working day according to such legal act of the Russian Federation, if such Settlement Date is not the Settlement Day, or in case of receipt of the notification from the Exchange, according to which Settlement Date for obligations under Trades, executed by the Clearing House with Clearing Members, stops being considered as a Settlement Day, the Clearing House within 10 (ten) workdays since of the date of publication of such legal act / receipt of the notification from the Exchange, unless other period is not stated in the decision of the Clearing House, changes Settlement Date for obligations under such Trades for the next Settlement Day.
  - 16.2.1. Sizes of obligations under second parts of swap trades / swap contracts are recalculated taking into account such Settlement Date change.
  - 16.2.2. After changing Settlement Date for obligations under Trades according to this paragraph, the Clearing House changes Net obligations / Net claims under relevant Settlement Dates, recorded under Settlement Accounts of the 1st, 2nd and/or 3rd level, in accordance with the changed terms of Trades.
  - 16.2.3. Sums of calculated fees under Trades, Settlement Date for obligations under which has been changed, are not changed.
  - 16.2.4. After changing Settlement Dates for obligations under Trades, and also sizes of obligations under second part of swap trades / swap contracts, the Clearing House forms and transfers to Clearing Members Reports on trades, Settlement Dates of which has been moved.
  - 16.2.5. Clearing House notifies the Exchange via SHC of the TC on changing Settlement Dates for obligations under Trades, and also sizes of obligations under second parts of swap trades / swap contracts.
- 16.3. Within the time sessions set out by the Time Specifications, which is the supplement to the relevant special part of the Clearing Rules, (when the trading in relevant foreign currency / precious metal, in which the Trade with the fulfillment of obligations on the conclusion date is concluded, is over), the Clearing House calculates obligations to be settled, recorded under the Settlement Accounts, which are registered for the fx market and precious metals market and which are not Unified Pool Settlement Accounts:
  - 16.3.1. includes into the clearing pool:
    - Debts of a Clearing Member in Russian rubles, emerged on the previous Settlement Day and not paid out by the moment of calculation of Total Net Obligations / Total Net Claims in cash funds in Russian rubles, set out in the Time Specifications, which is the Supplement to the Common Part of the Clearing Rules (for the first calculation of Total Net Obligations / Total Net Claims in cash funds in Russian rubles during the Settlement Day);
    - the preceding calculated Total Net Obligation / Total Net Claim in cash funds in the relevant currency during the Settlement Day (for the second and other following

- calculations of Total Net Obligations / Total Net Claims in cash funds in the relevant currency during the Settlement Day);
- not terminated obligations and claims of a Clearing Member and of the Clearing House under trades with arrived Settlement Date, including obligations / claims in Russian rubles under Trades, which are derivatives defined in accordance with the sub-paragraphs 15.6.1, 15.6.2;
  - obligations to pay / claims to receive variation margin defined in accordance with the Article 15;
  - obligations of a Clearing Member to pay fees defined in the accordance with the Article 18;
  - obligations of a Clearing Member to pay fines, calculated on the previous Settlement Day;
  - obligations of a Clearing Member to pay late charges, forfeits, compensation, defined in accordance with the Common part of the Clearing Rules;
  - obligations of a Non-resident Clearing Member to pay sums, equal to the sum of the tax on income of foreign organizations from sources located in Russian Federation, calculated by the Clearing House according to the requirements of the Russian tax legislation, on the Settlement Day, following the day when such tax is paid by the Non-resident Clearing Member,;
  - in case of non-provision by the Non-resident Clearing Member of the tax certificate for the following tax period (calendar year) (except for banks, permanent location of which can be confirmed by public sources of information) within the period, defined in the supplement 4 to the Common Part of the Clearing Rules, on the end date for the provision of the defined documents, - obligation of the Clearing Member to pay the sum, equal to the difference from the sum, corresponding to the sum of the tax on income of foreign organizations from sources located in Russian Federation, calculated according to the maximum rate, and the sum, corresponding to the sum of the tax, calculated according to the tax rate which is in effect for this calendar year, set out by the agreement on avoiding double taxation, concluded with the state, which is the state of tax residence of the Clearing Member for the previous calendar year (tax period) .
- 16.3.2. terminates homogeneous obligations and claims of a Clearing Member and of the Clearing House, included into the clearing pool, under each Settlement Account of a Clearing Member and calculates Total Net Obligation or of the Total Net Claim in cash funds / precious metals of each Clearing Member in each currency / each precious metal, emerged in connection with the abovementioned termination of obligations and claims;
- 16.3.3. forms and forwards Reports on Total Net Obligations / Total Net Claims and Clearing Reports to Clearing Members.
- 16.4. Clearing Members are entitled to submit Requests for the early settlement execution and Standing Instructions to execute early settlement, Standing instructions to limit start time for execution of trades with the Clearing House, Requests for limiting end time for execution of trades with the Clearing House and Standing Instructions to limit end time for execution of trades with the Clearing House in respect of Settlement Accounts, registered for the FX market and precious metals market.

Procedure for the submission and execution of the abovementioned requests and instructions is defined in the Common Part of the Clearing Rules.

- 16.5. Fulfillment / termination of Total Net Obligations / Total Net Claims in cash funds / precious metals defined in accordance with the sub-paragraph 16.3.2, recorded under Settlement Accounts, which are registered for the fx market and precious metals market and are not Unified Pool Settlement Accounts, is executed in the order defined in the Common part of the Clearing Rules.
- 16.6. Fulfillment (termination) of the following obligations and claims, recorded under the Unified Pool Settlement Accounts:
- obligations and claims of the Clearing Member and of the Clearing House under Trades with the arrived Settlement Date, including obligations / claims in Russian rubles, arising from Trades, which are derivative financial instruments, defined in the sub-paragraphs 15.6.1, 15.6.2;
  - obligations to pay / claims to receive variation margin, defined in accordance with the Article 15;
  - obligations of the Clearing Member to pay fees, defined in accordance with the Article 18;
  - obligations of the Clearing Member to pay penalties, defined in accordance with the Common Part of the Clearing Rules.

is executed in the Unified Clearing Pool in the procedure, defined in the Common Part of the Clearing Rules.

- 16.7. Within the period of time, set out in the Time Specification on the FX market and precious metals market, the Clearing House calculates obligations to be fulfilled under Trades with the Settlement Date on the date of its execution, executed after 19:00 within one Settlement Account:
- 16.7.1. includes into the clearing pool non-fulfilled obligations and claims of the Clearing Member and of the Clearing House, included into the clearing pool, under each Settlement Account of the Clearing Member;
- 16.7.2. terminates similar obligations and claims of the Clearing Member and of the Clearing House, included into the clearing pool, under each Settlement Account of the Clearing Member;
- 16.7.3. generates and forwards to Clearing Members Clearing reports, which contain information on Trades, obligations under which have been terminated.

#### **Article 17. Specifics of the Collateral return to the Clearing Members of the category “K”**

- 17.1. The Clearing House on a daily basis returns Collateral in cash funds to the Clearing Member of the category “K” in the sum of the swap difference under swap trades, party to which is the Clearing Member of the category “K”, in the order, stipulated by the Common Part of the Clearing Rules, without submission of instructions / requests of the Clearing Member of the category “K”.

- 17.2. Standing Instruction to return Collateral, submitted by the Clearing Member of the category “K” in the order, stipulated by the Common Part of the Clearing Rules, in the amount of the Total Net Claim under trades with the arrived Settlement Date minus sum of the swap difference, defined in the paragraph 17.

## **SECTION VI. PAYMENT FOR SERVICES PROCEDURE. REPORTS FORMED ON THE BASIS OF CLEARING RESULTS**

### **Article 18. Specifics of procedure for paying for the services of the Clearing House, of the Exchange and of the Technical Centre**

- 18.1. On the FX market and Precious metals market the Clearing House charges:
- fee in favor of the Clearing House for the clearing service (hereinafter fee of the Clearing House);
  - fee for clearing services regarding opening and keeping Trade Account of the 3<sup>rd</sup> level in favor of the Clearing House;
  - fee in favor of the Exchange for the organization of trading;
  - Recurring fee in favor of the Exchange;
  - Additional fee in favor of the Technical Centre.
- 18.2. The size of variable and fixed parts of the fee of the Exchange for the organization of trading under trades in foreign currency is calculated taking into consideration valid tariff fee of a Trading Member.
- The size of variable and fixed parts of the fee of the Clearing House for the clearing service under trades in foreign currency is calculated taking into consideration valid tariff fee of a Clearing Member.
- 18.3. The variable part of the fee of the Exchange for the organization of trading and the variable part of the fee of the Clearing House for the clearing service of trades in foreign currency / precious metals are calculated by the Clearing House on the first Settlement Day of the calendar month, for which the variable part of the fee is levied, and are recorded under the main Settlement Account for the fees withdrawal, procedure for the calculation of which is defined in the Common Part of the Clearing Rules.
- 18.4. A Clearing Member is entitled to indicate the Identifier and the name of a Trading Member – Non-Clearing Member for the Clearing House with the aim to withdraw from the defined in the application Settlement Account of the fixed parts of the fee of the Exchange, recurring fee, Additional service fee in favor of the Technical Centre and also the fee of the Clearing House for the provision of clearing services regarding opening and/or keeping Trade Accounts of the 3<sup>rd</sup> level to a Trading Member, which are to be paid by such Trading Member.
- 18.5. Recurring fee is calculated in accordance with the Tariffs of the Exchange, is recorded under the main Settlement Account for the fees withdrawal, procedure for the calculation of which is defined in the Common Part of the Clearing Rules, and is levied on the first workday Day of the calendar quarter, for which the recurring fee is levied.
- 18.6. Additional service fee, calculated in respect of a Trading Member / client of a Trading Member in accordance with the Tariffs of the Technical Centre, is defined on the Settlement Day, during which the Trading Member has submitted orders to execute trades at its own expense or at the expense of the abovementioned Client and is recorded under

a Settlement Account, which forms the part of the Trade Account of the relevant level with the indication of which a Trading Member during this Settlement Day submitted orders to conclude Trades at its own expense or at the expense of a client of a Trading Member (in case of such Trade Account of the relevant level is the only one) or under the Settlement Account for the fees withdrawal, procedure for which is set out in the Common part of the Clearing Rules.

18.7. The fee for the clearing services regarding opening Trade Account of the 3<sup>rd</sup> level is levied upon the Trading Member / Clearing Member, on the basis of the request of which the Trade Account of the 3<sup>rd</sup> level has been registered, not later than on the workday, following the day of the Trade Account of the 3<sup>rd</sup> level opening, and is recorded under a Settlement Account for the fees withdrawal, procedure for the definition of which is defined in the Common part of the Clearing Rules.

18.8. Fee for the clearing services regarding keeping Trade Account of the 3<sup>rd</sup> level is levied upon the Trading Member / Clearing Member, to which such clearing services are provided, on the first workday of the reporting month for each opened Trade Account of the 3<sup>rd</sup> level and is recorded under the main Settlement Account for the fees withdrawal, procedure for the calculation of which is defined in the Common Part of the Clearing Rules.

18.9. The information on the size of the calculated fee of the Exchange and of the Clearing House, fee of the Technical Centre to be paid by a Trading Member / Clearing Member is defined in the Report on fees forwarded by the Clearing House to Clearing Members within the term defined by the Time Specifications, which is the Supplement to the Common Part of the Clearing Rules.

18.10. Obligations of the Trading Member / Clearing Member to pay fees, recorded under the Settlement Account, which is the Unified Pool Settlement Account, are included into the Unified Clearing Pool and are fulfilled in the order, defined in the Common Part of the Clearing Rules.

Obligations of the Trading Member / Clearing Member to pay fees, recorded under the Settlement Account, which is not the Unified Pool Settlement Account, are included into the Unified Clearing Pool, formed in accordance with the paragraph 16, and are fulfilled in the order, defined in the Common Part of the Clearing Rules.

18.11. The Clearing House also records the information on fulfillment of obligations to pay variable parts of the fees under Trades, concluded with the indication of a Trade Account of the 2<sup>nd</sup> level, under a Settlement Account of the 2<sup>nd</sup> level, which forms the part of the Trade Account of the 2<sup>nd</sup> level defined in the order to conclude such Trade, without checking Collateral sufficiency, information on which is recorded under a Settlement Account of the 2<sup>nd</sup> level.

The Clearing House also records information on fulfillment of obligations to pay variable parts of the fees under Trades, concluded with the indication of a Trade Account of the 3<sup>rd</sup> level, under a Settlement Account of the 3<sup>rd</sup> level, defined in the order to conclude such Trade, without the check of the sufficiency of Collateral, information about which is recorded under the Settlement Account of the 2<sup>nd</sup> and/or of the 3<sup>rd</sup> level.

Wherein the size of Collateral in russian rubles, information about which is recorded under the Settlement Account of the 2<sup>nd</sup> / 3<sup>rd</sup> level decreases / increases for the sum of obligations

to pay the variable parts of the fee for Trades, information about which is recorded under the relevant Settlement Account of the 2<sup>nd</sup> / 3<sup>rd</sup> level.

18.12. Information on calculated by the Clearing House size of the variable part of the fee of the Exchange for the organization of trading and of the variable part of the fee of the Clearing House for the clearing service for each Trade becomes available to the Exchange via the SHC of the TC immediately after its calculation.

18.13. Bonus is provided on result of the calendar month to Trading Members / Clearing Members, which have met terms, required for bonus receipt, set out in the Tariffs of the Clearing House and Tariffs of the Moscow Exchange, under the condition that on the date when the bonus is paid out admission of the Clearing Member to the clearing services is not terminated / suspended.

Information on bonus amounts to be credited to Trading Member / Clearing Member is provided to the Trading Member / Clearing Member in the Report on bonus.

Bonus is transferred to the Trading Member / Clearing Member by the Exchange and by the Clearing House to the main Settlement Account for the fees withdrawal, procedure for choosing which is defined in the Common Part of the Clearing Rules, not later than on the third Settlement Day of the month, following the month when the clearing services have been provided.

#### **Article 19. Procedure for the provision of information and reporting on the basis of the clearing results**

19.1. The Clearing House provides a Clearing Member with the opportunity to receive the following information from the Clearing System:

- on Trades party to which is a Clearing Member;
- on size of Collateral, recorded under the Settlement Account of the Clearing Member, in each currency / each precious metal (under each Settlement Account of the Clearing Member);
- on Assets Profiles, recorded under the Settlement Account Single Limit of a Clearing Member in the Clearing System of the FX market and Precious metals market, per a Settlement Account of a Clearing Member / currency codes / precious metals / securities;
- on the size of the Settlement Account Single Limit;
- on value of Net Obligations and/or Net Claims, recorded under the Settlement Account of the Clearing Member, in each currency / each precious metal and with each Settlement Date (under each Settlement Account of the Clearing Member);
- on obligations to pay variation margin (total under each Settlement Account of a Clearing Member);
- on size of Collateral recorded under Settlement Account of a Clearing Member in each currency / each precious metal, not enough to fulfill Net Obligation of a Clearing Member in the relevant currency / relevant precious metal recorded under the same Settlement Account of a Clearing Member, with the arrived Settlement Date (under each Settlement Account of a Clearing Member);

- on the availability / non-availability of the Debt of a Clearing Member towards the Clearing House, on the sum of the Debt of a Clearing Member (if any) (under each Settlement Account of a Clearing Member).
- 19.2. Additionally to reports, stipulated by the Common part of the Clearing Rules, the Clearing House forms for Clearing Members the following reports on the basis of the clearing results:
- Extract from the List of OTC Trades in foreign currency and OTC Trades in precious metals;
  - Extract from the List of Offers;
  - Extract from the list of trades, accepted for clearing, which contains the information on obligations arising from Trades, accepted for clearing, party to which is a Clearing Member;
  - Report on obligations under Derivatives, which contains the information on accepted for clearing obligations arising from swap contracts and futures contracts and obligations to pay variation margin;
  - Clearing report, which contains information on obligations included into the clearing pool;
  - Report on trades, which Settlement Date has been moved;
  - Report on Collateral, which contains information on the size of Collateral in cash funds / precious metals, recorded under a Settlement Account of the 2<sup>nd</sup> level, and on the change of the size of such Collateral;
  - Report on fees;
  - Report of trade accounts, which contains information on registered Trade Accounts of the 1<sup>st</sup> and of the 2<sup>nd</sup> level;
  - Report on collateral assessment, which contains information on Russian rubles and assessment value (in Russian rubles) of a foreign currency and precious metals, both free and blocked, which constitute the individual and the other collateral.
- 19.3. The Clearing House provides a Clearing Member with the information on Total Net Obligations and/or Total Net Claims of a Clearing Member in the relevant currency / relevant precious metal using the Clearing System.
- In case if the information received by a Clearing Member via the Clearing System does not correspond to the information contained in the Report on Total Net Obligations / Total Net Claims, a Clearing Member must execute settlements on the basis of the Report on Total Net Obligations / Total Net Claims.
- 19.4. The Clearing House gives a Clearing Member, in the name of which a Trade Account of the 2<sup>nd</sup> level is registered, an opportunity to receive the following information from the Clearing System:
- on Trades, concluded by a Trading Member with the indication of a Trade Account of the 2<sup>nd</sup> level, party to which is a Clearing Member (under each Trading Member);
  - on the size of Collateral, information about which is recorded under a Settlement Account of the 2<sup>nd</sup> level in each currency / each precious metal (under each Settlement Account of the 2<sup>nd</sup> level);



- on the size of the Single Limit for the Settlement Account of the 2<sup>nd</sup> level;
  - on the value of Net Obligation and/or Net Claim, information about which is recorded under a Settlement Account of the 2<sup>nd</sup> level in each currency / each precious metal and with each Settlement Date (under each Settlement Account of the 2<sup>nd</sup> level);
  - on obligations to pay variation margin, information about which is calculated under a Settlement Account of the 2<sup>nd</sup> level (total under each Settlement Account of the 2<sup>nd</sup> level);
  - on the size of Collateral, information about which is recorded under a Settlement Account of the 2<sup>nd</sup> level in each currency / each precious metal, which is not enough to fulfill Net Obligation in the relevant currency / relevant precious metal recorded under the same Settlement Account of the 2<sup>nd</sup> level with arrived Settlement Date (under each Settlement Account of the 2<sup>nd</sup> level).
- 19.5. The Clearing House gives a Trading Member, which concluded the agreement on keeping clearing registers with the Clearing House and in the name of which a Trade Account of the 3<sup>rd</sup> level is registered, an opportunity to receive the following information from the Clearing System:
- on the size of Collateral, information about which is recorded under a Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level in each currency / each precious metal (under each Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level);
  - on the size of the Single Limit for the Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level;
  - on the value of Net Obligation and/or Net Claim, information about which is recorded under a Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level in each currency / each precious metal and with each Settlement Date (under each Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level);
  - on obligations to pay variation margin, information about which is calculated under a Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level (total under each Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level);
  - on the size of Collateral, information about which is recorded under a Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level in each currency / each precious metal, which is not enough to fulfill Net Obligation in the relevant currency / relevant precious metal recorded under the same Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level with arrived Settlement Date (under each Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level).
- 19.6. For Trading Member, which concluded the agreement on keeping clearing registers stipulated by the Common part of the Clearing Rules, the Clearing House forms the following reports:
- Writing out from the list of trades, accepted for clearing, which contains the information on obligations arising from Trades, accepted for clearing, concluded with the indication of Trade Accounts of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level;
  - Report on obligations under Derivatives, which contains the information on accepted for clearing obligations arising from swap contracts and futures contracts and

- obligations to pay variation margin, recorded under a Settlement Account of the 2<sup>nd</sup> level;
- Report on trades, Settlement Date of which has been moved, which contains information on obligations, excluded from the clearing pool, under Trades concluded with the indication of Trade Accounts of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level;
  - Report on Collateral, which contains information on the size of Collateral in cash funds / precious metals, recorded under a Settlement Account of the 2<sup>nd</sup> and of the 3<sup>rd</sup> level, and on the change of the size of such Collateral;
  - Report of Trade Accounts, which contains information on registered Trade Accounts of the 2<sup>nd</sup> or of the 3<sup>rd</sup> level;
  - Report on Clearing Logins;
  - Report on fees.

## **SECTION VII. MISCELLANEOUS**

### **Article 20. Transfer of obligations and Collateral from one Clearing Member to the other Clearing Member specifics**

20.1. Consent to accept, provided by a Clearing Member – Recipient besides the information stipulated by the Common part of the Clearing Rules, shall contain information on Settlement Accounts of a Clearing Member – Recipient, under which transferred obligations and Collateral are required to be recorded.

Consent to accept may contain information on Settlement Accounts, registered by the Basic Clearing Member for the Segregated Client, and information on client Settlement Accounts / Trust Settlement Accounts corresponding to it, registered for the Segregated Client by a Clearing Member – Recipient, or the information on a client Settlement Account / Trust Settlement Accounts of a Clearing Member – Recipient, under which transferred obligations and Collateral are required to be recorded.

20.2. In order to execute the Application for obligations and Collateral transfer the Clearing House besides the actions stipulated by the Common part of the Clearing Rules:

- withdraws precious metals from the trading banking account in the relevant precious metal of a Basic Clearing Member, which corresponds to the relevant Settlement Account, to which a Segregated Client, which submitted the Application for obligations and Collateral transfer, is fixed, and accrues it to the trading banking account in the relevant precious metal, which corresponds to a Settlement Account of a Clearing Member – Recipient.

### **Article 21. Course of action in case of emergence of circumstances, which may have an impact on the opportunity to execute OTC Trades in foreign currency / OTC Trades in precious metals**

21.1. In case of emergence of circumstances, which may call and/or create prerequisites to the emergence of failures when using Clearing System and/or other software and hardware, used when executing OTC Trades in foreign currency / OTC Trades in precious metals and/or directly block normal functioning, including force majeure circumstances, and also crashes, malfunction and failures of hardware; software crash and failures; crashes, malfunction and failures of the communication system, power delivery system, conditioning system and of other life support systems, and also other circumstances, such as breach of security policies and/or unauthorized access to the Clearing System, the Clearing House is entitled to:

- freeze an opportunity to submit Offers and to execute OTC Trades in foreign currency / OTC Trades in precious metals;
- delete the Offer from the Clearing System.

21.2. In case of termination of circumstances, which lead to the freeze of opportunity to submit Offers and to execute OTC Trades in foreign currency / OTC Trades in precious metals, the Clearing House renews the opportunity to submit Offers and to execute OTC Trades in foreign currency / OTC Trades in precious metals.

**Supplement 1**  
to the Clearing Rules on the FX market and Precious metals market

**Time Specifications on the FX market  
and Precious metals market**

№	Operation	Time (Moscow time)
<b>1.</b>	<b>Time (time period) of the clearing operations execution in the Clearing System of the FX market and Precious metals market</b>	
1.1.	Mark-to-market clearing session execution	till 7:00, Settlement Day
1.2.	Conclusion of trades in foreign currency / precious metals in case if a Clearing Member does not fulfill the Margin Call	from 17:30, day of Margin Call emergence
<b>2.</b>	<b>Terms for termination of obligations</b>	
2.1.	Termination of obligations and claims in cash funds / precious metals under Trades with the Settlement Date on the date of its execution, executed after 19:00.	On the Settlement Day, till 7:00
<b>3.</b>	<b>Time periods for the provision of reports on the basis of clearing results</b>	
3.1.	Provision by the Clearing House to Clearing Members of the Reports on obligations, Reports on obligations under Derivatives	till 7:00, Settlement Day
3.2.	Provision by the Clearing House of Clearing Reports:	together with the relevant Reports on Total Net Obligations / Total Net Claims within the period of time, set out in the Time Specifications, which is the Supplement to the Common Part of the Clearing Rules
3.3.	Provision by the Clearing House of reports, which contain information on Trades with the Settlement Date on its conclusion date, concluded after 19:00	till 09:00 on the Settlement Day following the Settlement Date
<b>4.</b>	<b>Offers submission time (periods of time) and execution of OTC Trades in foreign currency and OTC Trades in precious metals</b>	
4.1.	Offers submission	from 10:00 till 22:59 of the workday
4.2.	Execution of OTC Trades in foreign currency and OTC Trades in precious metals	from 10:00 till 23:00 of the workday

## OTC TRADES EXECUTION RULES OF CCP NCC

### SECTION I. GENERAL PROVISIONS

#### Article 1. Purpose of rules

- 1.1. OTC Trades Execution Rules of the CCP NCC (hereinafter referred to as the Rules) define procedure for making Offers to execute OTC Trades in foreign currency and precious metals, conduction of the RFS Auction, execution OTC Trades in foreign currency and precious metals, procedure for monitoring of compliance by System Users with the Rules and procedure for forming algorithmic batch of Offers to execute OTC Trades in foreign currency and in precious metals with the Liquidity Provider.

#### Article 2. Terms and definitions

<i>Algorithmic batch of Offers to execute OTC Trades in foreign currency and in precious metals with the Liquidity Provider (algorithmic batch of Offers, batch of Offers) -</i>	message, submitted to the System by the Clearing Member, which contains number of Offers, defined by the Clearing Member according to these Rules, to execute trades with a Liquidity Provider under one Instrument per total volume, defined by the Clearing Member, under condition that Offers are submitted to the Clearing System within the period of time, defined by the Clearing Member.
<i>Client Identification Data -</i>	information, received by the Exchange from the Trading Member – Clearing Member, which is the User, when registering client of the Trading Member according to the legislation of the Russian Federation and to the Admission Rules of Moscow Exchange.
<i>Cross Trades (OTC cross trades) -</i>	OTC Trades, executed in the Clearing System with the participation of the CCP on the basis of Offers, submitted in the interest of the same entity.
<i>Exchange -</i>	Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange).
<i>Instrument -</i>	OTC spot trades, swap trades or swap contracts, executed via the System. Set of execution terms regarding trade/contract, mentioned above, is defined in the relevant specification.
<i>Liquidity Consumer (Consumer) -</i>	System User that initiates Auction by submitting RFQ.
<i>Liquidity Supplier (Supplier) -</i>	System User that supplies liquidity through Quotations submission.

<p><b><i>Offer to Execute OTC Trade (Offer) -</i></b></p>	<p>(1) message of the Clearing Member submitted to the System to execute OTC Trade, which contains indication of the other Clearing Member, Offer of which may be recognized as the Offer with counter terms, (2) message of the Liquidity Consumer submitted to the System in reply to Quotations of Liquidity Suppliers / Clearing House and (3) Quotation which has not been withdrawn by the Liquidity Supplier / Liquidity Provider and has been chosen by the Liquidity Consumer. Each submitted Offer is formal offer to execute OTC Trade addressed to the Clearing House.</p>
<p><b><i>OTC System User (System user, User) -</i></b></p>	<p>entity, which is the Clearing Member, and which joined these Rules in the defined order. System User can be represented by Liquidity Provider and/or Liquidity Supplier.</p>
<p><b><i>OTC Trade -</i></b></p>	<p>trade, executed on the basis of Offers of Clearing Members, including Clearing Members, which are Liquidity Suppliers and Consumers, in the order, stipulated by the Clearing Rules on the FX market and Precious metals market, by these Rules, also a trade, executed by the Clearing House with the Clearing Member / Liquidity Provider on the basis of Clearing Members' Offers / Liquidity Providers.</p>
<p><b><i>OTC Trades Execution System (System) -</i></b></p>	<p>set of hardware and software, which is part of the Clearing System that provides an opportunity to System Users and to the Clearing System to submit RFQ, Quotations and Offers, and perform other actions, stipulated by these Rules and by the Clearing Rules on the FX market and Precious metals market.</p>
<p><b><i>Quotation -</i></b></p>	<p>message, submitted to the System by the Liquidity Supplier in reply to RFQ.</p>
<p><b><i>Request for RFS Quotations (RFQ) -</i></b></p>	<p>message with set parameters, submitted by the Liquidity Consumer to the System to initiate Auction (opening of Auction).</p>
<p><b><i>RFS Auction -</i></b></p>	<p>mechanism for determination of the Instrument price in the claimed volume.</p>
<p><b><i>“RFS Auction” Mode -</i></b></p>	<p>mode for execution of OTC trades with the central counterparty by RFS Auction via the System</p>
<p><b><i>“Trades with CCP” Mode -</i></b></p>	<p>mode for execution of OTC trades with the central counterparty via the System through submission by the User of Offers, which contain indication of other Users, Offers of which may be recognized as the ones with counter terms.</p>

### **Article 3. System users' rights and liabilities**

- 3.1. System users have the right to:
  - 3.1.1. Under the conditions, defined in the Rules, have access to the System, initiate Auctions and submit Quotations with the aim to execute OTC Trades in the "RFS Auction" Mode, and submit Offers with the aim to execute OTC Trades in the "Trades with CCP" Mode;
  - 3.1.2. Use the System for submission of Offers, Quotations and RFQ in the order, defined in the Rules;
  - 3.1.3. Receive reporting and other documents after Auctions and after OTC Trades execution, formats of which are given in the relevant internal documents of the Clearing House (relevant parts of internal documents of the Clearing House);
  - 3.1.4. Execute Cross Trades in compliance with the restrictions set by the Rules.
- 3.2. System Users are not entitled to submit Quotations and RFQ in the "RFS Auction" Mode with the aim to execute OTC Trades in the interest of the User's client that is individual person.
- 3.3. System Users must:
  - 3.3.1. Be admitted to the clearing service on the FX Market and Precious Metals Market and correspond to the requirements, set in respect of Clearing Members on the FX Market and Precious Metals Market;
  - 3.3.2. Use the System only with the aim to execute OTC Trades in the order, stipulated by these Rules and by the Clearing Rules on the FX and Precious metals market;
  - 3.3.3. Pay fees and make other payments, set by the Clearing House in the amount defined in the Tariffs of the Clearing House, at the appropriate times;
  - 3.3.4. Comply with the non-disclosure mode regarding information, which becomes available to the System User due to his access to the System.

### **Article 4. Procedure for System Users notification**

- 4.1. Information, regarding granting to System Users of an access to the System and system activity, is provided to Users through forwarding information messages via the following:
  - 4.1.1. electronic form via the System;
  - 4.1.2. electronic message or electronic document via Moscow Exchange EDI (hereinafter referred to as the EDI);
  - 4.1.3. electronic message via e-mail;
  - 4.1.4. written form delivered by courier;
  - 4.1.5. disclosure on the website of the Clearing House;
  - 4.1.6. other way, which allows unconditionally identify information message sent date.
- 4.2. Day of System Users notification if information is provided via the forms, defined in the sub-paragraphs 4.1.1-4.1.4, is the day when System Users receive information message. If

information is provided via the form, defined in the paragraph 4.1.5, notice day is the day when information is disclosed on the website of the Clearing House.

**Article 5. Procedure for provision of documents to the Clearing House / receiving documents from the Clearing House in the form of an electronic document**

- 5.1. Provision / receipt of document to / from the Clearing House in the form of an electronic document is conducted by the System User according to the EDI Procedure.
- 5.2. File with an electronic document shall be signed by an electronic signature of the System User and shall be forwarded to the Clearing House via EDI.

**Article 6. Disclosure procedure**

- 6.1. Clearing House must ensure integrity of the information contained in the System.
- 6.2. Clearing House is entitled to disclose of the website of the Clearing House general information on initiated Auctions and executed OTC Trades.

**SECTION II. ACCESS TO THE SYSTEM**

**Article 7. Procedure for granting access to the system**

- 7.1. Accession to the Rules as the System User with the aim to submit Offers and execute OTC Trades in the “Trades with CCP” mode is conducted through submission by the Clearing Member, admitted to the clearing service on the FX market and precious metals market, of the relevant application on assigning powers of OTC Trades execution in the “Trades with CCP” mode to clearing logins, indicated in such application. Access to the “Trades with CCP” mode is provided in not more than 5 (five) workdays since provision of the relevant application.
- 7.2. Clearing House provides access to the System with the aim of OTC Trades execution by Users in the order, defined in these Rules and in the Clearing Rules. Agreement on System use is concluded through accession to the abovementioned agreement, terms of which are stipulated by the Rules.
- 7.3. Accession to the Rules as Liquidity Consumer is conducted when first initiating Auction by the entity, which is the Clearing Member admitted to the clearing service on the FX market and precious metals market, through RFQ submission in the “RFS Auction” mode. Submission of such RFQ, signed by HSA of the Clearing Member, is acceptance of the offer of the Clearing House regarding accession to the Rules, which shall be conducted not later within 1 (one) year since the Rules come into force. This period of time for the acceptance is prolonged for 1 (one) year since every new version of these Rules comes into force.

When accessing to the Rules in the order, stipulated by this paragraph, Liquidity Consumer by default gains access to all Instruments, in which OTC Trades can be executed according to the Rules.



- 7.4. Accession to the Rules as Liquidity Supplier is conducted through submission by the entity, which is the Clearing Member admitted to the clearing service on the FX market and precious metals market, of the relevant application on assigning Liquidity Supplier's powers to the clearing logins, defined in such application. Access to the System as Liquidity Supplier is provided not later than in 5 (five) workdays after provision of the relevant application.
- 7.5. Clearing House is entitled to deny Clearing Member access to the System as Liquidity Supplier at its sole discretion.

#### **Article 8. Procedure for suspension and termination of an access to the system**

- 8.1. Based on the application of the System User the Clearing House suspends/terminates access of the User to the System or to certain Instruments for submission of Quotations and/or RFQ in the "RFS Auction" mode through suspension of relevant powers of clearing logins, indicated in the relevant application.

Based on the application of the System User the Clearing House suspends/terminates access of the User to the System for submission of Offers in the "Trades with CCP" mode through suspension of relevant powers of clearing logins, indicated in the relevant application.

Clearing House is entitled to suspend / terminate access of the User to the System or to certain Instruments for Offers, Quotations and/or RFQ submission according to other grounds, stipulated by the Rules.

- 8.2. In order to renew access to the System or to certain Instruments for Offers, Quotations and/or RFQ submission, Clearing Member shall forward application on assigning powers of OTC Trades execution in the "Trades with CCP" mode and/or powers of the Liquidity Supplier and/or of the Liquidity Consumer to clearing logins defined in such application.
- 8.3. In case if the Clearing House terminates or suspends access of the Clearing Member to the clearing service then admission of such Clearing Member as the User to the System is also terminated or suspended correspondingly.
- 8.4. Clearing House is entitled at its sole discretion suspend admission of the Liquidity Consumer to the System in case if number of Auctions, which have been initiated by the Liquidity Consumer and which have not resulted in OTC Trade execution, exceeds the limit set by the Clearing House.
- 8.5. Clearing House is entitled at its sole discretion suspend admission of the Liquidity Supplier to the System in case if number of Liquidity Supplier's Offers, which have failed the check in accordance with the Clearing Rules, exceeds the limit set by the Clearing House.
- 8.6. Clearing House is entitled at its sole discretion terminate admission of the User to the System.

### **SECTION III. AUCTION INITIATION, PROCEDURE FOR QUOTATIONS SUBMISSION AND OTC TRADES EXECUTION**

**Article 9. General terms of and procedure for Auction initiation, Quotations submission and OTC Trades execution**

- 9.1. System Users admitted to the “Trades with CCP” mode have the right to forward Offers via the System. Such Offers, which contain indication of other System Users, Offers of which may be recognized as Offers with coinciding terms.
- 9.2. Clearing House has set prohibition to execute trades in the “Trades with CCP” mode with one Identifier of the Clearing Member. In case if the Offers in the “Trades with CCP” are submitted from one Identifier of the Clearing Member, such Quotation will not accepted by the System.
- 9.3. Liquidity Consumer through RFQ submission initiates Auction with the aim to execute OTC Trade in foreign currency with the Liquidity Supplier in the “RFS Auction” mode. When opening an Auction Liquidity Consumer defines the following:
- code of the Instrument for the foreign currency buy-sell;
  - trade volume under the instrument (lot currency);
  - Auction duration;
  - Quotations availability: (1) all Quotations of Liquidity Suppliers or (2) only best Quotations;
  - availability of the Liquidity Consumer’s name: (1) disclose name of the Liquidity Consumer or (2) do not disclose name of the Liquidity Consumer.

Liquidity Consumer has access to the information only on Auctions initiated by himself.

Liquidity Supplier has access to the information on all Auctions, which have been initiated and have not been terminated.

- 9.4. After Liquidity Consumer submits RFQ to the System, Liquidity Suppliers receive message on Auction opening and on possibility to submit Quotations taking into account parameters set by the Consumer.

Liquidity Consumer does not have access to the information on Liquidity Suppliers, which have submitted Quotations.

Liquidity Suppliers do not have access to the information on the Liquidity Consumer that has initiated an Auction except for cases when Liquidity Consumer gives consent upon such disclosure through choosing relevant option when opening an Auction.

- 9.5. In reply to Auction initiated by the Consumer, Liquidity Suppliers submit Quotations with buy and/or sell prices of the Instrument in accordance with the parameters, defined when opening an Auction.

During an Auction Liquidity Supplier is entitled to forward not more than one sell Quotation and not more than one buy Quotation in respect of the Instrument.

Liquidity Supplier is entitled to withdraw or change his Quotations at any moment till the end of the Auction and till his Quotation is chosen by the Liquidity Consumer, meanwhile not more than one sell Quotation and not more than one buy Quotation of one Liquidity Supplier can exist in the System within one Auction.

9.6. Liquidity Supplier has access to the information on all his Quotations, and also on Quotations which are the best ones at this particular moment without disclosure of the information on Liquidity Suppliers that submitted it.

9.7. Since the start and till the end of the Auction, Liquidity Consumer is entitled to choose buy and/or sell Quotation that suits him the best through forwarding relevant Offer. Quotation of the Liquidity Supplier chosen by the Liquidity Consumer gains status of the Offer of the Liquidity Supplier.

Offers content shall correspond to the requirements, set by the Clearing Rules on the FX market and precious metals market.

Offer may contain short code of the Trading Member's client, which is the Clearing Member and the User.

9.8. When the Liquidity Consumer has chosen Quotation through Offer forwarding Auction continues till the OTC Trade execution. Liquidity Suppliers, whose Quotations have not been chosen by the Liquidity Consumer, are entitled to submit Quotations till the end of the Auction (taking into account limits defined in the paragraph 10.3). Meanwhile Liquidity Consumer is not entitled to submit new Offer during the same Auction or cancel the Auction.

Liquidity Supplier is not entitled to withdraw its Offer.

9.9. Auction is terminated when one of the following events occurs (what comes earlier):

- OTC Trade execution;
- negative result of the Offer check, submitted by the Liquidity Consumer, executed in accordance with the Clearing Rules on the FX market and precious metals market;
- time, set by the Liquidity Consumer when opening Auction, has elapsed.

9.10. Clearing House checks and registers Offers of the Liquidity Supplier and of the Liquidity Consumer and executes OTC Trades in the order and under the terms stipulated by the Clearing Rules on the FX market and precious metals market.

9.11. Liquidity Consumer through RFQ submission initiates Auction with the aim to execute OTC swap trade in foreign currency or precious metal in the "RFS Auction" mode. When opening an Auction Liquidity Consumer defines the following:

- code of the swap Instrument regarding foreign currency or precious metal;
- trade volume under the instrument (lot currency);
- Auction duration;
- Quotations availability: (1) all Quotations of Liquidity Suppliers or (2) only best Quotations.

Liquidity Consumer has access to the information only on Auctions initiated by himself.

Liquidity Supplier has access to the information on all Auctions, which have been initiated and have not been terminated.

9.12. After submission by the Liquidity Consumer to the System of the RFQ, Clearing House forwards to Liquidity Providers requests for quotations, terms of which correspond to parameters of the RFQ of the Clearing Member. Clearing House via the Clearing System provide the Clearing Member with the information (quotations of Liquidity Providers)

required for submitting by the Clearing Member of the Offer to the Clearing House with the aim to execute OTC swap trade in foreign currency or precious metal with the Liquidity Provider in the “RFS Auction” mode.

- 9.13. Liquidity Consumer does not have access to the information on Liquidity Providers that submitted quotations of the Liquidity Provider.
- 9.14. Liquidity Providers do not have access to the information on the Liquidity Consumer that initiated the Auction.
- 9.15. Since the start and till the end of the Auction, Liquidity Consumer is entitled to choose buy and/or sell Quotation of the Liquidity Provider that suits him the best through forwarding relevant Offer.
- 9.16. When the Liquidity Consumer has chosen Quotation of the Liquidity Provider through Offer forwarding Auction continues till the OTC Trade execution.
- 9.17. Auction is terminated when one of the following events occurs (what comes earlier):
  - OTC Trade execution;
  - negative result of the Offer check, submitted by the Liquidity Consumer, executed in accordance with the Clearing Rules on the FX market and precious metals market;
  - time, set by the Liquidity Consumer when opening Auction, has elapsed.
- 9.18. Clearing House checks and registers Offers of the Liquidity Supplier and executes OTC Trades in the order and under the terms stipulated by the Clearing Rules on the FX market and precious metals market.
- 9.19. Time of submission of Offers, Quotations and RFQ, choosing Quotation by the Liquidity Consumer, time of provision of extracts from the OTC Trades list and RFS Auctions duration regarding specific Instruments is defined by the decision of the Clearing House.
- 9.20. Execution of OTC Trades and RFS Auction for execution of OTC Trades in foreign currency with the obligations Settlement Date on the trade execution day on the day, which is not the Settlement Day for such currency, is not allowed.

#### **Article 10. Procedure for continuation of non-executed Auctions. Restrictions in respect of participant in the Auction**

- 10.1. In case if Offer of the Liquidity Supplier failed the check in accordance with the Clearing Rules (hereinafter referred to as the failure of the check conducted according to the Clearing Rules) such Liquidity Supplier is not entitled to submit Quotations during this particular Auction. Auction continues and Liquidity Consumer is entitled to choose any other buy and/or sell Quotation.
- 10.2. Clearing House at its sole discretion is entitled to set maximum permissible number of failures of checks of the Liquidity Supplier’s Offers, conducted according to the Clearing Rules, when reaching which Liquidity Supplier can no longer submit Quotations during Auctions regarding all available Instruments till the end of this workday.
- 10.3. In case of the failure of the check conducted according to the Clearing Rules of the Offer, submitted by the Liquidity Consumer, Auctions terminates.

- 10.4. Clearing House at its sole discretion is entitled to set maximum permissible number of failed checks of the Liquidity Consumer's Offers conducted according to the Clearing Rules, when reaching which Liquidity Consumer can no longer initiate Auctions till the end of this workday.

#### **Article 11. Restrictions in respect of Cross Trades execution**

- 11.1. Execution of Cross Trades is prohibited except for the case defined in the paragraph 11.2.
- 11.2. User is entitled to execute Cross Trades in case if the Clearing House has information, received from the Exchange, that the User, which is the Trading Member, has permission on execution on Cross Trades on the FX Market and Precious Metals Market of the Exchange, on the basis of orders, submitted by the User as the Trading Member at its own expense or at the expense of its clients, registered as the client of the Trading Member.
- 11.2.1. Fact that the User, which is the Trading Member, submits Offers at the expense of the same person, registered as the client of such Trading Member, is identified by the Clearing House on the basis of the Client Identification Data, received from the Exchange, which corresponds to the short client code, defined in the Offer.

### **SECTION IV. PROCEDURE FOR BUILDING ALGORITHMIC BATCH OF OFFERS TO EXECUTE OTC TRADES IN FOREIGN CURRENCY AND PRECIOUS METALS WITH THE LIQUIDITY PROVIDER**

#### **Article 12. Specifics of submission of the algorithmic batch of Offers to execute OTC Trades in foreign currency and precious metals with Liquidity Providers**

- 12.1. Clearing Members have the right to submit algorithmic batches of Offers to execute OTC Trades in foreign currency and precious metals with the Liquidity Provider. Offers, included into the algorithmic batches of Offers, are automatically submitted to the System during the period of time, set by this Clearing Member.
- 12.2. Clearing House checks and registers Offers of Clearing Members, submitted with the use of algorithmic batches of Offers, and execution of OTC Trades in the order and under conditions, stipulated by the Clearing Rules on the FX market and precious metals market.
- 12.3. Algorithmic batches of Offers, submitted by the Clearing Member, shall contain the following parameters (terms of algorithmic batches of Offers):
- short code of the client (when the Clearing Member submits algorithmic batches of Offers to execute trades in the interest of the client);
  - Trade Account of the Clearing Member;
  - Identifier of the Clearing Member;
  - direction of the Offer, submitted within the algorithmic batches of Offers: buy or sell;
  - total number of lots of all Offers, included into the algorithmic batches of Offers;
  - Settlement Date for obligations under buy-sell trades in foreign currency / precious metal;
  - type of Offer within the algorithmic batches of Offer:

- Offers to execute OTC Trade, which contain consent to buy or sell certain number of lots at the best price, defined in such Offer, registered in the System, and do not require additional confirmation;
- Offer to execute OTC Trade, which contain consent to buy certain number of lots at the price, not higher than the maximum buying price, or sell certain number of lots at a price, not lower than the minimum selling price, and do not require additional confirmation;
- for the algorithmic batch, which contains Offers to execute OTC Trade, which contain consent to buy certain number of lots at the price, not higher than the maximum buying price, or sell certain number of lots at a price, not lower than the minimum selling price: buy or sell price limit;
- maximum allowable deviation from the current best price of buy/sell of the counter Offer;
- type of restriction of the price limit (for Offers, which are executed in the maximum possible amount immediately after its submission to the System):
  - interest – maximum allowable deviation from the price of the Offer, submitted to the System, in percent from the current best buy-sell price of the counter Offer,
  - rate – maximum allowable deviation from the price of the Offer, submitted to the System, in absolute values of the rate of the current best buy-sell trade of the counter Offer;
- period of time, during which Offer from the algorithmic batch of Offers shall be submitted to the System;
- number of Offers, defined in the following way:
  - through indication by the Clearing Member of the concrete number of Offers in the batch of Offers or
  - through dividing the defined by the Clearing Member of the period of time for Offers submission by intervals, with which Offers, included into the algorithmic batch of Offers, shall be submitted to the System;
- ratio of the random deviation of the interval within the defined period of time and random deviation of the volume of Offers, included into the algorithmic batch of Offers.

12.4. Each Offer, included into the algorithmic batch of Offers, contains terms, stipulated by the Clearing Rules on the FX market and precious metals market and these Rules, for Offers to execute OTC Trades under the relevant Instrument taking into account Offers kinds and types.

12.5. When the period of time, defined in the algorithmic batch of Offers, arrives, Offers, which are contained in the batch of Offers, are submitted to the System taking into account number of Offers, intervals and other parameters, set in the terms of this batch of Offers. Each next Offer from the algorithmic batch of Offers can be submitted to the System after receiving response from the System on execution or refusal to fulfil previous Offer from the algorithmic batch of Offers.

12.6. Offers, which are contained in the batch of Offers / algorithmic batches of Offers, submitted to the System with the breach of these Rules, including the ones that resulted from circumstances that lead to and/or create background for failures (rejects) when using the

System and/or other hardware and software tools, used when executing OTC Trades in foreign currency / OTC Trades in precious metals and/or directly impeding proper (normal) functioning of the abovementioned tools, including force majeure, also failure, troubles and rejects of the equipment; failures and errors of the software, also other circumstances such as breach of rules for access control and/or unauthorized access to the System, not registered by the System.

**Article 13. Procedure for definition of parameters of algorithmic batch of Offers**

13.1. Volume of the Offer (in lots) from the algorithmic batch of Offers is calculated according to the following order:

13.1.1. Used functions:

- Round – math function of rounding to a given rounding order;
- Floor (Ceil) – function of rounding down to a given rounding order;
- Random – function of choosing random value out of the range;
- Min (Max) – function of choosing minimum (maximum) value.

13.1.2. Balance left from the volume of the algorithmic batch of Offers after i-iteration:

$$V_{OCT_i} = V - \sum_{j=1}^{i-1} V_{\phi AKT_j}, \text{ where}$$

$V_{\phi AKT_j}$  is the volume, actually performed when submitting connected Offer during i-iteration. During i-iteration  $V_{OCT_i} = V$ .

13.1.3. Target number of iterations, remained till the end of the algorithm (including currency i-iteration):

$$M_i = \text{Min} \left( N - i + 1, \text{Floor} \left( \frac{V_{OCT_i}}{V_{min}} \right) \right)$$

13.1.4. Average volume of the Offer from the algorithmic batch of Offers:

$$V_{cp_i} = \text{Floor} \left( \begin{cases} M_i = 0 : V_{OCT_i} \\ M_i \neq 0 : \frac{V_{OCT_i}}{M_i} \end{cases} \right)$$

13.1.5. Minimum volume of the Offer from the algorithmic batch of Offers:

$$V_{min_i} = \begin{cases} V_{cp_i} = 0 : 0 \\ V_{cp_i} \neq 0 : \text{Max} \left( \text{Floor} \left( V_{cp_i} \times \left( 1 - \frac{K_r \text{exp}}{2} \right) \right), V_{min} \right) \end{cases}$$

where  $K_r \text{exp} = \frac{e^{K_r} - 1}{e - 1}$  is the value of random deviation of the Offer from the algorithmic batch of Offers.

13.1.6. Maximum volume of the Offer from the algorithmic batch of Offers:

$$V_{max_i} = \text{Ceil} \left( V_{cp_i} \times \left( 1 + \frac{K_r \text{exp}}{2} \right) \right)$$

13.1.7. Normalization according to the minimum balance left (ensure that the volume  $V_{min}$  for each next iteration of the algorithmic batch is remained - under the condition that all Offers from it will be executed in the System in full):

$$Vmax_i = Min(Vmax_i, Vост_i - Vmin \times Max(M_i - 1, 0))$$

13.1.8. Random volume of Offers from the algorithmic batch of Offers:

$$Vrand_i = Random(Vmin_i, Vmax_i)$$

Boundaries of the range are included.

In case if  $Vmin_i > Vmax_i$ , instead of calling function  $Random()$ , 0 is received.

13.1.9. Adding to the remained balance (if due to performance of the i-iteration (under the condition that Offers in the System are executed in full) there is the volume  $< Vmin$  in the algorithmic batch then the remained balance is added to the volume of the current iteration):

$$Vдоп_i = \begin{cases} Vост_i - Vmin \text{ ост}_i \geq Vmin : Vmin \text{ ост}_i \\ Vост_i - Vmin \text{ ост}_i < Vmin : Vост_i \end{cases}$$

13.1.10. Final calculation of the volume of the Offer from the algorithmic batch of Offers, planned to be entered during i-iteration:

$$Vплан_i = \begin{cases} Vдоп_i \geq Vmin : Vдоп_i \\ Vдоп_i < Vmin : 0 \end{cases}$$

13.2. Clearing Member when entering parameters of the algorithmic batch of Offers has the right to defined the ratio of random deviation of the Offer from the algorithmic batch of Offers according to the entering time and the volume -  $K_r = 0, \dots, 1$  at 0,1 intervals, where:

- 0 – no deviation (equal distribution of orders according to entering time and volume);
- 1 – maximum deviation ( $\pm 50\%$  from the value of calculated average time interval and from the value of calculated average volume  $Vcp_i$ ).

Value of random deviation of orders is calculated according to the following:

$$K_r exp = \frac{e^{K_r} - 1}{e - 1}$$

where  $K_r exp$  is the random deviation of Offers,

$K_r$  is the ratio of the random deviation of Offers, set by the Clearing Member (0, ..., 1),

$e^x$  is the exponent of the given number.

## Article 14. Miscellaneous

14.1. Clearing House is not responsible for losses, costs or expenses, regardless of reason of occurrence (including its occurrence due to failures, errors, breakdowns or gaps when accessing to the System, or due to lack of access to the System or to any of its part), and also when using System, suffered by System Users, except for cases when such losses directly result from reckless disregard of the Clearing House, willful default or fraud.

14.2. System Users guarantee the Clearing House full compensation of losses, damage, legal actions, costs and expenses, incurred by the Clearing House in any way due to granting to the System User access to the System, or usage of the System by the System User, regardless of the reason of occurrence, except for cases when such losses directly result from reckless disregard of the Clearing House, willful default or fraud

14.3. System User agrees with the fact that occasionally access to the System will not be available for some reason or will be denied in some other way due to technical service,



equipment malfunction, software errors, breaks in customer service or in data net processing or due to other reasons, and also agrees with the fact that the Clearing House is not responsible towards System Users for losses, costs and expenses, regardless of the reason of occurrence, incurred due to unavailable access to the Systems.