

## Key provisions of the Moscow Exchange Derivatives Trading Rules

[entered into force on May 12, 2015]

The new version of the Moscow Exchange Derivatives Trading Rules (hereinafter, "Trading Rules") has been developed to bring activities of the Moscow Exchange (hereinafter, "the Exchange") in line with "The Trading Regulations" (approved by the Bank of Russia on October 17, 2014, #437-P) (hereinafter, "Regulations #437-П") that came into effect on February 6, 2015.

The following key amendments have been made to the Trading Rules caused by bringing the Trading Rules in line with Regulations #437-П:

1. The ban on transactions with derivatives based on orders submitted at the expense and in the interest of the same person (cross trades) has been reversed provided that they are effected with participation of the Central Counterparty and that the Trading Member provides information according to the procedure set forth by the Rules of Admission (item 1.13.4 of Regulations #437-П);
2. The Exchange is now obliged to record all orders received from Trading Members, including information as set forth by Regulations #437-П (this requirement has been met by introducing the transactions register substance). Upon a Trading Member's request, the Exchange, according to the procedure and within the time limit as required by laws and other regulations of the Russian Federation (one month) shall provide such a Trading Member with an extract from the register of transactions forwarded to the Trading System by such a Trading Member (see 1.14 of Regulations #437-П);
3. The procedure of trading suspension by a derivative contract has been made more specific to expand derivatives contract price variation limits. It is noted that trading shall be suspended, among other things, if the need to expand limits is caused by futures contract price deviation by the value fixed according to the Clearing Rules during a certain period of time. NB: the procedure of determining the deviation value and expanding limits as established by the Clearing Rules shall be left unchanged. These provisions should be included in the Trading Rules to justify suspension since, in absence of such justification, the Exchange must suspend futures trading in case trading with the underlying asset of such futures is suspended (item 1.15.2 of Regulations #437-П);
4. Provisions of the Trading Rules have been updated with regard to supplementing the list of data that must be included in the register of orders (including the reason on order cancellation (removal)) (item 2.4.3 of Regulations #437-П);
5. "The Register of Transactions" has been renamed as "The Register of Contracts" (item 2.5 of Regulations #437-П);
6. Criteria of severity of Trading Rules violations by Trading Members, have been defined which imply sanctions by the Exchange (item 28 of Attachment 4 to Regulations #437-П), namely:
  - a breach by a Trading Member of the procedure for using and/or propagating Exchange-related information;
  - repeated, during three (3) calendar months, breach of Derivatives Contracts by a Trading Member;
  - non-payment of commission fees and fines to the Exchange within the established time limits and amounts;
  - a breach by a Trading Member of requirements concerning the dispute settlement procedure as well as rules of parties' conduct in the course of dispute settlement in accordance with items 2.11-2.14 of Trading Rules.

The following key amendments have been also made to the Trading Rules, which are not connected with bringing the Trading Rules in line with Regulations #437-П:

1. Provisions concerning admission to trading in the Exchange derivatives market (Attachment #1 to Trading Rules) are transferred to a separate document titled OJSC "Moscow Exchange MICEX-RTS" Rules of Admission to Trading;
2. Provisions have been updated with regard to Cancel on Disconnect (COD) functionality. It is specifically noted that in accordance with Information and Technological Servicing Terms, serviceability of software corresponding to the user's login may be checked by the Technical Centre ("MB Technologies" LLC), and the Exchange may drop no-address active orders which do not contain the date of their expiration and were submitted by a Trading Member from this user's login with lack of any activity in this login (unless serviceability of software corresponding to this login can be confirmed) within N seconds.

In addition, no-address active orders which do not contain the date of their expiration and were submitted by a Trading Member from this user's login being tested for software serviceability:

- those submitted during the main trading session, shall be dropped by the Exchange from the trading system upon completion of the main trading session of the current trading day;
- those submitted during the evening trading session, shall be dropped by the Exchange from the trading system upon completion of the evening trading session of the current trading day.

The Exchange shall not be liable for any losses that can be suffered by a Trading Member as the result of performance by the Technical Centre of its obligation to check software serviceability, which can result in subsequent drop/non-drop of Active Orders.

3. Dispute settlement procedure provisions have been adjusted to the common concept practiced at the Exchange. The concept of the "Arbitration Court" has been introduced. With regard to disputes in which the Exchange or Central Counterparty are a party, the NAUFOR Arbitration Court shall be the Arbitration Court. With regard to disputes in which neither the Exchange nor the Central Counterparty are a party, the Moscow Exchange Arbitration Committee shall be the Arbitration Court. However, before filing a suit with the Arbitration Court, a Trading Member should comply with the extrajudicial dispute resolution procedure.
  4. The procedure of dropping orders by phone communication (unless dropping orders by the Trading System is possible) has been made more specific.
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### **Key provisions of the Rules of Admission to Organised Trading on the Moscow Exchange**

[in point of the Moscow Exchange Derivatives Market – entered into force on May 12, 2015]

The Moscow Exchange has developed a new document titled Rules of Admission to Organised Trading of the Moscow Exchange (hereinafter, "unified Rules of Admission"), which includes provisions for admission to trading in the derivatives market, foreign exchange market and precious metals market as well as the Standardized OTC market.

Developing the unified Rules of Admission was brought about by the need to continuously synchronise general requirements for Trading Members in MOEX markets. The provisions that are specific for each particular market are identified separately for each respective market.

Key amendments/supplements within the framework of all markets where the admission to trading is regulated by the unified Rules of Admission (vs. effective rules of admission (trading) are as follows:

1. Amendments have been made to the procedure of registration of Trading Members' clients with due regard for new requirements of "The Trading Regulations" (approved by the Bank of Russia on October 17, 2014, #437-P);
2. Supplements have been added related to reversal of the ban on cross trades involving the Central Counterparty;
  - with regard of cross trades effected on behalf and at the expense of the Clients: while registering Clients / changing information on Clients, a Trading Member may note that cross trades may be effected on the basis of orders submitted at the expense of one and the same Client;
  - with regard of cross trades effected on behalf and at the expense of the Trading Member: a Request to permit/ban cross trades at the expense of one and the same Trading Member (the request form will be included in a separate document of the Exchange titled "Forms of Documents Provided by Trading Members in Accordance with Trading Rules");
3. Amendments to the form of the Application for granting admission to trading have been amended;
4. A fine shall be among disciplinary actions;
5. A requirement has been added for presenting business reputation testimonials by Trading Candidates/Members;
6. The provision has been added on disclosure by the Exchange at its website of information on detected violations of legislation of the Russian Federation or Exchange By-Laws by Trading Members;
7. Amendments have been made to the List of Documents to be provided by a Candidate to a Trading Member.

Within the framework of the Derivatives Market, the terms "Securities Market", "Commodities Market", and "FX Market" are replaced with "Securities Section", "Commodities Section", and "FX Section".

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