

APPROVED BY

Management Board of the CCP NCC
dated «___» _____ 2019 (Protocol ___)

**OTC TRADES EXECUTION RULES OF
CCP NCC**

Moscow 2019

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SECTION I. GENERAL PROVISIONS

Article 1. Rules purpose

- 1.1. OTC Trades Execution Rules of the CCP NCC (hereinafter referred to as the Rules) define conduction of the RFS Auction, making Offers to execute OTC Trades in foreign currency, and also procedure for monitoring of compliance by System Users with the Rules.
- 1.2. Provisions of the Rules are applied together with the provisions of the Clearing Rules of the Central Counterparty National Clearing Centre, which regulate execution of OTC trades in foreign currency with Clearing Members.

Article 2. Terms and definitions

<i>Clearing Rules</i> –	internal document of the Clearing House which regulates clearing procedure on the fx market and precious metals market.
<i>Client identification data</i> –	information, received by the Exchange from the Market Participant – Clearing Member, which is the User, when registering client of the Market Participant 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 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.
<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.
<i>Offer to execute OTC trade (Offer)</i> –	(1) message of the Liquidity Consumer submitted in reply to Quotations of the Liquidity Providers, and also (2) Quotation which has not been withdrawn by the Liquidity Provider and has been chosen by the Liquidity Consumer.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.
<i>OTC System User (System User, User)</i> –	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.
<i>OTC Trade</i> –	trade, executed on the basis of the Supplier's and Consumer's Offers in the order, stipulated by these Rules and by the Clearing Rules.
<i>OTC Trades Execution System (System)</i> –	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 also perform other actions, stipulated by these Rules and by the Clearing Rules.
<i>Quotation</i> –	message, submitted to the System by the Liquidity Supplier in reply to RFQ.
<i>Request for RFS quotations</i>	message with set parameters, submitted by the Liquidity Consumer

(RFQ) –	to the System to initiate Auction (opening of Auction).
RFS Auction (Auction) –	mechanism for determination of the Instrument price in the claimed volume.

Terms, not specially defined in the Rules, are used with the meanings ascribed to them in the Clearing Rules and in the other internal documents of the Clearing House, disclosed on the website of the Clearing House, legislative acts of the Bank of Russia and other legislative acts of the Russian Federation.

Article 3. Procedure for the Rules approval and introduction of amendments

- 3.1. Approval of the Rules, introduction of amendments and additions, effective date determination and enactment procedure is conducted according to the decision of the Clearing House.
- 3.2. Rules, and also information on the effective date, are disclosed on the website of the Clearing House.

Article 4. System Users' rights and liabilities

- 4.1. System Users shall have the right to:
 - 4.1.1. Under the conditions, defined in the Rules, have an access to the System, initiate Auctions and submit Quotations with the aim to execute OTC Trades;
 - 4.1.2. Use the System for Quotations and RFQ submission in the order, defined in the Rules;
 - 4.1.3. Receive reporting and other documents after Auctions and after OTC Trades execution, formats of which are given in the Documents and Reporting Forms and Formats on the FX Market and Precious Metals Market;
 - 4.1.4. Execute Cross Trades in compliance with the restrictions set by the Rules.
- 4.2. System Users are not entitled to submit Quotations and RFQ with the aim to execute OTC Trades in the interest of the User's client that is individual person.
- 4.3. System Users must:
 - 4.3.1. Have an access 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;
 - 4.3.2. Use the System only with the aim to execute OTC Trades in the order, stipulated by the Rules and by the Clearing Rules;
 - 4.3.3. 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;
 - 4.3.4. Comply with the non-disclosure mode regarding information, which becomes available to the System User due to his access to the System.

Article 5. Procedure for System Users notification

- 5.1. 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:
 - 5.1.1. electronic form via the System;

- 5.1.2. electronic message or electronic document via Moscow Exchange EDI (hereinafter referred to as the EDI);
 - 5.1.3. electronic message via e-mail;
 - 5.1.4. written form delivered by courier;
 - 5.1.5. disclosure on the website of the Clearing House;
 - 5.1.6. other way, which allows unconditionally identify information message sent date.
- 5.2. Day of System Users notification if information is provided via the forms, defined in the sub-paragraphs 5.1.1-5.1.4, is the day when System Users receive information message. If information is provided via the form, defined in the paragraph 5.1.5, notice day is the day when information is disclosed on the website of the Clearing House.

Article 6. Procedure for provision documents to the Clearing House / receiving documents from the Clearing House in the form of an electronic document

- 6.1. 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.
- 6.2. 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 7. Disclosure procedure

- 7.1. Clearing House according to the Clearing Rules forms and approves list of subjects of obligations arising from OTC Traders and discloses this list on the website of the Clearing House.
- 7.2. Clearing House must ensure integrity of the information contained in the System.
- 7.3. Clearing House is entitled to disclose of the website of the Clearing House general information on initiated Auctions and executed OTC Trades.

SECTION II. SYSTEM ACCESS

Article 8. Procedure for granting access to the System

- 8.1. 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.
- 8.2. 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. 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 can be prolonged for the offer.

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.

- 8.3. 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.
- 8.4. Clearing House is entitled to deny Clearing Member access to the System as Liquidity Supplier at its sole discretion.

Article 9. Procedure for suspension and termination of an access to the System

- 9.1. On the basis of the application of the System User, the Clearing House suspends / terminates User's access to the System or to particular Instruments for the submission of Quotations and/or RFQ through suspension of relevant powers of clearing logins, defined in the application.

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

- 9.2. In order to renew access to the System or to particular Instruments for Quotations and/or RFQ submission Clearing Member shall forward application on assignment powers of the Liquidity Supplier and/or of the Liquidity Consumer to clearing logins defined in such application.
- 9.3. 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.
- 9.4. 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.
- 9.5. 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.
- 9.6. 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 10. General terms of and procedure for Auction initiation, Quotations submission and OTC Trades execution

- 10.1. Liquidity Consumer through RFQ submission initiates Auction with the aim to execute OTC Trade. When opening an Auction Liquidity Consumer defines the following:

- Instrument code;
- 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 an access to the information only on Auctions initiated by himself.

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

- 10.2. 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 an access to the information on Liquidity Suppliers, which have submitted Quotations.

Liquidity Suppliers do not have an 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.

- 10.3. 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.

- 10.4. Liquidity Supplier has an 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.

- 10.5. Since the start and till the end of the Auction, Liquidity Consumer is entitled to choose sell 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.

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

- 10.6. 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.

- 10.7. 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.

- 10.8. 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;
 - time, set by the Liquidity Consumer when opening Auction, has elapsed.
- 10.9. Time for the submission of the RFQ, Quotations, choosing by the Liquidity Consumer of the Quotation, time for the provision of the extract of the OTC Trades list, and also duration of RFS Auctions are set in the Supplement 1 to the Rules. List of instruments, time and duration set in the Supplement 1 to the Rules can be changed upon the decision of the Clearing House.
- 10.10. Conduction of RFS Auction for the execution of OTC Trades in foreign currency with the Settlement Date on the trade execution date, which is not the Settlement Day for the relevant foreign currency, is not allowed.

Article 11. Procedure for continuation of non-executed Auctions. Restrictions in respect of participation in the Auction

- 11.1. 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.
- 11.2. 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.
- 11.3. In case of the failure of the check conducted according to the Clearing Rules of the Offer, submitted by the Liquidity Consumer, Auctions terminates.
- 11.4. 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 12. Restrictions in respect of Cross Trades execution

- 12.1. Execution of Cross Trades is prohibited except for the case defined in the paragraph 12.2.
- 12.2. 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 Market Participant, 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 Market Participant at its own expense or at the expense of its clients, registered as the client of the Market Participant.

- 12.2.1. Fact that the User, which is the Market Participant, submits Offers at the expense of the same person, registered as the client of such Market Participant, 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. REMUNERATION AND OTHER ISSUS

Article 13. Remuneration procedure

- 13.1. Tariffs and procedure for making payments in respect of the Clearing House are set in the Clearing Rules and in the Tariffs of the Clearing House.

Article 14. Other issues

- 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 must ensure 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.