



**MOSCOW  
EXCHANGE**



Equity Electronic Market Making  
Best bid/Best offer Program

## The program conforms to regulatory standards

Obligation type*	The presence of two-sided quote	Minimum Order Size	Maximum bid price	Minimum offer price	Quote maintaining period
Support of price	+	+	-	-	+
Support of demand**	-	+	+	-	+
Support of supply**	-	+	-	+	+
Support of volume	+	+	-	-	+

\* **Established by Order of January 21, 2011, № 11-2/пз-н of The Federal Financial Markets Service**

\*\* Obligations to be performed under the program

### Program Special Obligations

- Best bid/Best offer presence time
- Initial order size must be at least n\*Minimum Order Size



## Defining the quote maintaining period

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$$T_S = (T_{bid}) \cup (T_{offer})$$

- $T_{bid}$  - best bid presence time with Minimum Order Size
- $T_{offer}$  - best offer presence time with Minimum Order Size
- $\cup$  – logical disjunction

## Market maker daily remuneration

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$$F_i = V * (K + COMM) * R_i$$

- $F_i$  –market maker's daily remuneration for security  $i$  which is paid only to top 10 market makers ranked by daily makers volume traded at security  $i$
- $V$  – maker volume traded **on passive order not less than N\*Minimum Order Size**
- $K$  – premium rate
- $COMM$  - exchange fee
- $R_i$  – liquidity ratio for security  $i$
- A daily remuneration limit for each security  $i$  will be 15 000 rubles

# Initial terms and conditions (draft)

$T_S$

60 min

$K$

0.25 bps

$n$

2

$V_{min}$

0

Security ID	Minimum Buy Order Size	Minimum Sell Order Size	Sufficient volume traded	Coefficient Ri
AFLT	700	700	2 100 000	0.75
CHMF	100	100	300 000	0.75
GAZP	1 000	1 000	3 000 000	0.4
GMKN	12	12	36 000	0.5
HYDR	100 000	100 000	300 000 000	0.75
LKOH	35	35	105 000	0.5
MGNT	30	30	90 000	0.75
ROSN	350	350	1 050 000	0.5
SBER	1 300	1 300	3 900 000	0.4
SNGS	5 000	5 000	15 000 000	0.5
TATN	150	150	450 000	0.75
VTBR	2 000 000	2 000 000	6 000 000 000	0.5

# Participants Ranking



During trading session



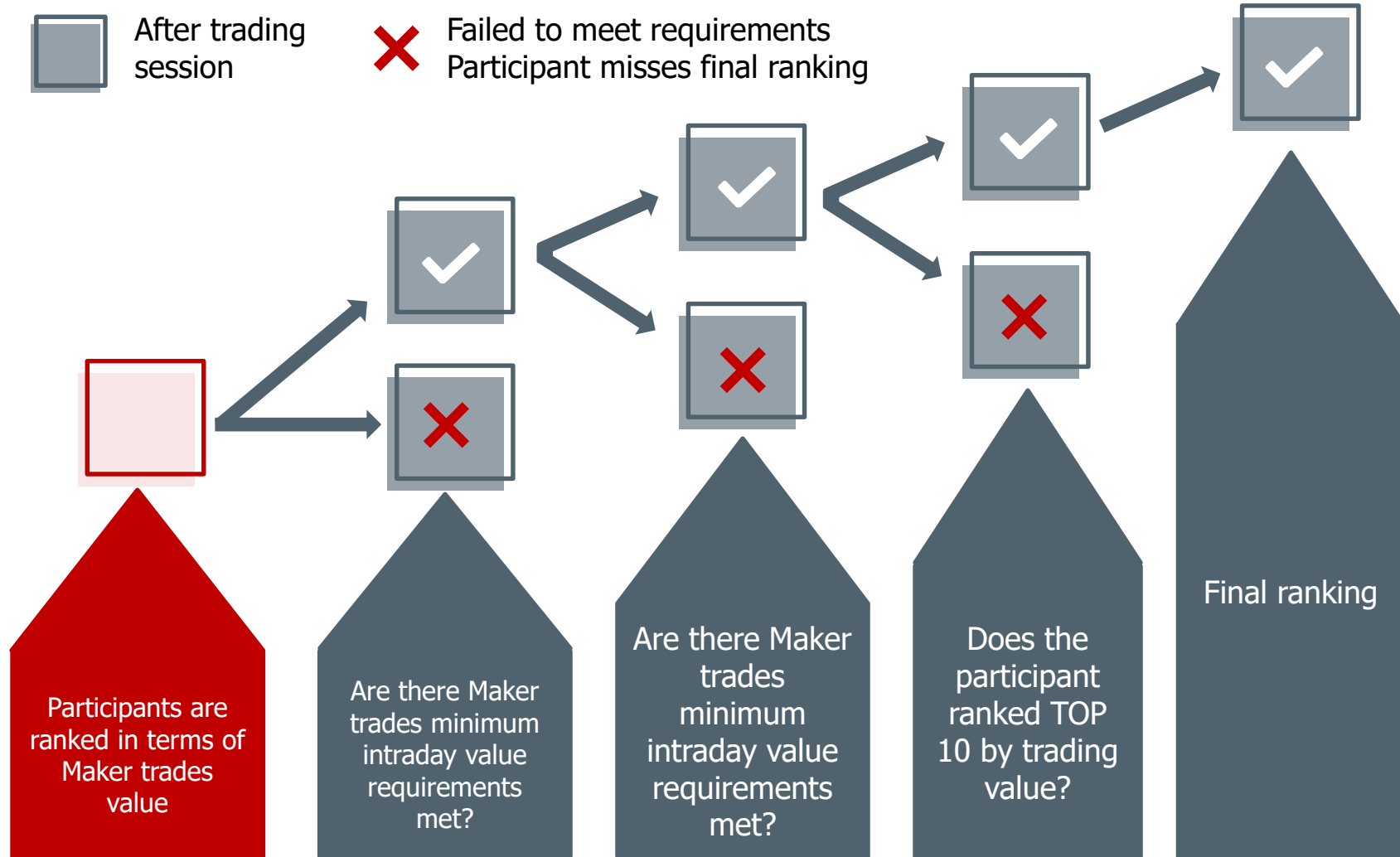
Requirements are met



After trading session



Failed to meet requirements  
Participant misses final ranking



# Qualifying terms and conditions

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## Eligibility criteria

- A Trading Member or a Trading Member's client may join the program by concluding an agreement between Trading Member and Moscow Exchange

## Requirements to participants

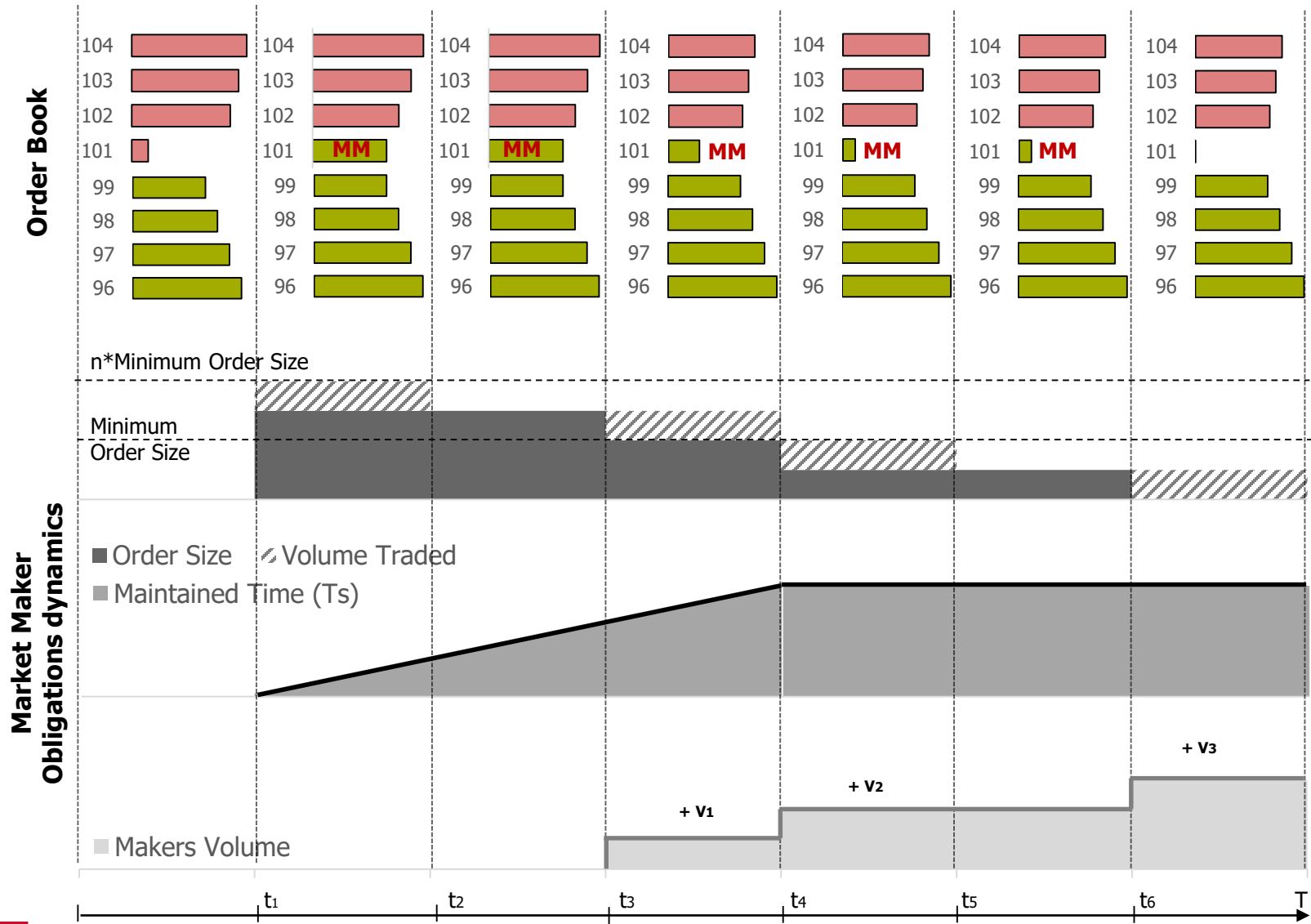
- The applicant's average daily trading volume on equities must be at least RUB 30 million for a two-week period before joining the Program.

## Limitation on participation

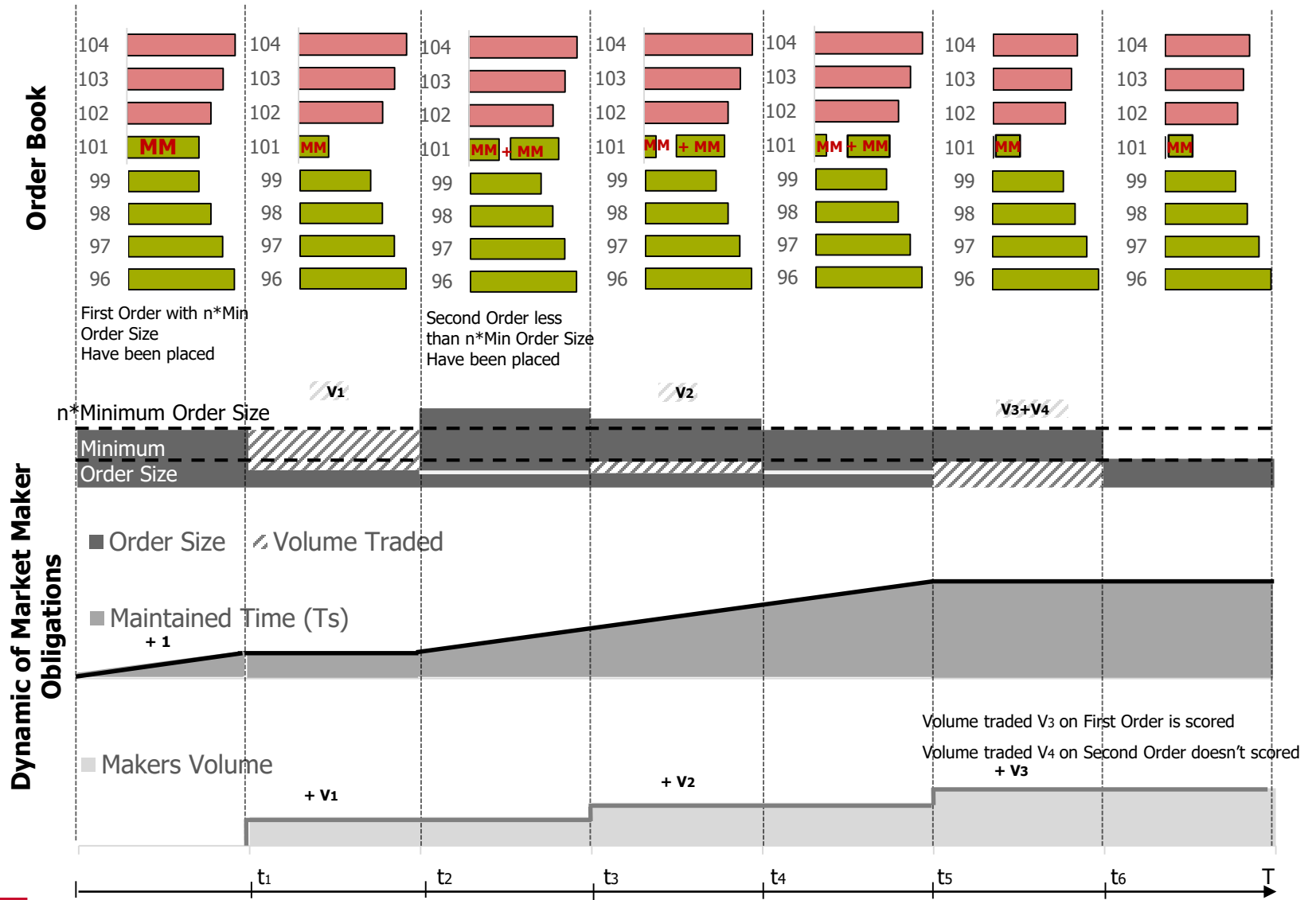
- A certain applicant indicated by a particular trading & clearing account or a particular client code may register to participate only in one effective Equity Market Making Program simultaneously.



# Market maker obligations monitoring. Example 1



# Market maker obligations monitoring. Example 2





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perception of market services offered by the Company and its subsidiaries;

volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate;

changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets;

competition increase from new players on the Russian market;

the ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers;

the ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness;

the ability to attract new customers on the domestic market and in foreign jurisdictions;

the ability to increase the offer of products in foreign jurisdictions.

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