

Approved
By decree No. 52/1-od
Moscow Exchange
17 January 2017

**Market Making Rules
FX Market and Precious Metals
Market
Moscow Exchange**

2017

1. Terms and definitions

The Exchange means Public Joint Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange).

Agreement means the Market Maker Agreement given in Appendix 1 hereto.

Market Maker means the Trading Member with the Market Maker Agreement executed with the Exchange.

Reporting Period means the calendar month.

Rules mean these Market Making Rules for the Moscow Exchange's FX Market and Precious Metals Market.

Programme means parameters of the Market Maker's obligations in rendering the Services; conditions under which a Market Maker is considered to have performed its obligations and the procedure for determining its remuneration, as adopted by the sole executive body of the Exchange.

Services mean services rendered by a Market Maker under the Agreement to support quotes, demand, supply and/or turnover of foreign currency and/or precious metals.

2. General provisions

- 2.1. These Rules set out how a Market Maker renders the Services on the Exchange's FX and Precious Metals Markets.
- 2.2. The Rules cover rights and obligations, interaction between the Exchange and a Market Maker, delivery and acceptance of the Services and settlement with the Market Maker, amendments to the Agreement, grounds and procedure to terminate it.
- 2.3. The Agreement is executed by adhering to these Rules that specify its terms and conditions. The form of the Agreement is given in Appendix 1 hereto.
- 2.4. Parameters of the Market Maker's obligations in rendering the Services, conditions under which a Market Maker is considered to have performed its obligations and the procedure for determining its remuneration to be paid by the Exchange are determined by the Programme(-s) selected by the Market Maker.
- 2.5. The Rules and Programmes as amended, as well as their duration are published for public use on the Exchange's website at moex.com/s715.
- 2.6. A Market Maker and the Exchange notify each other promptly of any changes in their contact and banking details. They are fully responsible for any losses arising from the failure to do so.

2.7.A Market Maker and the Exchange are responsible for any failure to perform or improper performance of their obligations in accordance with Russian law and the Agreement.

2.8.Any terms not defined in these Rules, the Agreement or the Programme, have the meanings ascribed to them by the Exchange's rules of regulated trading for the FX and precious metals markets, the NCC Clearing Bank clearing rules for the FX and precious metals markets, other internal documents of the Exchange and, if any of the above-mentioned is absent, by current law of the Russian Federation.

3. How Market Makers render the Services

3.1.When rendering the Services, a Market Maker is allowed to execute trades only on its own behalf and at its own expense, or on its own behalf and at the client's expense (if pertinent instructions from the client are available).

3.2.When rendering the Services, a Market Maker must enter quotes available to all trading firms.

3.3.Market Makers perform their obligations under the Programme on Trading Days.

If any Instrument specified in the Programme is not traded on a specific Trading Day, the Market Maker does not render the Services with respect to such Instrument on that day. Such days are not included on the Trading Days of the Programme in the Reporting Period when performance of the Market Maker for the Instrument is determined.

If the Programme provides for 2 (two) and more Instruments for the Market Maker and one or more such Instruments are not traded on a specific Trading Day, the Market Maker renders the Services for other Instruments specified in the Programme and traded in that Trading Day. The Market Maker is considered to have performed its obligations when parameters specified in the Programme for the Instrument(-s) available for trading in the Trading Day are met. Further, any common parameter set for a number of Instruments must be met for the Instrument(-s) available for trading on the Trading Day.

3.4.A Market Maker performs its obligations on the Trading Day on which trading in an Instrument specified in the Programme is suspended in accordance with the relevant Programme.

3.5.If trading in an Instrument is terminated, the Market Maker stops rendering the Services under the relevant Programme. This applies also to Programmes under which the Services are rendered for a number of Instruments if trading in at least one of such Instruments is terminated.

If the Programme is the only Programme under which the Market Maker performs under the Agreement, the termination of the Services under such Programme by the Market Maker entails termination of the Agreement from the day of the trading termination.

- 3.6. If a Market Maker uses more than one Settlement Codes selected in accordance with Section 6 hereof to perform its obligations under a certain Programme, the Market Maker's performance under the Programme is determined by every such Settlement Code.
- 3.7. When a Market Maker renders the Services to the Exchange, the interaction between them is carried out through documents in written or electronic form in accordance with the Exchange's Electronic Data Interchange Rules.
- 3.8. Market Makers and the Exchange shall keep terms of the Agreement and the Programme confidential and refrain from disclosing information about each other that has been obtained while performing the Agreement except for those cases where such information is to be disclosed and transferred pursuant to Russian law.

4. Services acceptance procedure

- 4.1. To confirm that its obligations under each Programme were performed/not performed, the Market Maker produces the Market Maker Obligations Performance/Non-performance Certificate (the Certificate) as per the form given in Appendix 3 hereto following each Reporting Period.
- 4.2. Within ten (10) business days of the end of the Reporting Period, the Market Maker sends two copies of the signed Certificate and an invoice for the services to be paid for to the Exchange.
- 4.3. The Exchange reviews the Certificate within ten (10) business days of receiving it, then, if there are no objections in relation to it, send one copy of it to the Market Maker.

5. Market Maker's remuneration; payment procedure

- 5.1. Following the end of every Reporting Period, the Exchange informs the Market Maker of whether it has performed/not performed its obligations under every Programme by sending a relevant report within three (3) business days of the end of the Reporting Period.
- 5.2. If the Market Maker has performed its obligations under the Programme, the Exchange pays a monthly remuneration to the Market Maker following the end of the Reporting Period. Such remuneration is calculated in accordance with the Programme and stated in the Certificate. It is paid subject to the absence of any objections regarding the Certificate. The remuneration is transferred to the Market Maker's settlement account within 15 (fifteen) business days from receiving documents stated in clause 4.2 hereof by the Exchange.
- 5.3. If the Market Maker fails to fulfill obligations specified in a relevant Programme, its Services under such Programme are considered unperformed and the remuneration is not be paid.

5.4. If the notice provided in Appendix 2 hereto does not contain any Settlement Code(-s) for a specific Programme, performance of the Market Maker under the Programme is determined in the aggregate across all Settlement Codes indicated by the Market Maker when executing trades to perform obligations under the Programme.

6. Selecting the Settlement Code and Programme by Market Makers

6.1. When entering into the Agreement, Market Makers select a Programme(-s) under which they will render the Services. They are also allowed to select the Settlement Code(-s) to be used in executing trades under the Programme(-s).

6.2. The Programme(-s) and/or Settlement Code(-s) selected by the Market Maker are stated in the Notice produced as per the form given in Appendix 2 hereto (the "Notice").

6.3. The Programme selected by Market Makers is agreed with the Exchange. The Exchange is entitled to reject the Programme by sending a relevant notification to the Market Maker within five (5) days from receiving the Notice.

6.4. Market Makers are entitled to select any additional Programme at any time of the Agreement period. They are also entitled to terminate any current Programme and/or Settlement Code unilaterally, or replace any current Settlement Code, by sending a new Notice to the Exchange. Any new Notice supersedes the previous one.

Any changes take effect from the first day of the month following the month when the Exchange received the Notice.

7. Making amendments to the Rules and Programmes

7.1. The Exchange is entitled to amend the Rules and/or change parameters of the Market Maker's obligations, conditions under which the Market Maker is considered to have performed its obligations and the procedure for determining its remuneration (change the Programme) unilaterally.

The Exchange sets the date from which the Rules and/or the Programme as amended take effect.

The Rules and/or the Programme as amended are published on the Exchange's website and then take effect no sooner than five (5) business days after the publication of the documents.

The Exchange also informs the Market Maker about any amendments to the Rules and/or the Programme at least 5 (five) business days before they take effect in any of the following manners:

- a. via the Trading System;
- b. via email.

7.2. If a Market Maker does not agree with any amendments made by Exchange to the Programme, it is entitled to repudiate the Programme by sending the Notice to the Exchange prior such amendments take effect. The Market Maker stops rendering the Services under the Programme to be amended from the day the amendments take effect.

If the Programme is the only Programme under which the Market Maker renders the Services, repudiating it means termination of the Agreement from the day the amendments take effect.

8. Reasons and procedure for termination of the Agreement

8.1. Either party may cancel the Agreement early unilaterally by sending a termination notice to other party at least five (5) business days before the supposed termination date. The Agreement shall be considered terminated from the date stated in such notice.

8.2. The cancellation notice is send by the initiating party in hard copy or electronically in accordance with the Exchange's electronic data interchange rules.

If the initiating party fails to meet the time frame set out in clause 8.1 hereof when sending the cancellation notice unilaterally, the Agreement is considered to have been cancelled on the 5 (fifth) business day after the other party received such notice unless other cancellation date was not established by the parties.

This clause is not applied, if a Market Maker repudiates the Agreement in accordance with clauses 3.5 or 7.2 hereof.

8.3. If the Market Maker's admission to trading on the FX Market and Precious Metals Market is terminated, the Agreement is cancelled from the admission termination date.

8.4. Obligations arising from the Agreement before its cancellation date remain binding upon the parties after such date.

Market Maker Agreement No. _____

Moscow

_____ **20**__

Public Joint Stock Company Moscow Exchange MICEX-RTS, hereinafter referred to as the Exchange, represented by _____, acting on the basis of _____, as one party, and _____, hereinafter referred to as the Market Maker, represented by _____, acting on the basis of _____, as the other party, have executed this Agreement to the following effect:

1. The Market Maker undertakes to provide market making services in accordance with the Rules to support prices, demand, supply and/or trading volumes in foreign currency/precious metals on the Exchange's FX Market and Precious Metals Market and the Exchange undertakes to pay for such services.
2. Parameters of the Market Maker's obligations; conditions under which a Market Maker is considered to have performed its obligations and the procedure for determining its remuneration are set out in the Programme(-s) ¹ selected by the Market Maker in accordance with the Rules.
3. Any relationships between the Parties that arise out of this Agreement are governed by the Rules. Any terms used in this Agreement are construed in accordance with the Rules.
4. The Parties endeavour to resolve any disputes and controversies arising from or in relation to this Agreement via negotiation.
The Parties agree that if they fail to resolve disputes and/or controversies via negotiation, all disputes and controversies arising from or in relation to this Agreement, including those related to the execution, performance, violation, termination, or validity thereof, are to be referred to the Arbitration of NAUFOR (the Arbitration) in accordance with documentation establishing its legal status and the dispute resolution procedure which is in force when a claim is filed.
Arbitration resolutions shall be considered by the Parties to be final and binding. Any Arbitration resolution not adhered to voluntarily shall be enforced in accordance with Russian legislation or the legislation of the country of enforcement and with international treaties.
5. The Agreement takes effect from the date of signature and is valid until _____20__ inclusive. The Market Maker starts performing the Agreement from _____20__.
If neither Party informs the other Party of its intention to cancel the Agreement 5 (five) business days prior to the Agreement expiry date, the Agreement remains valid for [*months and years*].

¹ The Programmes (in Russian) are available on the Exchange's website at moex.com/s749.

6. Details and signatures of the Parties:

The Exchange:

Name: Public Joint Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)
Correspondence address: Russia 125009 Moscow Bolshoy Kislovsky per 13
Located at: Russia 125009 Moscow Bolshoy Kislovsky per 13
INN/KPP 7702077840/997950001
All-Russian Classifier of Enterprises and Organizations 11538317
a/c 40701810000000000232 with the National Settlement Depository, Moscow
Correspondent account 30105810345250000505
BIC 044525505

L.S.

The Market Maker:

Name
Correspondence address:
Located at:
INN/KPP
Registration number
a/c
Correspondent account
BIC

L.S.

Market Maker Notice of Programme and/or Settlement Code

To Moscow Exchange

Ref. No _____
 _____ 20____

Notice¹ of Programme and/or Settlement Code

Member Firm	<i>Full name of the Member Firm</i>
ID	<i>Member Firm's ID (registration code)</i>

No	Programme ²	Settlement Code(-s) to be used to execute trades under the Programme ³	Repudiation <i>(reason as per "A"⁴ or "B"⁵ below is indicated if applicable)</i>	Email ⁶

The Market Maker

 L.S.

¹ Every new Notice fully supersedes the previous one.

² All Programmes under which the Market Maker renders or is going to render the Services, or which it is going to repudiate, must be stated.

³ The Market Maker is entitled to indicate the Settlement Code(-s) used in executing trades to perform under the relevant Programme.

⁴ A – the Market Maker repudiates the Programme in accordance with Clause 6.4 of the Rules.

⁵ B - the Market Maker repudiates the Programme in accordance with Clause 7.2 of the Rules.

⁶ For receiving daily reports (applicable to Programmes in which the Market Maker rating is considered to calculate remuneration).

1. Form of the Market Maker Obligation Fulfillment Certificate

(to be used if the Market Maker has fulfilled its obligations under the Agreement):

**Market Maker Service Certificate
for Market Maker Agreement No ___ dated ___ 201__**

Moscow _____ 20__

Public Joint Stock Company Moscow Exchange MICEX-RTS, hereinafter referred to as Moscow Exchange, represented by _____, acting on the basis of _____, as one party and _____ hereinafter referred to as the Market Maker represented by _____, acting on the basis of _____, as the other party, have made this certificate as required by the Market Maker Agreement No ___ dated ___ 201__ (the Agreement) to the following effect:

1. The Market Maker has properly fulfilled its obligations under the Agreement from _____ 201__ until _____ 201__.
2. The Market Maker's remuneration for the Reporting Period is _____ rubles (in letters) ___ kopecks. Not subject to VAT.

For the Exchange:

_____/_____/

L.S.

For the Market Maker:

_____/_____/

L.S.

2. Form of the Market Maker Obligation Non-Fulfilment Certificate

(to be used if the Market Maker has not fulfilled its obligations under the Agreement):

**Market Maker Service Certificate
for Market Maker Agreement No ___ dated ___ 201__**

Moscow
_____ 20__

Public Joint Stock Company Moscow Exchange MICEX-RTS, hereinafter referred to as Moscow Exchange, represented by _____, acting on the basis of _____, as one party and _____ hereinafter referred to as the Market Maker represented by _____, acting on the basis of _____, as the other party, have executed this certificate as required by the Market Maker Agreement No ___ dated ___ 201__ (the Agreement) to the following effect:

- 1. The Market Maker has not fulfilled its obligations under the Agreement from _____ 201__ until _____ 201__, thus the services are considered non-rendered.

- 2. By the Agreement, the remuneration is not to be paid.

For the Exchange:

_____/_____
L.S.

For the Market Maker:

_____/_____
L.S.