

Moscow Exchange FX Market Release 2016-1

Release date – 30 May 2016.

Functional Changes

Deliverable futures

The new board FUTS will be created for the order-driven trading of deliverable futures at the FX market.

Instruments traded on this board will have fixed delivery dates in the main trading mode. Instrument IDs will include month and year of delivery in the format of USDRUB_MMY. For example – USDRUB_0316, USDRUB_0616, etc.

Refer to the 'Deliverable futures.pdf' document for more details.

Separation of member status on trading member and clearing member – 2nd and 3rd phases

As a part of ongoing project "Separation of member status on trading member and clearing member on FX market" the following changes will be implemented on this phase:

1. More information available to clearing members:
 - a. The data on trading member's trading accounts is available to clearing member in the "Trading Accounts" (TRDACC) table. Such accounts may be identified by the "FirmID" value.
 - b. Parameters of trades concluded by a trading member are available to clearing member, except the following fields: counterparty, client code, user ID, remarks.
2. Implementation of additional information services provided by the National Clearing Centre to clearing members: data on trading members' collateral per position code and data on liabilities termination for trades, concluded by each trading member per position code.

Thereby, in addition to existing functionality of setting a limit on trading member's position code, clearing member will be able to transfer collateral to/from the trading member's position code. This operation could be performed through NCC or with the "COMPLEX_TRANSFER" transaction on the "TRAN" trading board on FX market. This transaction is added to the new IFC_Broker26 interface. Information updates on collateral deposited at the trading member's position code is delivered independently of ones on collateral deposited at the clearing member's position code that the trading member's position code is related to. It is not synchronized with NCC accounting system (the accounting is performed in the FX market trading and clearing system only).

Single limit for the trading member's position code is calculated depending on collateral related to a particular position code.

The order submitted by trading member and successfully validated for single limit sufficiency will be accepted by the trading system only in case of sufficient collateral at the corresponding clearing member's position code. Thereby the verification is performed for the lesser of two values – clearing member's limit or trading member's limit.

Data on liabilities termination for trades concluded by trading member affects his positions opening balance during the clearing member's liabilities termination. Liabilities termination for the trading member's position code is performed for informational purpose only.

3. It will be possible to terminate the unsettled liabilities for trades concluded by one or several trading members related to the same clearing member's position code without recalculation of clearing member's liabilities to NCC. The "COMPLEX_NEGDEAL" transaction is added to the new version of the ASTS Bridge interface - IFC_Broker26.

The complex negdeal transaction should be submitted by a clearing member with two trading accounts specified: own "TRDACC" and the trading member's "TRDACC" that is linked to the clearing member's position code.

Liabilities on a trade that is generated by this transaction are calculated by the NCC for the clearing member's "TRDACC" and displayed for the trading member's "TRDACC" specified in the order.

Successfully executed COMPLEX_NEGDEAL will be displayed in the trading system as one trade concluded between the trading member and the clearing member. End of day XML reports will contain two separate records:

- 1) Trade concluded between the NCC as the trading member and the actual clearing member using the clearing member's "TRDACC" specified in the transaction.
 - 2) Trade concluded between the NCC as the trading member and the actual trading member using the trading member's "TRDACC" specified in the transaction.
4. Client level is implemented. A trading member can create 3rd level position code with a corresponding 3rd level trading account for his own client and link it to his own 2nd level position code.

Similar to the 2nd level position code the 3rd level position code:

- Shows information on collateral deposited at this position code.
- Shows information on liabilities for trades concluded from a trading account that is linked to this position code.
- Carries collateral limits when set by the trading member.
- Margin calls are not generated.
- Liability termination is displayed.

Trading accounts of any level can be used for order submission. If liabilities and collateral should be accounted on a lower level account then the account of that particular level should be used. All the liabilities and collateral are automatically accounted on the higher level trading accounts.

When entering an order using the 3rd level trading account then the single limit for the 3rd level position code is checked first; then the single limit for the 2nd level position code is checked; then the single limit for the 1st level position code is checked. The single limit on the 2nd and 3rd levels is checked only when this option has been set by the clearing or trading member.

Liabilities for trades concluded from the 3rd level trading account are accounted at the 3rd, 2nd and 1st level position codes. Liabilities for trades concluded from the 2nd level trading account are accounted at the 2nd and 1st level position codes. Liabilities for trades concluded from the 1st level trading account are accounted at the 1st level position code.

5. Information access.

Trading member sees his 2nd level position codes, 2nd level trading accounts, 3rd level trading accounts as well as positions, collateral and single limit for the 2nd and 3rd level position codes.

Trading member sees IDs of the clearing member's 1st level position codes that are linked to his 2nd level positions codes. But he does not see details on positions, collateral or single limit for these 1st level position codes.

Clearing member does not see any information on the trading member's clients – neither their IDs, nor position codes, not positions, nor collateral, nor single limit, nor any information on the 3rd level trading accounts and position codes at all.

For the trades concluded using the 3rd level trading account the 3rd level account and position code are substituted by the related 2nd level account and position code for the clearing member's visibility.

Clearing member sees information on collateral, positions and single limit for the 2nd level positions codes that are linked to his own position codes.

In the Trades table the Clearing Settlement Code field will show the real clearing member's 1st level position code for the trades concluded using the 3rd, 2nd or 1st level position.

6. Data visibility in ASTS Bridge interface.

BANKACC table

Clearing member (CM) who is not trading member (TM)

Level	FIRMID	BANKACCID	CLEARINGFIRMID	CLEARINGBANKACCID
1	CM	PC1	CM	PC1
2	TM	PC2	CM	PC1
3	-	-	-	-

* - PC – position code

Trading member who is not clearing member

Level	FIRMID	BANKACCID	CLEARINGFIRMID	CLEARINGBANKACCID
1	-	-	-	-
2	TM	PC2	CM	PC1
3	TM	PC3	TM	PC2

Clearing member who is trading member at the same time

Level	FIRMID	BANKACCID	CLEARINGFIRMID	CLEARINGBANKACCID
1	CM	PC1	CM	PC1
2	CM	PC2	CM	PC1
3	Does not exist			

TRDACC table

Clearing member who is not trading member

Level	FIRMID	BANKACCID	TRDACCID
1	CM	PC1	TCA1
2	TM	PC2	TCA2
3	-	-	-

* - TCA – trading and clearing account

Trading member who is not clearing member

Level	FIRMID	BANKACCID	TRDACCID
1	-	-	-

2	TM	PC2	TCA2
3	TM	PC3	TCA3

Clearing member who is trading member at the same time

Level	FIRMID	BANKACCID	TRDACCID
1	CM	PC1	TCA1
2	CM	PC2	TCA2
3	Does not exist		

TRADES table

Clearing member who is not trading member

Level	FIRMID	ACCOUNT	BANKACCID	CLEARINGFIRMID	CLEARINGBANKACCID
1	-	-	-	-	-
2	TM	TCA2	PC2	CM	PC1
3	TM	TCA2	PC2	CM	PC2

Trading member who is not clearing member

Level	FIRMID	ACCOUNT	BANKACCID	CLEARINGFIRMID	CLEARINGBANKACCID
1	-	-	-	-	-
2	TM	TCA2	PC2	CM	PC1
3	TM	TCA3	PC3	CM	PC1

Clearing member who is trading member at the same time

Level	FIRMID	ACCOUNT	BANKACCID	CLEARINGFIRMID	CLEARINGBANKACCID
1	CM	TCA1	PC1	CM	PC1
2	CM	TCA2	PC2	CM	PC1
3	Does not exist				

ORDERS table: FIRMID, ACCOUNT, BANKACCID fields are filled in similar to the TRADES table.

7. Permissions.

The clearing member can:

- Set limits on:
 - Trading member's 2nd level position codes that are linked to his own position codes.
 - 2nd level position codes of the clearing member's clients.
 - Own 1st level positions codes.
- Setup the flag to prohibit short selling on:
 - Trading member's 2nd level position codes that are linked to his own position codes.
 - 2nd level position codes of the clearing member's clients.
 - Own 1st level positions codes.
- Defined individual risk parameters for:
 - Trading member's 2nd level position codes that are linked to his own position codes.
 - 2nd level position codes of the clearing member's clients.
 - Own 1st level positions codes.

The trading member can:

- Set limits on:
 - 3rd level position codes for his clients.
- Setup the flag to prohibit short selling on:

- 3rd level position codes for his clients.
- Define individual risk parameters for:
 - 3rd level position codes for his clients.
- Change collateral for:
 - 3rd level position codes for his clients.

Trading member cannot:

- Set limits on:
 - Trading member's 2nd level position codes.
 - Clearing member's 1st level position codes.
- Setup the flag to prohibit short selling on:
 - Trading member's 2nd level position codes.
 - Clearing member's 1st level position codes.
- Define individual risk parameters for:
 - Trading member's 2nd level position codes.
 - Clearing member's 1st level position codes.
- Change collateral for:
 - Trading member's 2nd level position codes.
 - Clearing member's 1st level position codes.

In order to set limits or individual risk rates the SET_LIMIT2 and the SET_RM_PRICERANGE_FIRM bridge transactions should be used. The FIRMID field has been added to these transactions in the new IFC_Broker26 interface. The value in this field should be provided by the clearing member when setting limits on a trading member. The correct FIRMID value can be found in the BANKACC or TRDACC tables for the position code or trading/clearing account respectively. When setting limit on a position code or an account that belongs to the own firm then this field can be left blank.

Removal of redundant position IDs

As part of the MOEX FX market Trading and Clearing System performance optimization some position IDs (i.e. entries in the TAG field of the ASTS Bridge POSITIONS table) that display redundant or obsolete data will be removed. Also some position IDs will be removed due to KZT and UAH trading transfer to partial collateral mode, and collateral transfer mechanism termination (December 1, 2015).

Please find the detailed description of changes in position IDs (tags) in the TAGs_curr_2015-11_Eng.pdf file.

The previously unused "Opening balance" field in the "POSITIONS" table for Single Limit will contain Single Limit value at the beginning of trading day.

New position identifier "MRCL" (Margin Call) will be added to the "POSITIONS" table. The "MARGINCALL" field will be removed from the "POSITIONS" table in the IFC_Broker26 Bridge interface (this modification does not affect previous versions of bridge interface).

The Opening balance ("OPENBAL") and the Current balance ("CURRENTPOS") fields for Margin Call position will display the following values:

- Opening balance:

- start of the day: if the value of the Clearing Member's Single Limit opening balance for a corresponding position code ("OPENBAL" field for "UTSL" position in POSITIONS table) is negative, then the Margin Call opening balance will be equal to that value, otherwise - "0";
- during the day: remains constant.
- Current balance:
 - start of the day: equals the Opening Balance;
 - during the day: if the current Clearing Member's margin call value for a corresponding position code ("CURRENTPOS" field for "MRCL" position in POSITIONS table) is negative, then in case the Single Limit value increases ("CURRENTPOS" field for "UTSL" position in POSITIONS table) then the Margin Call current balance increases accordingly, if decreases – remains constant, in all other cases – "0".

KZT and UAH trading with partial collateral

UAH and KZT trading will be moved to the technology used for trading with partial collateral.

Instruments based on these currencies will have the «Prohibition of short selling» flag set on and won't be accepted as Collateral.

All risk parameters needed for price move limits control, Single Limit calculation and liabilities termination procedure are implemented for UAH и KZT:

- Central rate: used for price move limits calculation and liabilities termination procedure.
- Range boundaries for market risk-parameters (1st, 2nd, 3rd levels) are used for Single Limit calculation. Upper and lower rate bounds are determined according to Minimal limits for collateral rates (1st, 2nd, 3rd levels).
- Minimal limits for collateral rates (1st, 2nd, 3rd levels). Determined according to the “Methodology for Defining Risk Parameters in MOEX FX and Precious Metals Market”.
- Range boundaries for percent risk parameters (1st, 2nd, 3rd levels): used for Single Limit calculation. Upper and lower rate bounds for percent risk parameters won't be calculated as all settlement dates are TOD.
- Concentration limits (1st and 2nd levels): used for Single Limit calculation. The possible values for Concentration limits are non-zero values only.
- Price move limits: used to control the prices of submitted orders. Determined according to the “Methodology for Defining Risk Parameters in MOEX FX and Precious Metals Market”.

Collateral sufficiency and Single Limit calculation considering orders and trades on KZT and UAH is performed similar to other currencies.

Commission fees and tariffs for these instruments do not change.

Reports for these currencies and instruments do not change.

The following position IDs (i.e. entries in the TAG field of the ASTS Bridge POSITIONS table) will be removed:

- LKZT - Limit 100%
- LRUB - Limit 100%
- LUAH - Limit 100%
- FSET - For settlement 100% - RUB

Option to define 'user-trdacc' links for SMA master ID

It will be possible to link SMA master ID to a particular trading account to limit his access.

FX market trading & clearing system separation on independent trading and clearing components – 2nd phase

This is the technological project that does not affect market functionality.

Architectural changes in this version:

- Transaction pipelining.
- Parallel transaction validation.
- New internal asynchronous messaging protocol.
- New server component that servers customer connections to the gateways.
- New backup architecture.

As part of transition to the 2-year software and interface support cycle (see <http://moex.com/n9094>) support for versions of the ASTS Bridge (TEAP) older than 4.1.1 will be discontinued.

Indicative risk parameters for TOM instruments

Currently the non-zero indicative (percent) risk rates on the FX market are only calculated for the instruments with SPT (T+2) settlement dates or later. Now the algorithm will be the same as on the equity market where indicative risk rates are calculated starting from T+1 (TOM) date.

This will result in the following changes in the ASTS Bridge broker interface:

- The UPPERLIMIT / LOWERLIMIT fields of the PRICEMOVELIMIT table will show different borders for TOD, TOM, SPT instruments (currently they are all the same).
- The RM_INDICATIVE table will show valid values for the T+1 date (currently zeros).
- The new DISCOUNT_L / DISCOUNT_H fields will be added to the RM_PRICERANGE table of the new IFC_Broker26 interface. These values are used by the Exchange risk management system to calculate allowed price range for swaps.

Interproduct spread between EUR and USD

A special discount will be set for product spread between the EUR and USD instruments as a static risk parameter. This discount will be calculated for the planned position and added to the single limit.

The value of the discount is in the COEF field of the new RM_PRODUCT_SPREAD table.

End client segregation

Changes are the same as introduced on the equity market in 2015:

- In order to provide (in the future) clearing members with an opportunity to transfer liabilities and collateral among clients now it will be possible to open dedicated accounts for such clients (or use existing accounts for this purpose).
- Only the client accounts of the L type may be assigned to clients.
- When an order is entered for a dedicated client account, it will be checked for compliance with the client code specified in this order.
- Information on link between account and client is shown in the DETAILS and SUBDETAILS fields of the BANKACC table. The SUBDETAILS field has also been added to the CLIENTCODES table.

Changes in user and data interfaces

Update of software provided by Moscow Exchange:

- FX Market Terminal (MICEX Trade Currency)

Changes in data structure:

- New version of ASTS Bridge interface

Technical changes

The new version of the bridge interface IFC_Broker26 contains the following main changes compared to the previous version (v24):

- Flag for the short selling prohibition (ASSETS.FULLCOVEREDFLAG).
- The AUCTIONSTATS table and the new value "I – Discrete auction" for trading period and trading status – as part of technical implementation of the discrete auctions technology, borrowed from the equity market system.
- Details on hard links of client codes to position codes (BANKACC.DETAILS, BANKACC.SUBDETAILS, CLIENTCODES.SUBDETAILS).
- Qualified investor flag (CLIENTCODES.QINVESTOR).
- Identifier of a user who last changed (or cancelled) an order (ONEORDER.UPDUSERID, ORDERS.UPDUSERID).
- The POSITIONS.MARGINCALL field removed due to implementation of the new position identifier "MRCL" for this purpose.
- The RM_HOLD.MARGINCALL field removed due to the collateral transfer mechanism decommission.
- Opening balance for liabilities and claims at the start of the trading day (RM_HOLD.DEBITBALANCE, RM_HOLD.CREDITBALANCE).
- Display of the client code that is linked to user identifier (USERS.CLIENTCODE) as a part of "Sponsored direct market access" project.
- The new RM_PRODUCT_SPREAD table with the discount for EUR-USD spread.
- The new "COMPLEX_TRANSFER" transaction and the SECTRANSFERS table.
- The DISCOUNT_L/DISCOUNT_H fields have been added to the RM_PRICERANGE table.
- The new "COMPLEX_NEGDEAL" transaction for termination of unsettled liabilities for trades concluded by one or several trading members, related to one clearing member's position code.
- New fields in the TRADES table: CORDERNO (to identify matching trades for negotiated deals), TRANINFO (will be filled in by the Exchange), TSETTLELIABILITY (flag to show that this is the liability settlement trade between the trade and clearing members), MAKERFLAG (shows if this is the market taker or maker trade).

Contact information

To contact us, please email help@moex.com