APPROVED BY

the Board of Directors
of Closed Joint-Stock Company

MICEX Stock Exchange

on\_\_\_\_\_\_\_\_\_\_\_\_ 2016

Minutes No.

Deputy Chairman

of the Executive Board

\_\_\_\_\_\_\_\_\_V. Gusakov

**TRADING RULES**

Closed Joint Stock Company MICEX Stock Exchange

PART 3. Repo Market Section

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## Terms and definitions

* + 1. In this special part of the Trading Rules, the following terms and definitions are used:
			1. Intraday Repo Transaction means a repo trade, the Settlement Dates for the first and second legs of which fall on the same settlement date (tenor of the repo trade shall be considered equal to zero).
			2. Mark-to-Market Margin Payment Date (hereinafter referred to as the due date of Mark-to-Market Margin payment) means the date on which a MICEX SE Trading Member shall be liable to pay margin in accordance with the terms of the repo trade in the Repo Market Section.
			3. Mark-to-Market Margin means cash or securities payable (deliverable) by one MICEX Trading Member to another MICEX Trading Member as a partial prior settlement of the second leg of a repo trade in the amount determined herein, this latter Participant being its counterparty in a repo trade in the Main Market Sector, the terms of which require provision of such Mark-to-Market Margin.
			4. GC basket means a suite of securities eligible to be stated in an off book GC basket repo order instead of security name (trading code). The GC basket is composed by the Exchange based on information received from the Clearing Organization.
			5. FX cross rate means a relation between two currencies that is defined based on Bank of Russia’s official exchange rates against ruble. FX cross rates are used to calculate an income by which the repo amount is decreased in repo trades with settlement in a foreign currency other than that in which the underlying Security is denominated. FX cross rates are defined as follows:

, where

- cross rate of an underlying security currency against a trade’s settlement currency;

 - amount of a trade settlement currency served to determine the official exchange rate of the foreign currency against ruble by the Bank of Russia;

 - the official exchange rate for a currency in which the security is denominated, against ruble as on the cross rate date, RUB;

 - the official exchange rate of a trade’s settlement currency against ruble as on the cross rate date, RUB.

* + - 1. Maximum Haircut means a condition of a repo trade, which can be established by its counterparties at its conclusion in the Repo Market Section.
			2. Minimum Haircut means a condition of a repo trade, which can be established by its counterparties at its conclusion in the Repo Market Section.
			3. Initial Margin (hereinafter – Haircut) means a prerequisite for concluding a repo trade, the value of which is determined in the MICEX Trading System at its conclusion in the Repo Market Section. The size of a haircut is either indicated by the counterparties in the order for conclusion of repo trade, or calculated in the MICEX Trading System on the basis of values of other requisites specified in the order for conclusion of repo trade.
			4. List of securities means a set of securities that is created in the Trading System based on information from the Clearing Organization. Lists of securities are given unique names (unique codes).
			5. Term of a Repo Transaction means the number of calendar days, determined at the conclusion of a repo trade. Tenor of Repo trades shall be calculated from the date for the first leg of the repo trade in the Repo Market Section.
			6. Repo Rate means a value, which can be positive, negative or equal to zero, expressed as a percentage per annum as designated by a MICEX SE Trading Member in the Repo order and used in the Repo Market Section to calculate the price of the second leg of the repo trade or the Cost of Buy-Back. Unless otherwise decided by the Exchange, an indicative rate used to calculate the Repo Rate may be stated in an order together with such indicative rate deviation in per cent per annum (Floating Repo Rate). Permissible values of the indicative rate are set by the Exchange.
			7. Repo Amount means a condition of a repo trade, the value of which shall be determined in the Trading System at its conclusion in the Repo Market Section. The value of Repo amount shall either be indicated by the counterparties in the order for conclusion of a repo trade, or calculated in the Trading System on the basis of values of other requisites of the order for conclusion of a repo trade.
			8. Current Value of Haircut (hereinafter – current haircut) means a variable value, expressed as a percentage and reflecting the ratio between the amount of current liabilities (monetary value) of a MICEX SE Trading Member – seller in the first leg of a repo trade and the market value of securities that comprise the current liability of the MICEX SE Trading Member – buyer in the first leg of a repo trade, which shall be calculated for each trading day in the MICEX SE Trading System on a concluded repo trade during the Tenor of repo trade (if conditions of the repo trade provide for maximum and minimum limits of haircut).
			9. Haircut Tick means minimum possible difference between the values of haircut specified in orders for conclusion of Repo trades.
			10. Repo Rate Tick means a minimum allowed difference between the Repo Rates indicated in orders with the same direction (to raise money or to place money) submitted to execute repo trades.
		1. Terms not specifically defined in this Part 3 of the Trading Rules shall have definitions established in Part 1. General Rules of the Trading Rules, their special parts, other MICEX SE bylaws, the Clearing Rules, the Admission Rules as well as laws and regulatory acts of the Russian Federation.

## General provisions

* + 1. This Part 3. Repo Market Section (hereinafter referred to as “this Part 3 of the Trading Rules) is an integral part of the Trading Rules of Closed Joint Stock Company MICEX Stock Exchange. It has been adopted in accordance with the Charter of the Exchange, its other by-laws, laws and other regulatory acts of the Russian Federation.
		2. This Part and Part 1. General Rules of the Trading Rules set out how trading is held in the Repo Market Section.
		3. In the Repo Market Section, securities are traded in the following trading modes:
			1. During the Main Trading Session and Additional Trading Session with decentralized clearing:
* "Repo in Shares";
* “Repo in Shares (foreign currency)”;
* "Repo in Bonds";
* “Repo in Bonds (foreign currency)”
* "Repo with Bank of Russia: Repo Auction";
* "Repo with Bank of Russia: Fixed Rate";
* “Repo for Qualified Investors” and
* “Repo (foreign currency) for Qualified Investors”.
	+ - 1. During the Main Trading Session and Additional Trading Session based on central clearing:
* “Repo with the CCP - Order book orders”;
* “Repo with the CCP – Off order book orders”.
	+ - 1. During the Main Trading Session based on central clearing:
* “Fulfillment of obligations under Trades T+: repo”.

## Orders

* + 1. In the Repo Market Section, Trading Members shall be entitled to place the following order types for conclusion of transactions in the Trading System (unless otherwise decided by the Exchange):
	+ off order book Repo orders (shares);
	+ off order book Repo orders (bonds);
	+ off order book Repo orders (the GC basket);
	+ limit orders for repo trades with the CCP;
	+ market orders for repo trades with the CCP;
	+ off order book orders for repo trades with the CCP;
	+ aggregate orders for repo trades with the CCP;
	+ orders for settling derivatives contracts.
		1. Limit and market orders for executing repo trades can only be on-order book orders available for all Trading Members.
		2. Off order book Repo orders (shares), off order book repo orders (bonds), off order book repo order (basket) and off order book repo orders (CCP) can only be negotiated with specific Trading Members.
		3. Limit orders for executing repo trades with the CCP with "Enqueue" attribute are orders residing in the Order Book. Limit orders for executing repo trades with the CCP with "Withdraw Balance" or "Immediately-or-Cancel" attributes are not orders residing in the Order Book.
		4. When being entered into the Trading System, any order must include the following details depending on its type:
			1. Conditions for conclusion of Repo trades shall be stipulated in Subsection 1.6 "Conclusion of Repo trades under the decentralized clearing" hereof.

Any off order book Repo order (shares) shall include the following details:

* + order type (off order book Repo order (shares));
	+ ID of Trading Member who placed the order;
	+ Trading Member code (when a Trading Member places an order for conclusion of a transaction on its own behalf and on account of funds held in trust);
	+ brief name of Trading Member, which placed the order;
	+ brief name or ID of the Trading Member whom the application is directed at;
	+ direction of the order (purchase order or sale order in the first leg of the repo trade);
	+ Repo rate;
	+ tenor of repo trade (in calendar days, for intraday Repos, the Repo Tenure shall be equal to zero);
	+ name (trading code) of the securities;
	+ trading and clearing account;
	+ brief code of the Trading Member's client (when a Trading Member places an order for conclusion of a transaction on client’s behalf (including issuers of securities));
	+ rate of fixed compensation (percentage of Repo Amount);
	+ settlement code (an acceptable list of settlement codes for the securities shall be established as per Part 1. General Rules of the Trading Rules);
	+ Repo amount;
	+ reference (verifiable field, comment);
	+ initial haircut rate,%;
	+ maximum haircut limit,%;
	+ minimum haircut limit,%;
	+ number of securities, in lots;
	+ Trading Member's HSA.

The field "reference" shall not be an obligatory requisite, i.e. not required for placing. If this field is filled in, it can contain any sequence of letters, numbers or symbols.

An off order book Repo order (bonds) shall include the following details:

* + order type (off order book Repo order (bonds));
	+ ID of Trading Member, which placed the order;
	+ Trading Member code (when a Trading Member places an order for conclusion of a transaction on its own behalf and on account of funds held in trust);
	+ brief name of Trading Member, which placed the order;
	+ brief name or ID of the Trading Member whom the application is directed at;
	+ direction of the order (purchase order or sale order in the first leg of the repo trade);
	+ Repo rate;
	+ Tenor of repo trade (in calendar days, for intraday Repos, the Repo tenure shall be equal to zero);
	+ name (trading code) of the securities;
	+ trading and clearing account;
	+ brief code of the Trading Member's client (when a Trading Member places an order on client’s account (including issuers));
	+ rate of fixed compensation (percentage of Repo Amount);
	+ settlement code (an acceptable list of settlement codes for the securities shall be established as per Part 1. General Rules of the Trading Rules);
	+ Repo Amount, including the ACI;
	+ initial haircut rate,%;
	+ reference;
	+ maximum haircut limit,%;
	+ minimum haircut limit,%;
	+ number of securities, in lots;
	+ Trading Member's HSA.

The field "reference" shall not be an obligatory requisite, i.e. not required for placing. If this field is filled in, it can contain any sequence of letters, numbers or symbols.

A valid opposite order for conclusion of a repo trade shall be an order of the same type with the following matching conditions:

* + order type;
	+ name (trading code) of the securities;
	+ number of securities, expressed in lots;
	+ Repo amount;
	+ Tenor of repo trade;
	+ Repo rate;
	+ reference;
	+ rate of fixed compensation;
	+ initial haircut rate,%;
	+ reference (checkable box, notes);
	+ maximum haircut limit,%;
	+ minimum haircut limit,%;
	+ settlement code.

At this, the order shall be an off order book order available for the Trading Member who has placed a valid opposite order.

Unless otherwise provided by decision of the Exchange, it is permitted to execute repo trade in the trading mode “Repo with the Bank of Russia: Repo auction” provided that all parameters of the two valid opposite orders determined in the current Clause have matched, except for:

* + number of securities, expressed in lots;
	+ Repo amount;
	+ initial haircut rate,%;

In such a case the above-mentioned conditions of the repo trade shall be determined based on the Repo amount and initial haircut rate in the order with the smaller Repo amount.

Trading Members also agree that the Repo order (shares)/Repo order (bonds) for sale submitted in the trading mode “Repo with the Bank of Russia: Repo auction” can be filled partially.

Off order book basket repo orders must include the following details:

* + Order type (off order basket repo order);
	+ Trading Member ID;
	+ Trading Member short name;
	+ Short name or ID of a Trading Member to which the order is addressed;
	+ Order direction (buy or sell in the first part of repo);
	+ Repo rate, percent per annum;
	+ Repo tenor (in calendar days, zero for intraday repo trade);
	+ Name (code) of the GC basket;
	+ Settlement type (DVP1 or DVP3 as per the Clearing Rules)
	+ Repo amount;
	+ Trading Member's HSA.

The priority securities may also be included in the off order book basket repo order. The priority securities may be indicated as a certain security being transferred under the trade or a name (code) of a List of securities that contains securities eligible for transferring under the trade.

An order of the same type with the following details matched is valid to be an opposite order to the off order book basket repo order:

* + order type (off order book basket repo order);
	+ repo rate;
	+ tenor of repo trade;
	+ name (trading code) of the GC basket;
	+ priority securities;
	+ settlement type;
	+ Repo amount;
	+ Trading Member's HSA.

Unless otherwise decided by the Exchange, the Trading Mode “Repo with the Bank of Russia: repo auction” provides for execution of a repo trade based on any two valid opposite off order book basket repo orders with all details except repo amount that stated in this clause matched. In this case the above-stated conditions of the repo trade are determined on the basis of the smaller repo amount. Furthermore, Trading Members agree that any off order book basket repo order intended for securities selling and entered in the Trading Mode “Repo with the Bank of Russia: repo auction” may be filled partially.

* + - 1. Conditions for executing trades in the Trading Mode “Repo with the CCP – order book orders” are defined in the Subsection 1.8 “Execution of repo trades with the Central Counterparty” hereof.

The following details shall be indicated in the limit order for executing a repo trade with the CCP:

* + order type (limit order for executing repo trade with the CCP);
	+ ID of a Trading Member;
	+ Trading Member code (when a Trading Member places an order for executing a trade on its own behalf and on account of funds held in trust);
	+ order direction (order to raise money or order to place money);
	+ security name;
	+ number of securities in lots;
	+ repo amount;
	+ repo rate (minimum rate for placing money/maximum rate for raising money);
	+ settlement code (Y0/Y1, unless other settlement code is defined by Part 1. General Rules of the Trading Rules);
	+ haircut (subject to definition by the Exchange);
	+ trading and clearing account;
	+ brief code of the Trading Member's client (when a Trading Member places an order on client’s behalf (including issuers));
	+ Trading Member's HSA.

Orders for repo trades with the CCP with additional attributes indicated which specify execution of trades by order filling type accordance with Part 1. General Rules of the Trading Rules, are allowed.

Where a limit order for executing a repo trade with the CCP is submitted, an additional attribute “Market Maker order” (this attribute indicates that the order is to fulfill obligations of a market maker) can be enabled.

If a limit order for executing a repo trade with the CCP with the attribute “Fill or Kill” has been registered in the Trading System, valid opposite orders thereto shall be opposite orders primarily with the best Repo Rates, Repo Rates that equal or are less than the Repo Rate in an order for raising money (that equal or are more than the Repo Rate in the order for placing money) indicated in the order and with total Repo amount that equal or are more than that one indicated in the order. Admissible opposite orders towards a limit order for executing a repo trade with the CCP in which other attributes are indicated shall be opposite orders primarily with the best Repo Rates that equal or are less than the Repo Rate in an order for raising money (that equal or are more than the Repo Rate in the order for placing money) indicated in the order.

The following details shall be indicated in the market order for executing a repo trade with the CCP:

* + order type (the market order for executing repo trade with the CCP);
	+ ID of a Trading Member;
	+ Trading Member code (when a Trading Member places an order for executing a trade on its own behalf and on account of funds held in trust);
	+ order direction (order to raise money or order to place money);
	+ security name;
	+ number of securities in lots;
	+ repo amount;
	+ trading and clearing account;
	+ settlement code (Y0/Y1, unless other settlement code is defined by Part 1. General Rules of the Trading Rules);
	+ haircut (subject to definition by the Exchange);
	+ brief code of the Trading Member's client (when a Trading Member places an order on client’s behalf (including issuers));
	+ Trading Member's HSA.

Additional attributes are not allowed for market orders for executing a repo trade with the CCP.

If a market order for executing a repo trade with the CCP intended to raise/place money has been registered in the Trading System, valid opposite orders thereto shall be queued opposite orders primarily with the minimum Repo Rates for orders to raise money (the maximum Repo Rate for orders to place money).

The following details must be indicated in CCP repo orders:

* + Order type (aggregate CCP repo);
	+ ID of the Trading Member;
	+ order direction (order to raise money or order to place money);
	+ trading and clearing account;
	+ name (code) of the list of securities;
	+ repo amount;
	+ repo rate (minimum/maximum rate for money placing/raising), percent per annum;
	+ Trading Member’s HSA.

In addition, any aggregate CCP repo order contains one or more CCP repo limit orders on a certain security included in the list of securities of the aggregate order.

Indicating details in a CCP repo limit order entered through an aggregate CCP repo order that are unmatched to those in the aggregate order is not allowed. This does not apply to the details “Order type” and “Repo amount”.

* + - 1. Conditions for executing trades in the Trading Mode “Repo with the CCP – off order book orders” are given in Subsection 1.8 “Execution of repo trades with the Central Counterparty” hereof.

The following details shall be indicated in the off order book order for executing a repo trade with the CCP in the Trading Mode “Repo with the CCP – off order book orders” :

* + order type (the off order book order for executing a repo trade with the CCP);
	+ ID of a Trading Member;
	+ Trading Member code (when a Trading Member places an order for executing a trade on its own behalf and on account of funds held in trust);
	+ brief name of the Trading Member, which placed the order;
	+ brief name of ID of a Trading Member with an order that can be admitted as the admissible opposite order;
	+ order direction (order to raise money or order to place money);
	+ Repo Rate in as annual percentage rate;
	+ name (trading code of the security or name (code) of the list of securities;
	+ trading and clearing account;
	+ brief code of the Trading Member's client (when a Trading Member places an order on client’s behalf (including issuers));
	+ settlement code (the admissible codes for a given security are established in Part 1. General Rules of the Trading Rules);
	+ haircut, %;
	+ Repo amount;
	+ number of securities in lots (for orders in which the name (trading code) of the security has been indicated);
	+ Trading Member's HSA.

A valid opposite order for an order submitted in the Trading Mode “Repo with the CCP – Off order book orders” with the name (trading code) of the security indicated, shall be an order of the same type with opposite direction and following matched conditions:

* + order type;
	+ name (trading code) of the security;
	+ number of securities in lots;
	+ haircut,%;
	+ repo amount;
	+ Repo Rate;
	+ settlement code.

A valid opposite order for an order submitted in the Trading Mode “Repo with the CCP – Off order book orders” with the name (trading code) of the List of securities indicated, shall be an order of the same type with opposite direction and following matched conditions:

* + order type;
	+ name (trading code) of the security coinciding with the name (trading code) of the security included into the list of securities;
	+ Repo amount;
	+ Repo Rate;
	+ settlement code.

The Repo amount and number of securities in lots, for a repo trade executed based on an order with the name (trading code) of a relevant List of securities indicated shall be determined based on conditions of the valid opposite order.

* + 1. It shall be acceptable to execute trades in respect of part of the amount of securities, as defined in accordance with the terms of the order (partial fulfillment of order), in limit orders residing the Order Book, off order boor limit orders residing the Order Book, orders at the closing auction price with the attribute “Enqueue” indicated, orders for settling derivatives contracts or block orders. In the case of partial fulfillment of such order, the amount of securities indicated in the partially fulfilled order shall be reduced by the amount of securities in respect of which a transaction has been concluded. During the closing auction’s call phase extension, market orders and off order book market orders can be filled in part. Where the partial fill of the above-mentioned order takes place, number of securities indicated in the partially filled order (computed by the Trading System) shall be diminished by the number of securities involved in the relevant trade.

Aggregate CCP repo orders may be filled partially by executing a trade based on the CCP repo limit order entered through a relevant aggregate order. If an aggregate CCP repo order was filled in part, its repo amount is decreased by the repo amount of the trade executed.

Trades with partial Repo amount specified in accordance with the relevant order conditions (a partial fill) are allowed for limit orders for repo trades with the CCP with the attribute “Enqueue”. Where the partial fill of the above-mentioned order takes place the Repo amount indicated in the partially filled order shall be diminished by the Repo amount involved in the relevant trade.

* + 1. Entering a limit order for executing a repo trade with the CCP or a market order for executing a repo trade with the CCP into the Trading system shall be deemed to be the unconditional consent of the Trading Member to execute a relevant trade provided that valid opposite orders with the Repo Rate that is equal to or better than that one indicated in its order (if available) are available on a condition of the full or partial fill (unless otherwise established by the Exchange).
		2. If a limit CCP repo order residing in the Order Book is not filled in full, it (in the amount of the unfilled part) shall be queued in the Order Book.
		3. If a limit CCP repo order not residing in the Order Book is not filled in full, its unfilled part shall be withdrawn from trading (unless otherwise decided by the Exchange and/or this Part 3 of the Trading Rules).
		4. Any limit CCP repo order is not allowed to be withdrawn or changed if it was entered through an aggregate CCP repo order. Such limit CCP repo order may be withdrawn or changed by withdrawing or changing relevant aggregate CCP repo order.

## Conditions for repo orders to be registered

* + 1. The following order types placed by Trading Members shall be registered in the Trading System only after the Exchange receives a report from the Clearing Organization on the possibility of registering the order:
		- off order book Repo order (shares);
		- off order book Repo order (bonds);
		- limit order for executing a repo trade with the CCP;
		- market order for executing a repo trade with the CCP;
		- off order book order for executing a repo trade with the CCP;
		- aggregate order for a repo trade with the CCP.
		1. Orders indicating the additional attribute "Market Maker Order" shall be accepted by the Trading System only from Trading Members assigned with the Market Maker status and with which the Exchange has concluded agreements/contracts for performance of Market Maker functions for the duration of the agreement/contract.
		2. The Trading System shall not register orders with the Repo Rate exceeding the limits set for the Repo Rate fluctuations, established on the basis of indicative Repo Rate for the purposes of determining the Repo Rate fluctuations with respect to the given underlying asset on the current trading day.
		3. The Trading System shall not register orders placed with indication of the type of trading and clearing account, the use of which is restricted in the Repo Market Section and/or specific Trading Modes (periods) and/or for specific securities by decision of the Exchange based on information received from the Clearing Organization. The Exchange is entitled to impose other restrictions for allowed types of underlying asset which are indicated in buy/sell orders entered with the international central securities depositories’ trading and clearing accounts indicated using information received from National Settlement Depository.
		4. When a Trading Member places orders on client’s behalf (including issuers of securities), as well as on its own behalf and on account of funds held in trust, such order for purchase and/or sale shall not be registered in the Trading System, if the brief client code or Trading Member code indicated in the order, do not match any brief client codes or Trading Member codes assigned by the Exchange to clients of the Trading Member or the Trading Member itself, with account of specifics stipulated in the laws and other regulatory acts of the Russian Federation.
		5. To avoid concluding transactions in securities based on orders submitted by a single person (identifying by its code), as well as resulting in breach of restrictions imposed on the trust manager in accordance with the laws and other regulatory acts of the Russian Federation, in Trading Modes "Qualified Investors – Repo", "Qualified Investors – Repo (foreign currency)", "Repo with Shares", "Repo with Shares (foreign currency)","Repo with bonds", "Repo with bonds (foreign currency)", "Repo with Bank of Russia: Repo Auction", “Repo with the CCP – order book orders”, “Repo with the CCP – off order book orders”, “Settlement of trades T+: repo” and "Repo with Bank of Russia: Fixed Rate", an order placed by a Trading Member on its own behalf shall not be registered in the Trading System, if it entails conclusion by the Trading Member of a transaction:
			1. based on opposite orders of Trading Member(s) placed on account of the same client; however, such orders are allowed to be entered for trades via the CCP (subject to Russian laws and regulations), if the Trading Member(s) indicate(s) pertinent information as per the procedure set out in the Admission Rules;
			2. based on opposite orders of a Trading Member placed on its own behalf and its own account;
			3. based on opposite orders of a Trading Member placed on its own behalf and on account of funds held in trust, which list the same code of the Trading Member (trust manager);
			4. based on an order placed by this Trading Member on its own behalf and account of its clients on the one hand, and order placed by the Trading Member on its own behalf and on account of funds held in trust, on the other hand;
			5. based on orders placed by this Trading Member on its own behalf and account or on account of funds held in trust on the one hand, and placed by another Trading Member on its own account that acts as a client, on the other hand.
		6. Should a Trading Member places an order on client’s account, as well as on its own behalf and on account of funds held in trust, indicating settlement code Z0, the order shall not be registered in the Trading System, if it entails the conclusion by the Trading Member of a transaction, in which such Trading Member is both buyer and seller of securities and uses the same trading and clearing account.
		7. Should a Trading Member places an order to buy securities for qualified investors on client’s account, the order shall be registered in the Trading System provided that such the client is a qualified investor and registered by MICEX Stock Exchange in accordance with the Admission Rules.
		8. Should a Trading Member places an order to buy securities on client’s account which are traded and placed only among credit organizations, the order shall be registered in the Trading System provided that such the client is a credit organization and registered by MICEX Stock Exchange in accordance with the Admission Rules.
		9. The Exchange is entitled to remove active orders throughout the trading day according to the procedure and time frames specified in an agreement between the Trading Member and the Technical Center.

## Procedure for executing repo trades

* + 1. Repo transactions are concluded in Trading Modes "Repo with shares", “Repo with shares (foreign currency), "Repo with bonds “Repo with bonds (foreign currency)”, "Repo with Bank of Russia: Repo Auction", "Repo with Bank of Russia: fixed rate", "Qualified Investors – Repo", “Qualified Investors – Repo (foreign currency)”, “Repo with the CCP – off order book orders”, “Repo with the CCP – order book orders” on trading days, established in accordance with Part 1. General Rules of the Trading Rules. Repos in a security eligible only for repo may be concluded on or after the day on which the Exchange includes such security on the List of securities available for repo only. Such transactions are executed only at the expense of qualified investors. Repo trading is suspended/halted in cases set out in the Trading Rules, or in the event of the security deletion from the List of securities eligible only for repo, when it comes to the pertinent security.
		2. The exchange can establish possible limiting values for repo trade orders, including the accuracy of the following requisites:
	+ Repo rate;
	+ Repo amount;
	+ Number of securities;
	+ Tenor of repo trade;
	+ Initial haircut;
	+ Maximum haircut limit;
	+ Minimum haircut limit;
	+ Limiting values of order volume for specific settlement codes (only for off order book Repo orders (shares) and off order book Repo orders (bonds);
	+ Haircut Tick.

Each trading day the Exchange shall determine values and acceptable values of the following parameters for orders intended for executing Trades T+ in the Trading Modes “Repo with CCP – off order book orders”, and “Repo with CCP – order book orders” based on information received from the Central Counterparty:

* + Settlement price of a security;
	+ Haircut to be used to execute trades in the Trading mode “Repo with the CCP – Order book orders”;
	+ Indicative Repo Rate for a specific security (group of securities) and specific settlement code;
	+ range of the Repo Rate variance for a specific security (group of securities) and specific settlement code.
		1. The Exchange may decide that if the issue documents provide for repayment of principal (amortization payments), calculation of parameters of the repo trade in Trading Modes "Repo with bonds", “Repo with bonds (foreign currency)”, "Repo with Bank of Russia: Repo Auction", "Repo with Bank of Russia: fixed rate", "Qualified Investors – Repo", “Qualified Investors – Repo (foreign currency)”, “Repo with the CCP – off order book orders”, and “Repo with the CCP – order book orders” shall be carried out with account of the nominal value outstanding at the time of calculation.
		2. For each Trading Mode, in which Repo trades are concluded decision of the Exchange shall establish lists of securities and/or GC baskets, in which Repo trades may be concluded.
		3. Conclusion of Repo trades non-centrally cleared shall be carried out in accordance with requirements set in Subsection 1.6 "Conclusion of Repo trades under the decentralized clearing" hereof.
		4. The following conditions shall be in force for each Trading Mode, in which Repo trades are concluded in accordance with requirements of Subsection 1.6 "Conclusion of Repo trades under the decentralized clearing", Section 1.7 "Procedure for executing repo trades in securities intended for qualified investors" hereof:
			1. An off order book Repo order (bonds) of a Trading Member shall not be registered in the Trading System if it indicates a settlement code, in accordance with which the Settlement Date of obligations under the first leg of the repo trade falls on any day after the last trading day of the current coupon period, on which trading in such securities is conducted.
			2. An off order book Repo order (bonds) of a Trading Member shall not be registered in the Trading System if it indicates a Tenor of repo trade and/or settlement code, in accordance with which the Settlement Date of obligations under the second leg of the repo trade falls on any day after expiration of the circulation period of the relevant bond on the Exchange.
			3. If decision of the Exchange does not establish another procedure and term for changing the Repo Amount when accruing coupon (interest) yield on bonds during the tenor of the repo trade and/or settlement of part of the principal (amortization payment) on bonds, then after payment of coupon (interest) yield on bonds during the tenor of the repo trade and/or settlement of part of the principal (amortization payment) on bonds, the Repo Amount shall be decreased by the amount of paid coupon (interest) yield and/or by the amount of settled part of the principal (amortization payment) from the date of receipt by the Exchange of information on payment of accrued coupon (interest) yield and/or settled part of the principal (amortization payment) within terms and according to the procedure determined in the contract with the Paying Agent on the bonds. In case the Exchange has not executed an agreement with the Paying Agent concerning the bonds that would provide for submitting a notification on the bonds yield payments, the Repo Amount shall be decreased on the payment date scheduled. If the scheduled date for payment of coupon (interest) yield and/or for principal payment (payment under the amortization schedule) on the bonds payments under which are registered in accordance with the planned dates, falls on a non-business day, the Repo Amount is decreased on the first business day after the scheduled payment date (unless otherwise decided by the Exchange). In absence of payment of coupon (interest) yield or settlement of part of the principal (amortization payment) during the Tenor of the repo trade, the Repo Amount shall remain unchanged (unless mark-to-market margin is paid in cash). In case the Exchange receives information about payment of coupon (interest) yield on bonds and/or settlement of part of the principal (amortization payment) on a date other than actual date of payment of coupon (interest) yield on bonds and/or settlement of part of the principal (amortization payment), settlement of relations related to reduction (non-reduction) of the Repo Amount shall be carried out according to the procedure established in the contract concluded between Trading Members, which are parties to a repo trade.

This clause does not apply to repo trades executed based on off order book basket repo orders.

Unless otherwise decided by the Exchange, the repo amount in repo trades in bonds executed in the Trading Modes “Repo in bonds (foreign currency)”, “Qualified investors – repo (foreign currency)” must be decreased by the accrued coupon (interest) income and/or a part of principal that was redeemed (amortization payments) by using the FX cross rate as at the beginning of the next coupon period set in the issue documents (as on the date of receiving information on such income payment from the Paying agent if the Exchange receives such information in accordance with an agreement with the Paying agent).

* + - 1. Unless the Exchange has decided and/or the Trading Rules and/or the Clearing Rules stipulate otherwise, the buyer in the first leg of the repo trade shall be obliged to transfer to the seller in the first leg of the repo trade any dividend, interest or other distribution (hereinafter – Yield) on securities in which the repo trade was concluded within thirty (30) calendar days following the date of payment/transfer of Yield by the issuer, if the list of persons entitled to its receipt is determined during the period from the settlement of obligations on the transfer of securities in the first leg of the Repo trades to the settlement of obligations on the transfer of securities in the second leg of the trade. The parties shall be entitled to conclude an additional agreement establishing a different term and/or procedure for the transfer of Yield, transferred by the Issuer in non-monetary form.

The Clearing Rules may specify an obligation to transfer income received from foreign securities being involved in trades. They may also specify the procedure for transferring such income. This applies to certain types of trades in addition to other requirements of the Trading Rules.

* + - 1. Settlement of relationships in cases of default or improper performance of obligations under the second leg of the repo trade, as well as settlement of issues related to the payment of yield on securities, shall be established by agreement between the Trading Members, which are parties to the repo trade, and the absence of such agreement – in the manner stipulated in the Procedure for settling mutual claims on transactions (see Part 1. General Rules of the Trading Rules).
		1. Procedure and conditions for calculating parameters of repo trades executed based on off order book basket repo orders is determined by the Clearing Organization responsible for clearing of such trades. The following conditions shall be in force for each Trading Mode, in which Repo trades are concluded under non-centralized clearing in accordance with requirements of Subsection 1.6 "Conclusion of Repo trades under the decentralized clearing" hereof (except for trades executed based on order book repo orders (GC basket repo):
			1. An off order book Repo order (bonds) and off order book Repo order (shares) of a Trading Member (if not otherwise determined by decision of the Exchange) shall not be registered in the Trading System if they indicate a name (trade code) of the securities for which on the current trading day the Exchange does not have a settlement price, the method of determining which is established by decision of the Exchange, except off order book Repo orders (bonds) and off order book Repo orders (shares) entered in trading modes other than “Repo with the Bank of Russia: repo auction” and “Repo with the Bank of Russia: fixed rate”, in which the Trading Member indicates the following details: The Repo Amount and number of securities.
			2. Order details: The Repo Amount, the number of securities and the initial value of the haircut are interrelated, and an indication by a Trading Member of any two of them in the Repo order shall be sufficient for calculation of the third requisite in the Trading System as follows:

,

,

\*100%, where

 – an official exchange rate of the foreign currency of the nominal value of the securities in relation to the ruble, established by the Bank of Russia on the day of transaction. For securities, the nominal value of which is denominated in rubles,  is accepted as equal to 1.

 - an official exchange rate of the foreign currency in which the repo trade is denominated against the Russian ruble set by the Bank of Russia as of the transaction date. For repo trades in securities denominated in Russian rubles  is accepted as equal to 1.

– estimated price for one security, established on the day of the transaction, the calculation method for which shall be established by decision of the Exchange.

 – the initial value of the haircut;

 – the Repo Amount, calculated accurate to two decimal places of the foreign currency in which the repo trade is denominated;

 – the number of securities, calculated by rounding upward to the nearest whole number;

 – ACI as of the Settlement Date of the first leg of the repo trade (subject to its calculation for the specific securities).

* + - 1. When a Trading Member specifies certain parameters of a repo, other parameter are determined as follows:
* If a Trading Member specifies the Repo Amount and number of securities, the initial haircut is calculated in the Trading System as per the formula given in Clause 1.5.7.2 hereof;
* If a Trading Member specifies the Repo Amount and the initial haircut, number of securities is calculated in the Trading System as per the formula given in Clause 1.5.7.2 hereof. The initial haircut is adjusted for such repo trade as per the formula given in Clause 1.5.7.2 after the number of securities is calculated;
* If a Trading Member specifies the number of securities and initial haircut, the Repo Amount is calculated in the Trading System as per the formula given in Clause 1.5.7.2 hereof;
* If a Trading Member specifies the Repo Amount, number of securities and initial haircut, such value of the initial haircut is not recorded in the Trading System and the initial haircut is adjusted for such repo trade as per the formula given in Clause 1.5.7.2.

The Exchange may decide (with regard to trading modes “Repo with the Bank of Russia: repo auction” and “Repo with the Bank of Russia: fixed rate”) that, after the repo parameters were recalculated as set out in this clause, the adjusted initial haircut is to be used for information purposes only, and the initial haircut set by the Exchange in consideration of proposals from the Bank of Russia is to be used to recalculate the repo parameters.

* + - 1. The following proportions shall be observed in the minimum and maximum limits of haircut indicated in the Repo order, as well as the initial value of the haircut indicated in the Repo order or calculated in the Trading System in accordance with this Part of the Trading Rules:
		- The maximum limit of haircut shall be greater than the minimum limit of haircut.
		- The initial value of the haircut shall be greater than the minimum limit and less than the maximum limit of haircut.

Unless otherwise decided by the Exchange, the Repo order shall not be registered (automatically rejected) in the Trading System in case one or more of the above relations is not met.

* + - 1. At order registration, the Repurchase price is calculated based on the Repo Rate, Repo Tenor and Repo Amount as per the following formula:

, where

 - the Repurchase price;

 - the Repo Amount;

 - the Repo Rate as of the trade date;

 - duration of the repo in days of a 365-day calendar year;

 - duration of the repo in days of a 366-day calendar year.

* + - 1. In case of payment by the seller in the first leg of the repo trade to the buyer in the first leg of the repo trade of mark-to-market margins in monetary form, the Repo amount shall be reduced by the amount of the margins on the date of their payment. In case of absence during the Tenor of the repo trade of the margins in monetary form (receipt of information from the Clearing Organization on waiver of margins) the Repo amount shall remain unchanged (unless coupon (interest) yield on and/or part of the principal (amortization payment) on bonds are paid).
			2. In case of payment by the buyer in the first leg of the repo trade to the seller in the first leg of repo trade of mark-to-market margins in the form of securities, the current number of securities under repo trade (obligation under second leg of the repo trade for the buyer to the seller in the first leg of the repo trade) shall be reduced by the number of securities constituting the margins (as of the date of their payment). If payment of the margins in the form of securities is not required, the current number of securities under the repo trade shall remain unchanged.
			3. Unless otherwise decided by the Exchange, the Trading System computes the following values every settlement day from the actual settlement day of the first part of the repo until the the actual settlement day of the second part of the repo or the Default Date:

 - income from the repo trade on the j-th day;

, where:

 - the Repo Amount;

 - the Repo Amount on the i-th day;

 - the Repo Amount at the end of the j-th day;

 - the Repo Rate on the i-th day;

- the Repurchase price on the j-th day:

,

The i-th day is the date of settlement of the first part of the repo, or the day of recent changes made prior to the j-th day to the following repo parameters: Repo Amount and/or the Repo Rate;

The period between the trade and settlement dates of intraday repos equals one (1) for calculating the price of the second part.

 - the actual number of calendar days between the i-th day and the current day (the j-th day) in a 365-day year;

 - the actual number of calendar days between the i-th day and the current day (the j-th day) in a 366-day year;

The ACI under the repo as of the current j-th day is determined as follows and displayed in the Trading System:

, where

 - number of securities under the repo trade executed on the current j-the day;

 - the ACI on the j-th day (if applicable);

 - the Bank of Russia’s exchange rate of the currency in which the principal value of the security is denominated against the rouble, as of the j-th day. ej=1 for securities with the principal value denominated in roubles.

- the Bank of Russia’s exchange rate of the foreign currency in which the repo trade was made against the rouble, as of the j-th day. *rj*=1 for repo trades executed in roubles.

- the ACI calculated (if applicable) as of the current day for securities posted as mark-to-market margin:

, where

- the mark-to-market margin in securities on the i-th day;

 - the ACI on the i-th day (if applicable);

 - the Bank of Russia’s exchange rate of the foreign currency in which the principal value of the security is denominated, against the rouble, as of the i-th day. ej=1 for securities with the principal value denominated in roubles;

 - the Bank of Russia’s exchange rate of the foreign currency in which the repo trade was made against the rouble, as of the i-th day. *ri*=1 for repo trades in roubles.

* + 1. Definition of obligations regarding payment of mark-to-market margins under Repo trades concluded in Trading Modes "Repo with Bonds", “Repo with Bonds (foreign currency)” "Repo with Shares", “Repo with Shares (foreign currency)”, "Repo with Bank of Russia: Repo Auction", "Repo with Bank of Russia: fixed rate", “Qualified investors – Repo” and “Qualified investors - Repo (foreign currency)” (except for trades executed based on order book repo orders (GC basket orders)) shall be carried out as follows:
			1. Unless otherwise established by decision of the Exchange, each day when trading is conducted, subject to trading in the securities, in which the repo trade was concluded, beginning from the Settlement Date of the first leg of the Repo trades, the terms of which establish the maximum and/or minimum limits of the haircut, until date following the actual date of settlement of the second leg of the repo trade, or the Default Date of repo trade, the current value of the haircut shall be calculated in the Trading System upon the estimated price is calculated using the formula:

, where

 – current value of the haircut;

 – Repo Amount as at the beginning of current (j-th) day;

 – Yield under repo trade on the j-th day;

, where

 – market value of securities under the repo trade at the end of the current (j-th) day;

 – number of securities under the repo trade of the current (j-th) day;

 – estimated price for securities on trading day, the calculation procedure for which shall be established by decision of the Exchange;

 – ACI for one security of the current (j-th) day (subject to its calculation for the specific securities);

 – an official exchange rate of the foreign currency of the nominal value of the securities in relation to the ruble, established by the Bank of Russia on j-day of transaction. For securities, the nominal value of which is denominated in rubles,  shall be assumed as equal to 1;

 - an official exchange rate of the foreign currency in which the repo trade in securities is denominated against the Russian ruble set by the Bank of Russia as of the day j. For repo trades in securities denominated in Russian rubles  is accepted as equal to 1.

If the settlement price is not established, calculation of the current value of the haircut shall not be performed.

* + - 1. Unless otherwise decided by the Exchange, a current margin deficit is calculated for trades executed in the Trading Modes “Repo with the Bank of Russia: repo auction” and “Repo with the Bank of Russia: fixed rate” in addition to parameters stated in Clause 1.5.8.1 hereof. The current margin deficit is calculated in the Trading System after the settlement price was calculated. It is calculated each trading day for a security in which the repo trade was executed, starting from the Settlement date of the first leg of the repo to the date following the actual settlement date of the second leg of the repo, or the Default date of the repo. It is calculated as follows:

, where

 - current margin deficit;

 - initial value of the haircut;

- the repo amount at the beginning of the current (j-th) day;

 - the income from the repo trade on the j-th day;

- number of securities in the repo trade of the current (j-th) day;

 - settlement price for the security on the current trading day. This price is determined as per the Exchange’s procedure;

 - ACI for one security on the current trading day (if available);

 - official exchange rate against ruble for a foreign currency in which the security is denominated that is set by the Bank of Russia on the day j. For securities with par value denominated in rubles,  equals 1;

 - official exchange rate against ruble for a foreign currency in which the repo trade was executed that is set by the Bank of Russia on the day j. For repo trades denominated in rubles equals 1.

If the settlement price was not determined, the current margin deficit is not calculated.

* + - 1. If the current value of the haircut exceeds the maximum limit of the haircut, an obligation shall emerge for the buyer of the first leg of the repo trade to pay a Mark-to-Market Margin in securities on the next valuation day (through a partial preliminary delivery of securities under the second leg of the repo trade). If the current value of the haircut becomes less than the minimum limit of the haircut, an obligation shall emerge for the seller of the first leg of the repo trade to pay a Mark-to-Market Margin in cash (through a partial preliminary payment for securities under the second leg of the repo trade).

Further, the Bank of Russia determines eligible haircut in the repo settlement currency for the Trading Modes “Repo with the Bank of Russia: repo auction” and ‘Repo with the Bank of Russia: fixed rate”. If the current margin deficit is less than the negative eligible haircut for the buyer of the first leg of repo, an obligation to post Mark-to-Market Margin in securities on the next valuation day (through a partial pre-delivery of securities under the second leg of repo) arises. If the current margin deficit of the seller of the first leg exceeds the eligible haircut, an obligation to post Mark-to-Market Margin in cash on the next valuation day (through a partial pre-payment under the second leg of repo) arises. If there are two or more concurrent obligations to post Mark-to-Market Margin under one repo trade, only one of them is to be paid.

* + - 1. Amount of a Mark-to-Market Margin in monetary form under a repo trade to be paid on the current j-th day  shall be calculated as follows:

, where

 – Repo Amount as at the beginning of the current (j-th) day;

 – Yield under repo trade on the j-th day;

 – market value of securities under the repo trade at the end of the current (j-th) day;

 – initial value of the haircut;

* + - 1. Amount of a Mark-to-Market Margin in securities under a repo trade to be paid on the current j-th day  shall be calculated as follows:

, where

 – number of securities under the repo trade at the beginning of the current (j-th) day;

 – Repo Amount as at the beginning of the current (j-th) day;

 – Yield under repo trade on the j-th day;

 – initial value of the haircut;

 – ACI for one security of the current (j-th) day (subject to its calculation for the specific securities);

 – estimated price for securities on trading day, the calculation procedure for which shall be established by decision of the Exchange;

 – truncation function of X value;

 – official exchange rate of the foreign currency of the nominal value of the securities in relation to the ruble, established by the Bank of Russia on j-day of transaction. For securities, the nominal value of which is denominated in rubles,  shall be assumed as equal to 1;

 - an official exchange rate of the foreign currency in which the repo trade in securities is denominated against the Russian ruble set by the Bank of Russia as of the day j. For repo trades in securities denominated in Russian rubles  is deemed equal to 1.

* + - 1. The procedure for payment of Mark-to-Market Margins shall be determined in accordance with the Clearing Rules. Partial payment of margins shall not be allowed.
		1. If on the Settlement Date, the Exchange shall receive notice from the Clearing Organization about waiver of margins by a Trading Member, the counterparty to a transaction shall be exempt from payment of Mark-to-Market Margins. If on the Settlement Date Mark-to-Market Margins are not paid, and the Exchange does not receive notice from the Clearing Organization about waiver of margins, the obligation to pay margins shall be considered unfulfilled and its term shall not be subject to prolongation. In this case, the Settlement Date of the second leg of a valuation day following the Settlement Date of Mark-to-Market Margins payment, on which the liability to pay the margins was not fulfilled. The second leg of the relevant repo trade shall be performed by both parties prematurely (before the Settlement Date of the second leg of the repo trade, established at its conclusion), namely, the first valuation day following the Settlement Date of Mark-to-Market Margins payment, on which the liability to pay the margins was not fulfilled (proceeding from the transaction parameters calculated in the Trading System for the relevant date).
		2. The Exchange may specify an absence of the obligation to pay the Mark-to-Market Margin if a value of the Mark-to-Market Margin in securities under a repo trade calculated by the Exchange and payable on the current valuation day equals the number of securities under such repo trade.
		3. The Exchange may specify that the Repo Amount is not decreased by an income (coupon or amortization payment) paid for a bond, if the Repo Amount for the repo in the bond on the income payment day is less than such income. The income for the bond must be transferred by the buyer of the first leg of the repo to the seller of the first leg in the currency used by the bond issuer to pay the income, within the timeframe set out in Clause 1.5.6.4 hereof.

## Repo trading with decentralized clearing

* + 1. Placing of orders and conclusion of transactions on conditions of decentralized clearing shall be carried out with account of conditions established in Subsection 1.5 "Procedure for conclusion of Repo trades" hereof.
		2. Conclusion of Repo trades in the Trading Modes "Repo with Shares" and “Repo with Shares (foreign currency)”shall be carried out in the following order:
			1. Off order book Repo orders (shares) placed by Trading Members during the current trading day in the "Repo with shares" and “Repo with Shares (foreign currency)” can participate in these Trading Modes (if not otherwise provided by decision of the Exchange).
			2. In order to conclude Repo trades in the "Repo with shares" and “Repo with Shares (foreign currency)”, Trading Members shall place off order book Repo orders (shares) in the Trading System. Trading Members shall have the right to place an unlimited number of such orders in the Trading System.
			3. Upon receipt of an off order book Repo opposite order (shares), before completion of trading in the relevant Trading Mode (if not otherwise provided by decision of the Exchange), a Trading Member shall have the right either to conclude a repo trade on the terms specified in the received order, or send the counterparty an off order book Repo order (shares) with new terms, or reject the received order. Upon receipt of an off order book Repo order (shares) with filled reference field, in order to conclude a transaction it is necessary to send the counterparty an off order book Repo opposite order (shares), in which the reference field contains exactly the same information as in the received off order book Repo order (shares).
			4. Conclusion of Repo trades in "Repo with shares" and “Repo with Shares (foreign currency)” shall be subject to conditions stipulated in Clause 1.3.5.1 hereof.
			5. During trading, Trading Members shall have access to information on off order book Repo orders (shares) intended for the specific Trading Member, and the Trading Member's own off order book Repo orders (shares) placed in the Trading System.
		3. Conclusion of Repo trades in the Trading Modes "Repo with bonds" and "Repo with bonds (foreign currency)" shall be carried out in the following order:
			1. Off order book Repo orders (bonds) placed by Trading Members during trading on the current day in the "Repo with bonds" and "Repo with bonds (foreign currency)" can participate in these Trading Modes (if not otherwise provided by decision of the Exchange).
			2. In order to conclude Repo trades in the "Repo with bonds" and "Repo with bonds (foreign currency)" , Trading Members shall place off order book Repo orders (bonds) in the Trading System. Trading Members shall have the right to place an unlimited number of off order book Repo orders (bonds) in the Trading System.
			3. Upon receipt of an off order book Repo opposite order (bonds), before completion of trading in the relevant Trading Mode (if not otherwise provided by decision of the Exchange), a Trading Member shall have the right either conclude a repo trade on the terms specified in the received order, or send the counterparty an off order book Repo order (bonds) with new terms, or reject the received order. Upon receipt of an off order book Repo order (bonds) with filled reference field, in order to conclude a transaction it is necessary to send the counterparty an off order book Repo opposite order (bonds), in which the reference field contains exactly the same information as in the received off order book Repo order (bonds).
			4. Conclusion of Repo trades in the "Repo with bonds" and "Repo with bonds (foreign currency)" shall be subject to conditions stipulated in Subsection 1.3 hereof.
			5. During trading, Trading Members shall have access to information on off order book Repo orders (bonds) intended for the specific Trading Member, and the Trading Member's own off order book Repo orders (bonds) placed in the Trading System.
		4. Conclusion of Repo trades with Bank of Russia may be carried out in Trading Modes "Repo with Bank of Russia: Repo Auction" and "Repo with Bank of Russia: fixed rate".
			1. Conclusion of Repo trades with the Bank of Russia in the Trading Mode "Repo with Bank of Russia: Repo Auction" shall be subject to specifics stipulated Subsection 1.3 hereof, as follows:
				1. Conclusion of Repo trades with the Bank of Russia in the Trading Mode "Repo with Bank of Russia: Repo Auction" shall be carried out in form of an Auction based on off order book repo orders (shares), off order book repo orders (bonds) and off order book repo orders (GC basket repo) placed by Trading Members to the Bank of Russia, which shall fulfill them by placing an off order book opposite orders. When a Trading Member receives an opposite off order book repo order, it may execute the repo trade on conditions stated in the order received, or send a new off order book repo order to the counterparty, or reject the order received. The Trading Member may do any of those actions until the end of the trading session in a relevant Trading Mode (unless otherwise decided by the Exchange).
				2. The Bank of Russia and CO Trading Members acting on their own behalf and account, with which the Bank of Russia has signed the Master Agreement, can enter off order book repo orders (shares), off order book repo orders (bonds) and off order repo orders (GC collateral) in this Trading Mode. In cases stipulated by the Bank of Russia, decision of the Exchange may allow CO Trading Members acting on their own behalf and on account of their clients, which are credit organizations, to participate in this Trading Mode. The Bank of Russia and Trading Members that have signed the Master agreement with the Bank of Russia as well as Collateral management agreement and Clearing service agreement with the Clearing organization that clears trades executed based on off order book basket repo orders, may enter off order book basket repo orders in this Trading mode.
				3. Trading Mode "Repo with Bank of Russia: Repo Auction" shall consist of a call phase and order execution phase. During the call phase, Trading Members shall be eligible to place and withdraw the previously placed orders. After the end of the call phase, Trading Members shall not be eligible to withdraw placed orders.
				4. During trading in Trading Mode "Repo with Bank of Russia: Repo auction", transactions shall be based on off order book Repo orders placed by Trading Members while trading during the current trading day in the specific Trading Mode. Off order book Repo orders shall contain requisites referred to in Subsection 1.3 hereof.
				5. Not later than 2 business days prior to conducting an auction, the Bank of Russia shall notify the Exchange in writing about the date and conditions of the auction.
				6. With account of suggestions of the Bank of Russia and/or the Clearing organization, the Exchange shall determine the number of auctions held on the trading day, including in one security, and the possible requisites of orders, including:
			- permitted types of trading and clearing accounts;
			- securities (GC baskets), for which orders may be accepted;
			- tenor of Repo trades;
			- acceptable settlement codes (types of settlement);
			- initial, minimum limit, maximum of the haircut (for each issue) depending on the Repo Tenor;
			- minimum Repo rate;
			- the maximum acceptable volume of orders, placed by Trading Members on one Repo rate;
			- priority securities.
				1. In the event the Exchange renders a decision to restrict the possible values of the initial and/or the minimum limit and/or the maximum limit of the haircut, an order indicating a value of the haircut, which does not comply with the restrictions established by the Exchange, shall not be registered in the Trading System.
				2. After the end of the call phase, the Exchange shall provide the Bank of Russia with consolidated register of orders (Repo Auction), signed by the Operator, which shall include all orders placed and not withdrawn by Trading Members as of the end of the order collection period in Trading Mode "Repo with Bank of Russia: Repo Auction".
				3. Trading Members in Trading mode "Repo with Bank of Russia: Repo Auction" shall have access to information on off order book orders, available for a certain Trading Member, and the specific Trading Member's own off order book orders placed in the Trading System.
				4. The procedure for fulfilling orders in Trading Mode "Repo with Bank of Russia: Repo Auction" shall be determined by the Exchange taking into account proposals from the Bank of Russia. Orders unfulfilled during the auction, shall be rejected by the Bank of Russia after fulfilling claims due for fulfillment. If there is no technical possibility of rejecting orders by the Bank of Russia, such orders shall be withdrawn by the Operator on receipt of a telephone message from an officer of the Bank of Russia indicated in the Registration Card. The telephone message shall contain the following data:
	+ Name of the Bank of Russia’s officer who transmitted the telephone message;
	+ Trading ID;
	+ number of orders that need to be withdrawn, indicating the requisites of the orders in accordance with Subsection 1.3 hereof;
	+ date and time of transmission of the telephone message, as well as telephone number used for transmission.

If requisites of the order indicated in the telephone message, do not match the terms of the order placed in the Trading System, the Operator shall not withdraw the order and shall advise the officer accordingly by telephone message.

The Exchange shall not be liable for any losses, incurred by a Trading Member due to withdrawal of its unfulfilled order on the basis of a telephone message received by the Operator from the Bank of Russia.

* + - 1. Conclusion of Repo trades with the Bank of Russia in the Trading Mode "Repo with Bank of Russia: fixed rate" shall be subject to specifics stipulated in Para 2.1.14.5 hereof, as follows:
				1. Conclusion of Repo trades with the Bank of Russia at fixed Repo rate in Trading Mode "Repo with Bank of Russia: fixed rate" shall be based on off order book repo orders (shares), off order book repo orders (bonds) and off order book repo orders (GC basket repo) placed by Trading Members to the Bank of Russia, which shall fulfill them by placing an off order book opposite orders. When a Trading Member receives an opposite off order book repo order, it may execute the repo trade on conditions stated in the order received, or send a new off order book repo order to the counterparty, or reject the order received. The Trading Member may do any of those actions until the end of the trading session in a relevant Trading Mode (unless otherwise decided by the Exchange).
				2. The Bank of Russia and CO Trading Members acting on their own behalf and account, with which the Bank of Russia has signed the Master Agreement, are eligible to enter off order book repo orders (shares), off order book repo orders (bonds) and off order book repo orders (GC baskets) in this Trading Mode. In cases determined by the Bank of Russia, the Exchange may allow participation of Trading Members - CO acting on their own behalf and on account of clients - credit organizations in this Trading Mode. The Bank of Russia and Trading Members that have signed the Master agreement with the Bank of Russia as well as Collateral management agreement and Clearing service agreement with the Clearing organization that clears trades executed based on off order book basket repo orders, may enter off order book basket repo orders in this Trading mode.
				3. When trading in bonds in Trading Mode "Repo with Bank of Russia: fixed rate", transactions shall be based on off order book Repo orders (bonds), placed by Trading Members while trading during the current day in the specific Trading Mode. Off order book Repo orders (bonds) shall contain requisites referred to in Subsection 1.3 hereof.
				4. When trading in shares in Trading Mode "Repo with Bank of Russia: fixed rate", transactions shall be based on off order book Repo orders (shares), placed by Trading Members while trading during the current trading day in the specific Trading Mode. Off order book Repo orders (shares) shall contain requisites referred to in Subsection 1.3 hereof.
				5. Not later than 2 business days prior to conducting trading at fixed rate, the Bank of Russia shall notify the Exchange in writing about the date and conditions of such trading.
				6. With account of suggestions of the Bank of Russia and/or the Clearing organization, the Exchange shall define the possible requisites of orders, including:
			* permitted types of trading and clearing accounts;
			* securities (GC baskets), for which orders may be accepted;
			* tenor of Repo trades;
			* acceptable settlement codes (settlement types);
			* initial, minimum limit, maximum of the haircut (for each issue) depending on the Repo Tenor;
			* Repo rate;
			* the maximum acceptable volume of orders, placed by Trading Members on one Repo rate;
			* priority securities.
				1. In the event the Exchange renders a decision to restrict the possible values of the initial and/or the minimum limit and/or the maximum limit of the haircut, an order indicating a value of the haircut, which does not comply with the restrictions established by the Exchange, shall not be registered in the Trading System.
				2. Trading Members in Trading mode "Repo with Bank of Russia: fixed rate" shall have access to information on off order book orders, available for a certain Trading Member, and the specific Trading Member's own off order book orders placed in the Trading System.
				3. The procedure for fulfilling orders in Trading Mode "Repo with Bank of Russia: fixed rate" shall be determined by authorized body of the Exchange with account of suggestions of the Bank of Russia. Unfulfilled orders shall be rejected by the Bank of Russia after fulfilling claims due for fulfillment. If there is no technical possibility of rejecting orders by the Bank of Russia, such orders shall be withdrawn by the Operator on receipt of a telephone message from an officer of the Bank of Russia indicated in the Registration Card. The telephone message shall contain the following data:
	+ Name of the Bank of Russia officer who transmitted the telephone message;
	+ Trading ID;
	+ number of orders that need to be withdrawn, indicating the requisites of the orders in accordance with Subsection 1.3 hereof;
	+ date and time of transmission of the telephone message, as well as telephone number used for transmission.

If requisites of the order indicated in the telephone message, do not match the terms of the order placed in the Trading System, the Operator shall not withdraw the order and shall advise the trader accordingly by telephone message.

The Exchange shall not be liable for any losses, incurred by a Trading Member due to withdrawal of its unfulfilled order on the basis of a telephone message received by the Operator from the Bank of Russia.

* + 1. Conclusion of Repo trades in Trading Modes "Qualified investors – Repo" and "Qualified investors – Repo (foreign currency)" shall be carried out in the manner prescribed in Subsection 1.7 hereof, taking into account the specifics stipulated in this Subsection.

## Procedure for executing repo trades in securities intended for qualified investors

* + 1. Conclusion of transactions in Trading Modes "Qualified Investors – Repo" and "Qualified Investors – Repo (foreign currency)" shall be as follows:
			1. When trading in bonds in Trading Modes "Qualified Investors – Repo" and "Qualified Investors – Repo (foreign currency)", transactions shall be based on off order book Repo orders (bonds), placed by Trading Members while trading during the current trading day in the relevant Trading Mode. Off order book Repo orders (bonds) shall contain requisites referred to in Subsection 1.3 hereof.
			2. When trading in shares in Trading Modes "Qualified Investors – Repo" and "Qualified Investors – Repo (foreign currency)", transactions shall be based on off order book Repo orders (shares), placed by Trading Members while trading during the current trading day in the relevant Trading Mode. Off order book Repo orders (shares) shall contain requisites referred to in Subsection 1.3 hereof.
			3. Conclusion of transactions in "Qualified Investors – Repo" and "Qualified Investors – Repo (foreign currency)" Trading Modes shall be carried out if all the terms of two off order book opposite orders for conclusion of Repo trades indicated in Subsection 1.3 hereof match, except the number of securities expressed in lots.
			4. Trading Members in Trading Modes "Qualified Investors – Repo" and "Qualified Investors – Repo (foreign currency)" shall have access to information on off order book orders for conclusion of Repo trades, off order book at the specific Trading Member, and the specific Trading Member's own off order book orders for conclusion of Repo trades placed in the Trading System.

## Execution of repo trades with the Central Counterparty

* + 1. Specifics of entering orders to execute and executing Trades T+ in the Trading Mode “Settlement of Trades T+: repo” are given in the Subsection 1.9 hereof.
		2. In the Trading Mode “Repo with the CCP – order book orders” limit and market orders for repo trades with CCP are eligible. Only off order book orders for repo trades with CCP are eligible in the Trading Mode “Repo with CCP – off order book orders”.
		3. In the Trading Modes “Repo with the CCP - order book orders” and “Repo with the CCP – off order book orders” only orders entered by Trading Members during the trading period of the relevant Trading Mode on the current trading day are eligible (unless otherwise stated by the Exchange). The Trading Member is entitled to enter an unlimited number of such orders in the Trading System.
		4. During trading in the Trading Modes “Repo with CCP – order book orders” and “Repo with CCP – off order book orders” the following conditions shall be applied:
			1. Order details: the Repo amount, number of securities in lots and the haircut are interrelated parameters. Any two of them may be indicated with the third one being calculated in the Trading System automatically in accordance with the following formulae:

, (1)

, (2)

 (3)

 - number of securities in lots;

 - repo amount accurate to kopecks;

- number of securities in one lot, units;

- settlement price of one security that was set on the trade date. Method of the settlement price calculation is determined by the Clearing Organization (in the trade currency);

 – haircut (it is set by the Exchange, including specifically for the Trading Mode “Repo with the CCP – order book orders” or specified by a Trading Member for the Trading Mode “Repo with the CCP – off order book orders”);

– coefficient that is set by the Exchange for each securities issue.

* + - 1. When a Trading Member indicates
* the repo amount in an order for executing a repo in the Trading Mode “Repo with the CCP - order book orders”, number of securities in lots is calculated by the Trading System and rounded down to the nearest integer pursuant to the formula (1) given in Clause 1.8.4.1 hereof. The repo amount is adjusted based on this number of securities.
* the number of securities in lots in an order for executing a repo in the Trading Mode “Repo with the CCP - order book orders”, the repo amount is calculated by the Trading System pursuant to the formula (2) given in Clause 1.8.4.1 hereof.
	+ - 1. When a Trading Member indicates
* The number of securities in lots and the haircut in an order for executing a repo in the Trading Mode “Repo with the CCP – off order book orders”, the repo amount is calculated pursuant to the formula (2) given in Clause 1.8.4.1 hereof. The haircut is adjusted pursuant to the formula (3) given in Clause 1.8.4.1 hereof based on this repo amount and number of securities;
* The repo amount and the haircut in an order for executing a repo in the Trading Mode “Repo with the CCP – off order book orders”, number of securities in lots is calculated by the Trading System and rounded down to the nearest integer pursuant to the formula (1) given in Clause 1.8.4.1 hereof. The repo amount is adjusted pursuant to the formula (2) based on this number of securities and the haircut. The haircut is adjusted pursuant to the formula (3) based on the adjusted repo amount and number of securities;
* The repo amount and number of securities in lots in an order for executing a repo in the Trading Mode “Repo with the CCP – off order book orders”, the haircut is calculated by the Trading System pursuant to the formula (3) given in Clause 1.8.4.1 hereof. The repo amount is adjusted pursuant to the formula (2) based on the adjusted haircut and number of securities in lots. The haircut is adjusted pursuant to the formula (3) based on the adjusted repo amount and number of securities;
* The repo amount, number of securities in lots and the haircut in an order for executing a repo in the Trading Mode “Repo with the CCP – off order book orders”, the entered haircut is ignored and a new one is calculated by the Trading System pursuant to the formula (3) given in Clause 1.8.4.1 hereof. The repo amount is adjusted pursuant to the formula (2) based on the new haircut and the number of securities in lots. Then the haircut is adjusted pursuant to the formula (3) based on recalculated repo amount and the number of securities.
	+ - 1. Repurchase price shall be calculated while an order are being registered based on the Repo Rate, Repo amount and settlement code according to the following formula:

, where

 - Repurchase price;

 - Repo amount;

 - Repo Rate;

 - duration of the repo in days of a 365-day calendar year;;

 - duration of the repo in days of a 366-day calendar year;.

* + - 1. Unless otherwise decided by the Exchange, the following parameters shall be calculated in the Trading System each valuation day starting from the actual settlement date of the first leg of the repo trade executed in a relevant Trading Mode until the actual settlement date of the repo trade second leg or the Default day of this repo trade:

 - income under the repo trade on the j-th day;

, where:

 - Repo amount;

 - Repo Rate;

- Repurchase price on the j-th day:

,

 - actual number of calendar days between the i-th day and current day (the j-th day) in a calendar year which has 365 days;

 - actual number of calendar days between the i-th day and current day (the j-th day) in a calendar year which has 365 days.

* + - 1. Amount of ACI under a repo trade as of the current j-th day (for information purposes):

, where

 - ACI per a security on the current (the j-th ) day (if available for this security);

- number of securities in a lot, units.

* + - 1. An order with the settlement code indicated therein shall not be registered in the Trading System, if such settlement code implies that the settlement date of the repo trade’s first leg falls on any day following the last day of the current coupon period of the security.
			2. An order with the settlement code indicated therein shall not be registered in the Trading System, if such settlement code implies that the settlement date of the repo trade’s second leg falls on any day following the expiry date for relevant security to be traded on the Exchange.
			3. Unless otherwise established by the Exchange, an order with the settlement code indicated therein shall not be registered in the Trading System, if such settlement code implies the settlement date of the repo trade’s second leg falls on any day following the last day of the current coupon period of the security on which trading in such security is carried out.
			4. Income that is due under the repo trades executed with the CCP that are non-matured as of the record date shall be transferred in accordance with the procedure set forth in the Clearing Rules. Repo trades are considered non-matured if their second legs are non-matured.
		1. The following are the specifics of trading in the Trading Mode “Repo with the CCP – order book orders”:
			1. trades that are subsequent upon limit orders for repo trades with the CCP and market orders for repo trades with the CCP shall be executed taking into account conditions set forth in Part 1. General Rules of the Trading Rules and Subsection 1.3 hereof.
			2. a trade that is subsequent upon a limit order for executing a repo trade with the CCP or a market order for executing a repo trade with the CCP shall be executed provided that the Repo Rate indicated in a relevant order matches the Repo Rate value(s) indicated in valid opposite order(s) with other direction that was (were) registered in the Trading system.
			3. the Repo Rate values shall be deemed matched if :
* for an order intended to raise money: there are available orders intended for placing money with the Repo Rates therein that are equal to or less than the Repo Rate indicated in the order entered;
* for an order intended to place money: there are available orders intended for raising money with the Repo Rates therein that are equal to or more than the Repo Rate indicated in the order entered;
	+ - 1. After a trade was executed based on a CCP repo limit order that had been entered through the aggregate CCP repo order, the repo amount and number of securities in the CCP repo limit orders entered through this aggregate CCP repo order, are adjusted as per the following formulae:

,



where

 - recalculated number of securities in the CCP repo limit order for the instrument (security) i;

 - recalculated repo amount in the CCP repo limit order fir the security i;

 - repo amount detailed in the aggregate CCP repo order;

- repo amount of the trade executed based on the CCP repo limit order entered through the aggregate order;

- repo amount of the trade executed based on the CCP repo limit order, per security i;

- number of securities in the trade executed based on the CCP repo limit order, per security i;

 - repo amount that initially indicated in the CCP repo limit order per security i;

 - number of securities that was initially indicated in the CCP repo limit order, per security i;

 - number of securities in one lot per security i in the trading mode “Repo with the CCP – order book orders”;

- Settlement price including the haircut in rubles per a security in the Trading Mode “Repo with the CCP - order book orders”.

* + - 1. During the trading in the Trading Mode “Repo with CCP – order book orders” Trading Members are allowed to access information on their own orders and orders with best 20 Repo Rates queued in the Trading System, as well as the total Repo amount as for orders to place and orders to raise money broken down by Repo Rates.
			2. Orders that have not been filled during the trading period shall be removed from the Trading System.
		1. Repo trades in the Trading Mode “Repo with the CCP – off order book orders” shall be executed as follows:
			1. trades that are subsequent upon off order book orders for executing a repo trade with the CCP shall be executed taking into account conditions set forth in Part 1. General Rules of the Trading Rules and Subsection 1.3 hereof.
			2. A Trading Member that has received an opposite off order book order for executing a repo trade with the CCP in the Trading Mode “Repo with the CCP – off order book orders” is entitled either to execute the repo trade on conditions indicated in the received order, or direct the off order book order for executing the repo trade with the CCP with other conditions to the counterparty in these Trading modes, or reject the received order until the end of trading period of these Trading Modes (unless otherwise decided by the Exchange).
			3. An order with the name (code) of the list of securities indicated shall be removed from the Trading System upon the first trade
			subsequent upon this order is executed.
			4. During the trading period of the Trading Mode “Repo with the CCP – off order book orders” a Trading Member can access information on off order book orders for repo trades with the CCP sent to this Trading Member and its own off order book orders for repo trades with the CCP.

## Trading in the Trading Mode “Settlement of Trades T+: repo”

* + 1. In cases and pursuant to the procedure stipulated by the Clearing Rules, Trades T+ can be executed without an order submitted between the Central Counterparty and the Clearing Member in the Trading Mode “Settlement of Trades T+: repo”. Such trade shall be deemed to be executed at the time of receiving the Request for executing the trade by the Exchange from the Clearing organization.
		2. Trades T+ are executed in the Trading Mode “Settlement of Trades T+: repo” without relevant order being entered according to the procedure established by the Clearing Rules. Unless otherwise decided by the Exchange, Trades T+ may also be executed in the Trading Mode “Settlement of Trades T+: repo”. Such trades must be executed based on off order book orders pursuant to the procedure set forth in Subsection 1.8 hereof.
		3. A buyer under the first part of trade executed in this Trading mode must transfer Income associated with securities involved in this trade to a Seller under the first part of such trade if the list of persons eligible for receiving such income is made up during the period from the trade first part settlement date inclusive to the actual trade second part settlement date exclusive. The income transfer terms and procedure as well as an extent of obligations to transfer the Income are given in the Clearing Rules.