

Approved
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of the Moscow Exchange
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**ADMISSION RULES TO PARTICIPATION IN ORGANISED TRADING
OF THE MOSCOW EXCHANGE**

PART II. FX MARKET AND PRECIOUS METALS MARKET

**Admission Rules to Participation in Organised Trading of the Moscow Exchange
Part II. FX Market and Precious Metals Market**

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SECTION 01. GENERAL PROVISIONS

Article 01.01. Purpose of the FX Market and Precious Metals Market Admission Rules

1. Part II *FX Market and Precious Metals Market* of the Admission Rules to Participation in Organised Trading of the Moscow Exchange (hereinafter, the FX Market and Precious Metals Market Admission Rules) constitutes an integral part of the Admission Rules of the Moscow Exchange and, together with Part I *General Section* of the Admission Rules to Participation in Organised Trading of the Moscow Exchange (hereinafter, the General Section of the Admission Rules), sets out requirements to Candidates and Trading Members on the FX Market and Precious Metals Market (hereinafter, Trading Members), a procedure for Trading Members' registration in the Trading System, admission procedure and procedure for admission to trading suspension and termination.

Article 01.02. Terms and Definitions

1. As regards the terms, the definitions used in the General Section of the Admission Rules shall also apply for the purpose of the FX Market and Precious Metals Market Admission Rules.

SECTION 02. ADDITIONAL REQUIREMENTS TO TRADING MEMBERS ON THE FX MARKET AND PRECIOUS METALS MARKET

Article 02.01. Categories of Trading Members on the FX Market and Precious Metals Market and the Additional Requirements Set for Admission Thereof to Trading

1. Admission to trading on the FX Market and Precious Metals Market may be granted to:
 - 1.1. **resident credit organisations of the Russian Federation** (hereinafter, credit organisations) licenced by the Bank of Russia for performance of banking transactions in Russian roubles and foreign currency not earlier than 6 months prior to the date of applying for admission to trading;
 - 1.2. **resident non-credit organisations of the Russian Federation** (hereinafter, non-credit financial organisations):
 - 1.2.1. having one of the following licences for performing the respective type of activities:
 - of a professional securities market participant having a licence for broker and/or dealer and/or securities management activities and/or having a licence for broker activities in executing trades in commodity derivatives issued in accordance with the laws of the Russian Federation;
 - insurance activities;
 - 1.2.2. included in the state register of microfinance organisations (hereinafter, microfinance organisations);
 - 1.3. **resident non-credit organisations of the Russian Federation** other than non-credit financial organisations meeting the following requirements:
 - 1.3.1. Equity of at least RUB 1,000,000,000 (one billion roubles).

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1.3.2. The organisation has no records of weakening in the financial standing; neither should it have records that may cause to believe so.

1.3.3. The organisation's activities show no reasons for undergoing bankruptcy-prevention procedures in accordance with the Russian Federation insolvency (bankruptcy) laws.

1.3.4. The organisation has at least 2 in-house employees with:

- track records confirmed with a qualification certificate of a financial market specialist of the first and/or second and/or fifth type or a relevant qualification certificate in accordance with the laws of the Russian Federation;

and/or

- track records confirmed with the following documents: ACI Dealing Certificate and/or ACI Diploma and/or CFA certificate;

and/or

- track records with financial markets experience involving forex transactions. Assessment of the required track records takes account of a six-month work experience specifically related to execution of transactions in financial instruments and/or placement of cash funds, inclusive of decision-making on transaction execution, preparation of relevant recommendations, control over transactions, financial market research and risk management.

Additional requirements to the employees mentioned in this item:

- the employees are not persons whose qualification certificates were revoked less than three years ago;

and

- the employees do not have a criminal record for committing economic crimes.

To confirm the fulfilment of the requirements stated in the present Sub-Clause 1.3.4, a letter about complying with the requirements of a Candidate that is not a non-credit financial organisation shall be submitted to the Exchange;

1.4. **state corporations** entitled to conduct FX purchase and sale transactions in the territory of the Russian Federation in accordance with the laws of the Russian Federation;

1.5. **non-resident banks of the Russian Federation** (hereinafter, non-resident banks) provided that the following requirements are met:

1.5.1. non-resident banks shall be residents of the states having signed the Treaty for Cooperation in the Field of Organisation of the Integrated Foreign Exchange Market of Member States of the Eurasian Economic Community on January 25, 2006, and/or residents of member states of the Eurasian Economic Community;

1.5.2. non-resident banks shall have a special permit (licence) of the central (national) bank or other authorised government authority of the state whereof a non-resident bank is a resident allowing the non-resident bank to

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perform the banking operations and foreign currency transactions (for participation in FX trading) provided for in the national laws;

- 1.6. **international organisations** established in accordance with the international treaties of the Russian Federation, entitled to conduct FX purchase and sale transactions in the territory of the Russian Federation in accordance with the laws of the Russian Federation (hereinafter, international organisations);
 - 1.7. **Bank of Russia and federal executive bodies** authorised to participate in the organised FX trading in accordance with the laws of the Russian Federation;
 - 1.8. **Clearing Houses** functioning as a central counterparty for the FX Market and Precious Metals Market.
2. The Exchange may determine the peculiarities of imposition of the requirements for admission to trading on the international organisations with regard to provisions of the respective international treaty.
 3. The Exchange shall determine the following categories of Trading Members on the FX Market and Precious Metals Market:
 - Category A (Russian: Категория «А») — the Bank of Russia, as well as federal executive bodies authorised to participate in organised foreign currency trading;
 - Category B (Russian: Категория «Б») — Trading Members functioning as central counterparties;
 - Category V1 (Russian: Категория «B1») — non-credit financial organisations licenced as professional securities market participants for broker and/or dealer and/or securities management activities and/or for broker activities in executing trades in commodity derivatives;
 - Category V2 (Russian: Категория «B2») — non-credit financial organisations licenced to conduct insurance activities and/or included in the state register of microfinance organisations; non-credit organisations other than non-credit financial organisations;
 - Category G (Russian: Категория «Г») — non-resident banks not included in Category E of Trading Members;
 - Category D (Russian: Категория «Д») — credit organisations, international organisations and state corporations;
 - Category E (Russian: Категория «Е») — non-resident banks being the central (national) banks of the states having signed the Treaty for Cooperation in the Field of Organisation of the Integrated Foreign Exchange Market of Member States of the Eurasian Economic Community on January 25, 2006, and/or residents of member states of the Eurasian Economic Community;
 - Category K (Russian: Категория «К») — federal executive bodies with the functions of ensuring the federal budget implementation and authorised to participate in organised FX trading.

Article 02.02. Additional Requirements for Getting Admission to Trading on the FX Market and Precious Metals Market

Upon fulfilment of admission conditions set out in Article 02.01 above and the General Section of the Admission Rules, a Candidate shall be admitted to trading on the FX Market and Precious Metals Market and given an opportunity to conduct FX purchase and sale transactions.

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1. The Bank of Russia, Trading Members of Category B, as well as Trading Members of Categories V1, V2 and D admitted to trading in accordance with Clause 1 hereof, shall be admitted to conducting of purchase and sale transactions in precious metals, with regard to the following conditions:
 - a) Trading Members being credit organisations shall have a valid licence of the Bank of Russia to raise precious metals as deposits and to place them;
 - b) Trading Members being state corporations and international organisations shall be entitled to execute purchase and sale transactions in precious metals in the territory of the Russian Federation in accordance with the laws of the Russian Federation or an international treaty;
 - c) Trading Members shall fulfil the conditions and requirements set out in the Clearing Rules and necessary for obtaining of the option to conduct transactions in precious metals.

Trading Members conducting purchase and sale transactions in precious metals in the interests and at the expense of Clients and not being brokers licenced as professional securities market participants shall be included by the Exchange in the respective list, the terms and conditions of inclusion in which, as well as the procedure for exclusion from which are established by the Exchange.

2. A Trading Member admitted to trading on the FX Market and Precious Metals Market shall be provided by the Exchange with an option to conduct transactions in precious metals not later than on the business day following the day the information on compliance of the Trading Member with the requirements provided for in Clause 2 hereof is received by the Exchange.
3. In case a Trading Member does not comply with the conditions provided for in Clause 2 hereof, the Trading Member shall be deprived of the option to conduct purchase and sale transactions in precious metals during the Exchange's trading sessions.
4. The Bank of Russia, Federal Treasury, Trading Members of Category B, as well as Trading Members of Categories V1 and D admitted to trading in accordance with Clause 1 hereof, shall be admitted to execution of trades in FX derivatives. In this case:
 - a) Trading Members being state corporations and international organisations shall be entitled to execute trades in FX derivatives in the territory of the Russian Federation under the laws of the Russian Federation or an international treaty;
 - b) Trading Members being credit organisations that do not have professional securities market participant licences, which permit execution of trades in the interests of and at the expense of Clients, may execute trades in FX derivatives only on their own behalf and at their own expense.
5. The Bank of Russia, Trading Members of Category B, as well as Trading Members of Categories V1, V2 and D admitted to trading in accordance with Clause 1 hereof, shall be admitted to execution of trades in precious metals derivatives. In this case:
 - a) Trading Members being state corporations and international organisations shall be entitled to execute trades in precious metals derivatives in the territory of the Russian Federation under the laws of the Russian Federation or an international treaty;
 - b) Trading Members being legal entities incorporated under the laws of the Russian Federation that do not have professional securities market participant licences, which permit execution of trades in the interests of and at the expense of Clients,

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may execute trades in precious metals derivatives only if such contracts are concluded at their own expense.

6. If the Exchange has resolved on terminating admission of a resident credit organisation (non-resident bank) to trading on the FX Market and Precious Metals Market because the resident credit organisation's Bank of Russia licence for banking transactions in Russian roubles and foreign currency has been revoked (further referred to as the Licence), or the non-resident bank's special permit (licence) issued by the central (national) bank or other competent authority of a state whose resident is the non-resident bank for banking transactions provided for in the laws of the state of incorporation whose resident is the non-resident bank, and/or for FX transactions has been previously revoked (further referred to as the Competent Authority and Special Permit respectively), the credit organisation (non-resident bank) can be re-admitted to trading upon the Exchange's resolution. The condition for such resolution shall be that the legal entity restores its activity as a credit organisation (non-resident bank) due to invalidation of the Bank of Russia's order on the Licence revocation (invalidation of the Competent Authority's order on revocation of the Special Permit).
7. To be re-admitted to trading, the resident credit organisation (non-resident bank) specified in Clause 8 hereof shall re-pass the admission procedure, as well as submit the document proving invalidation of the Bank of Russia's order on revocation of the Licence (the document proving invalidation of the Competent Authority's order on revocation of the Special Permit) to the Exchange. Besides, the notarial certification date of the Licence copy (legalization date of the non-resident bank's Special Permit) provided by the specified resident credit organisation (non-resident bank) in accordance with Appendix No 1 to the General Section of the Admission Rules shall not be earlier than the effective date of the court ruling or any other legal instrument passed on by a relevant authority invalidating the Bank of Russia's order on revocation of the specified resident credit organisation's Licence (invalidating the Competent Authority's order on revocation of the Special Permit).
8. The Exchange may determine how to apply the provisions of this article to the international organisations — with regard to the requirements of the respective international treaty.

SECTION 03. SUSPENSION AND TERMINATION OF ADMISSION TO TRADING ON THE FX MARKET AND PRECIOUS METALS MARKET

Article 03.01. Additional Grounds for and Peculiarities of Suspension of Admission to Trading on the FX Market and Precious Metals Market

1. Apart from the events described in the General Section of the Admission Rules, the Exchange shall suspend a Trading Member's admission to trading on the FX Market and Precious Metals Market for any of the following grounds:
 - a) obtaining by the Exchange of the information from the central (national) bank or other competent authority of a state whose resident is a non-resident bank evidencing (in the opinion of the Exchange) the necessity to suspend admission to trading of the Trading Member – the non-resident bank;
 - b) suspension of all available professional securities market participant licences owned by a Category V1 Trading Member for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives;
 - c) suspension of at least one of the available professional securities market participant licences owned by a Category V1 Trading Member for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades

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in commodity derivatives. In this case, admission to trading in derivatives shall be suspended according to the scope of activities corresponding to the suspended licence(s);

- d) suspension of at least one of the available professional securities market participant licences owned by a Category D Trading Member, a credit organisation and a professional securities market participant, for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives. In this case, admission to trading in derivatives shall be suspended according to the scope of activities corresponding to the suspended licence(s);
- e) non-compliance of a Category V2 Trading Member, other than a non-credit financial organisation, with the requirements set in Sub-Clause 1.3 Clause 1 Article 02.01 above;
- f) suspension of all available licences for insurance activities owned by a Category V2 Trading Member, a non-credit financial organisation, other than a microfinance organisation;
- g) cancellation of all available professional securities market participant licences owned by a Category V1 Trading Member for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives (if the Bank of Russia's resolution on the licence cancellation sets a date for termination of obligations related to the respective scope of professional activities);
- h) cancellation of at least one of the professional securities market participant licences owned by a Category V1 Trading Member for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives (if the Bank of Russia's resolution on the licence cancellation sets a date for termination of obligations related to the respective scope of professional activities). In this case, the Trading Member's admission to trading in derivatives with regard to the scope of activities corresponding to the cancelled licence(s) shall be suspended;
- i) cancellation of at least one of the professional securities market participant licences owned by a Category D Trading Member being a credit organisation and a professional securities market participant for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives (if the Bank of Russia's resolution on the licence cancellation sets a date for termination of obligations related to the respective scope of professional activities). In this case, admission to trading in derivatives with regard to the scope of activities corresponding to the cancelled licence(s) shall be suspended.

- 2. A Trading Member's admission to trading may be suspended for one or more of the FX Market and Precious Metals Market instruments.

Article 03.02. Additional Grounds for and Peculiarities of Terminations of Admission to Trading on the FX Market and Precious Metals Market

- 1. Apart from the events described in the General Section of the Admission Rules, the Exchange shall terminate a Trading Member's admission to trading on the FX Market and Precious Metals Market for any of the following grounds:

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- a) revocation/cancellation by the Bank of Russia of the licence for banking transactions in Russian roubles and foreign currency of the Trading Member being a credit organisation (revocation of the special permit (licence) issued by the central (national) bank or other competent authority of the state of a non-resident bank's incorporation for banking and/or FX transactions provided for in the laws of the state of the non-resident bank's incorporation);
- b) cancellation of all available professional securities market participant licences owned by a Category V1 Trading Member for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives;
- c) cancellation of one of the professional securities market participant licences owned by a Category V1 Trading Member. In this case, admission to trading in derivatives shall be terminated, according to the activities type corresponding to the cancelled licence;
- d) cancellation of at least one of the professional securities market participant licences owned by a Category D Trading Member being a credit organisation and a professional securities market member. In this case, admission to trading in derivatives shall be terminated according to the scope of activities corresponding to the cancelled licence(s);
- e) amendment of a federal law based on which a state corporation has been established making it impossible for this state corporation to execute FX purchase and sale transactions;
- f) termination of an international treaty or amendment of an international treaty and/or foundation documents of an international organisation which makes it impossible for this international organisation to execute FX purchase and sale transactions;
- g) cancellation of all available licences for insurance activities owned by a Category V2 Trading Member, a non-credit financial organisation, and/or exclusion of information about it from the state register of microfinance organisations;
- h) suspension of a Category V1 Trading Member's admission to trading with respect to all types of professional activities under the procedure set out in Sub-Clause g) Clause 1 Article 03.01 above due to the cancellation of all the Trading Member's available professional securities market participant licences for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives;
- i) suspension of a Category V1 Trading Member's admission to trading with respect to a certain type of professional activities under the procedure set out in Sub-Clause h) Clause 1 Article 03.01 above due to the cancellation of one of the Trading Member's professional securities market participant licences for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives. In this case, admission to trading in derivatives is terminated with respect to the type of activities corresponding to the cancelled licence(s);
- j) suspension of admission to trading of a Category D Trading Member, a credit organisation and a professional securities market participant with respect to a certain type of professional activities under the procedure set out in Sub-Clause i) Clause 1 Article 03.01 above due to the cancellation of one of the Trading Member's

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professional securities market participant licences for broker and/or dealer and/or securities management activities and/or for broker activities in execution of trades in commodity derivatives. In this case, admission to trading in derivatives shall be terminated according to the scope of activities corresponding to the cancelled licence(s).

2. Admission to trading may be terminated for one or more of the FX Market and Precious Metals Market instruments.

Article 03.03. Resumption of Admission to Trading on the FX Market and Precious Metals Market That Was Earlier Suspended

1. A Trading Member's admission to trading on the FX Market and Precious Metals Market may be resumed either to the fullest extent, or for one or more instruments.