Approved

by the resolution of the Supervisory Board

of the Moscow Exchange

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**ADMISSION RULES TO PARTICIPATION IN ORGANISED TRADING OF**

**THE MOSCOW EXCHANGE**

**Part V. Equities & Bond Market section and repo market section**

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1. **General provisions**

## Equities & Bond Market Admission Rules Purpose

1. Part V *Equities & Bond Market Section and Repo Market Section* of the Admission Rules to Participation in Organised Trading of the Moscow Exchange (hereinafter, the Equities & Bond Market Admission Rules) is an integral part of the Admission Rules of the Moscow Exchange and, jointly 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 in the Equities & Bond Market and Repo Market Sections (hereinafter, Trading Members), an admission procedure and procedure for suspension and termination of Trading Members’ admission to trading.

## Terms and Definitions

1. For the purposes of the Equities & Bond Market Admission Rules, the terms defined in the General Section of the Admission Rules as well as the following terms and definitions shall apply:

|  |  |
| --- | --- |
| ***Public Creditor*** | means the executive authority responsible for the management of cash balances on the Russian Federation budget unified account or the regional budget unified account. |

1. **ADDITIONAL REQUIREMENTS TO TRADING MEMBERS ON THE Equities & Bond MARKET**

## Categories of Trading Members on the Equities & Bond Market and Additional Requirements Set for Admission thereof to Trading

1. Admission to trading on the Equity and Bond Market may be granted to:
   1. **Legal entities** — professional participants of the Equities & Bond Market that have the licence to act as a broker and/or a dealer and/or to manage securities and satisfy the requirements of the laws of the Russian Federation and the requirements set out in these Admission Rules and the Trading Rules;
   2. **Federal executive bodies** responsible for the federal budget implementation according to the laws of the Russian Federation and authorised to participate in organised trading in securities according to the Russian Federation legislation;
   3. **Bank of Russia;** and
   4. **Central Counterparty**.
2. To get admitted to trading on the Equities & Bond Market, a Candidate (except for the entities listed in 1.2-1.4 Clause 1 here above) must have a valid professional Equities & Bond Market participant licence to act as a broker and/or a dealer and/or to manage securities.

If there is no licence of a professional Equities & Bond Market participant to act as a dealer, then the Trading Member is not entitled to perform transactions on its behalf and at its own expense.

If there is no licence of a professional Equities & Bond Market participant to act as a broker, the Trading Member is not entitled to perform transactions on its behalf and at the expense of a Client, as well as on behalf and at the expense of a Client.

If there is no licence of a professional Equities & Bond Market participant to manage securities, the Trading Member is not entitled to perform transactions on its behalf with the securities transferred to such Trading Member for trust management.

1. To be admitted to trading, Candidates being credit institutions shall have a valid banking licence issued by the Bank of Russia, and licences specified in Clause 1 of this Article of the Equities & Bond Market Admission Rules.
2. There are the following categories for Trading Members at the Exchange:

* Category A (Russian: Категория «А»): Trading Members that are general agents for placements, redemptions and exchanges of federal loan bonds according to the legislation of the Russian Federation;
* Category B (Russian: Категория «Б»): Trading Members that do not belong to Categories “A”, “V”, “E”, “K” and Category “P”;
* Category V (Russian: Категория «В»): Trading Members performing as central counterparties.
* Category E (Russian: Категория «Е»): Trading Members acting upon instruction of the Public Creditor.
* Category K (Russian: Категория «К»): federal executive bodies responsible for the federal budget implementation according to the laws of the Russian Federation and authorised to participate in organised trading in securities according to the Russian Federation legislation.
* Category P (Russian: Категория «П»): Trading Members that are professional securities market participants compliant with eligibility requirements set forth in this Article of the Admission Rules (hereinafter, the Liquidity Providers).

1. Only Trading Members of Category B shall be eligible for inclusion into Category P as Liquidity Providers by way of their transferring from Category B to Category P.
2. Trading Members of Category P shall have the rights and obligations of Category B Trading Members along with the rights and obligations needed to perform their functions as Liquidity Providers set forth in the Trading Rules.
3. The allowed number of Trading Members of Category P shall not exceed ten (10), unless otherwise provided by the Exchange's decision.

If the Exchange decides to change the allowed number of Trading Members in a given category, it shall disclose the decision on its website.

The Exchange shall also disclose relevant information on the current number of Trading Members in the given category on the Exchange's website.

1. To be added to Category P, the Trading Member shall submit to the Exchange an application produced in accordance with the Forms of Documents and shall meet the following eligibility requirements:
   1. The Trading Member shall be admitted to after-hours trading on the Exchange's Equities & Bond Market;
   2. The Trading Member's share in trading in foreign shares and depositary receipts is at least 0.5% of the total trading volume in foreign shares and depositary receipts on the Exchange's Equities & Bond Market for 30 trading days preceding the date of the Trading Member's application for inclusion into Category P.

For the purpose of this Sub-Clause, all trades in foreign shares and depositary receipts executed by a Trading Member based on order book orders, with the exception of trades in foreign shares and depositary receipts of foreign issuers that operate (or a group company, which includes the issuer) mainly in the territory of the Russian Federation, shall be taken into account.

* 1. The Trading Member's software and hardware shall comply with requirements of the Technical Centre applied to software and hardware used for Liquidity Provider’s operations.

The requirements shall be disclosed on the website of the Exchange.

1. When the application referred to in Clause 8 of this Article is received, the Exchange shall check the Trading Member's compliance with requirements for inclusion into the respective category and shall include/refuse to include the Trading Member in Category P no later than five (5) working days from the date of receiving the application.
2. If the number of Trading Members of Category P reaches the maximum allowed number set in Clause 7 herein the Exchange shall, when the application from the Trading Member for inclusion into the Category "P" is received, leave the application without consideration.
3. If the Exchange finds that the Trading Member of Category P does not meet requirements specified in Sub-Clause 8.1 of Clause 8 herein or if an application is received for the exclusion of the Trading Member from the indicated category executed pursuant to the Forms of Documents, the Exchange shall exclude the Trading Member from the Category P no later than five (5) working days from the date the non-compliance is discovered.
4. The Exchange may decide to exclude the Trading Member from Category P if one or more circumstances listed below exist:
   1. The Trading Member's admission to trading on the Equities & Bond Market, including in particular instruments, is suspended or terminated;
   2. The daily average ratio for each calendar month of the number of transactions executed by the Trading Member as a Liquidity Provider to the number of orders submitted in response to quotes from the Liquidity Provider is less than 97%;
   3. The daily average ratio for each calendar month of the amount of remaining bid/ask quotes submitted by the Liquidity Provider displayed in the queue in the Trading System, multiplied by the time these remaining bid/ask quotes have been queued, to the duration of the period when the Liquidity Provider is able to submit bid/ask quotes, is less than the value set by the Exchange.

The values referred to herein are calculated separately for bid and ask quotes. The decision on the exclusion for this reason may be made if either of the two calculated values is less than the value set by the Exchange.

The value set by the Exchange is disclosed on the website of the Exchange and shall not be revised more than once per quarter. Information on the set values, as well as on their revision shall be disclosed on the Exchange's website no later than five (5) working days prior to their effective date.

* 1. The Liquidity Provider does not maintain on a daily basis the required two-sided quote spread for the set number of instruments during the minimum allowed number of trading days of each calendar month.

Requirements for the value of a two-sided quote spread, number of instruments and minimum allowed number of trading are set by the decision of the Exchange and shall not be revised more than once per quarter. Information on the values set, as well as on their revision is disclosed on the website of the Exchange no later than five (5) working days prior to their effective date.

In order to verify compliance with the requirement, the value of two-sided quote spread is calculated by the Exchange in a manner that is similar to the procedure set out in the Trading Rules for Market Maker orders.

1. Being excluded from Category P, Trading Members shall be included in Category B.
2. If the Trading Member is excluded from Category P, the re-admission of the Trading Member to this category shall be possible not earlier than after one (1) month from the date of exclusion, unless any other term is provided by the Exchange's decision.

If the Trading Member submits an application for re-inclusion in Category P within the time limit specified herein, the Exchange shall reject the application.

1. The Exchange shall notify Trading Members on the Trading Member’s inclusion in/exclusion from Category P, on denial of inclusion and on leaving the Trading Member’s application for inclusion in Category P unconsidered no later than the next working day from the date of the event.
2. The Exchange may establish special requirements, terms and conditions, as well as a procedure for the granting of admission to trading on the Equities & Bond Market for Categories A and V Trading Members, and other persons, in circumstances referred to in the laws of the Russian Federation.

## Additional Conditions for Granting Admission to Trading on the Equities & Bond Market

1. The Exchange shall admit a Candidate to trading on the Equities & Bond Market after such Candidate meets requirements established in Article 02.01 hereof and the General Section of the Admission Rules. A Candidate may be admitted to trading on the Equities & Bond Market provided that it meets requirements and conditions set forth in the General Section of the Admission Rules, this Part of the Admission Rules, and certain requirements set forth in the Trading Rules and Clearing Rules regarding a relevant mode of the Equities & Bond Market Section and/or Repo Market Section.
2. If a Candidate/Trading Member meets conditions for being admitted to trading on the Equities & Bond Market that are set forth in this article, the Exchange admits it to trading in the Equities & Bond Market Section and Repo Market Section (in all or any particular trading mode), as well all trading sessions (the Main Trading Session and the additional trading sessions, if conducted, as they are determined in the Trading Rules).
3. To be admitted to certain trading modes of the Repo Market Section set out in the Trading Rules or to be able to participate in trading on the Equities & Bond Market only in the course of the Main Trading Session or an additional trading session (should they are conductus) set out in the Trading Rules, a Candidate/Trading Member shall meet additional conditions set forth in Article 02.03 of this Part of the Admission Rules.

## Additional Admission Conditions Applicable to Certain Trading Modes and Trading Sessions. Peculiarities of Submitting Additional Information by Candidates/Trading Members

* + - 1. A Trading Member is to be admitted to the Repo Market Section to trade with the Bank of Russia no later than on the next business day after the Exchange receives the Bank of Russia’s confirmation of the Trading Member’s compliance with admission conditions and requirements set by the Bank of Russia for such trades (except for Category A Trading Members).
      2. A Trading Member is to be admitted to the Repo Market Section to execute trades upon the instruction of the Public Creditor no later than on the next business day after the Exchange receives a confirmation of the Trading Member’s compliance with admission conditions and requirements set out in the Trading Rules for such trades under the procedure stipulated by the Trading Rules (except for Category E Trading Members).
      3. A Candidate/Trading Member shall be admitted to trading on the Equities & Bond Market only in the course of the Main Trading Session without being admitted to trading during all or any of Additional Trading Sessions (if conducted) in the event that this Candidate/Trading Member submits an application to the Exchange on refusal from admission to trading in the course of the relevant Additional Trading Sessions (or a relevant additional trading session) drafted according to the Forms of Documents.
      4. The Trading Member that submitted an application in accordance with Clause 3 above may be again admitted to trading in the course of the relevant Additional Trading Sessions (or a relevant additional trading session) if the Trading Member submits a relevant application to the Exchange drafted according to the Forms of Documents.
      5. If set out in the Trading Rules, Trading Members may specify that where the valid opposite orders are determined whose filling may result in the conduct of trades at the expense of the same party under this party’s code (a cross trade), the order resulting in a cross trade and submitted earlier shall be withdrawn. This information is shared with the Exchange in the following ways:

specifying the data on such party (a Trading Member’s Client) while registering the Client / amending information about the Client by indicating this kind of actions under the format used in the Trading System. The requirements to the format shall be determined under Clause 2 Article 08.01 of the General Section of the Admission Rules;

specifying the data on such party (a Trading Member) in an application drafted according to the Forms of Documents.

* + - 1. If the information/documents specified in Clauses 3-5 above have been submitted to the Exchange, the respective amendments come into force no later than 3 (three) working days since the information/documents were received by the Exchange.

1. **Particularities of Suspension and Termination of Admission to Trading on the Equities & Bond Market**

## Additional Grounds for Admission Suspension on the Equities & Bond Market and Particularities of Such Suspension

* + - 1. The Exchange suspends admission to trading on the Equities & Bond Market for a Trading Member if at least one of the grounds for suspension of admission to trading set forth in the General Section of the Admission Rules, or the following grounds exist:

1. suspension of all Equities & Bond Market professional market participant licences held by the Trading Member (permitting broker and/or dealer and/or securities manager activities), in this event, admission to trading will be suspended across all kinds of professional activity;
2. revocation of all Equities & Bond Market professional market participant licences held by the Trading Member (permitting broker and/or dealer and/or securities manager activities), if the Bank of Russia’s resolution on the licence revocation sets a date for termination of obligations related to the respective professional activity; in this event, admission to trading will be suspended across all kinds of professional activity;
3. suspension of one of the Equities & Bond Market professional market participant licences held by the Trading Member (permitting broker or dealer or securities manager activities), in this event, admission to trading will be suspended in respect of the kind of professional activity matching the suspended licence;
4. revocation of one of the Equities & Bond Market professional market participant licences held by the Trading Member (permitting broker or dealer or securities manager activities), if the Bank of Russia’s resolution on the licence revocation sets a date for termination of obligations related to the respective professional activity; in this event, admission to trading will be suspended in respect of the kind of professional activity matching the revoked licence.
   * + 1. The Exchange suspends admission to trading on the Equities & Bond Market for a Trading Member in respect of specific trading modes in the Equities & Bond Market Section and/or the Repo Market Section, if the following grounds exist:
5. the Exchange has received information from the Clearing House which proves the need (as concluded by the Exchange) to suspend the Trading Member’s admission to trading in certain modes in the Equities & Bond Market Section and/or Repo Market Section;
6. receipt by the Exchange of the Bank of Russia’s notice on suspending conclusion of transactions with the Bank of Russia in certain modes of the Repo Market Section regarding the Trading Member;
7. the Exchange has received information from the Public Creditor and (or) a Category E Trading Member that evidences the necessity to suspend admission to trading for such Trading Member in respective trading modes of the Repo Market Section;
8. the Exchange has received information from the Trading Member, the federal executive body responsible for the federal budget implementation according to the laws of the Russian Federation and authorised to participate in organised trading in securities according to the Russian Federation legislation, that evidences the necessity to suspend admission to trading for such Trading Member in respective trading modes of the Repo Market Section.
   * + 1. The Exchange is entitled to suspend admission of a Trading Member to trading in certain trading modes of the Equities & Bond Market Sectionand/or Repo Market Section if any circumstances implying the need to suspend such admission to trading in accordance with the Admission Rules, Trading Rules, Clearing Rules, and the legislation of the Russian Federation occur.
       2. The Exchange is entitled to suspend admission of a Trading Member to trading in certain instruments of the Equities & Bond Market Sectionand/or Repo Market Section if any circumstances implying the need to suspend such admission to trading in accordance with the Admission Rules, Trading Rules, Clearing Rules, and also the legislation of the Russian Federation occur.

## Additional Grounds for and Peculiarities of Admission Termination on the Equities & Bond Market

* + - 1. In addition to those listed in the General Section of the Admission Rules, the Exchange may terminate admission to trading on the Equities & Bond Market for a Trading Member for one of the following reasons:

1. revocation of all the Trading Member’s licences of the professional participant of the Equities & Bond Market (to act as a broker and/or dealer and/or securities manager) — in this case admission to trading shall be terminated with regard to all its activities;
2. revocation of one of the Trading Member’s licences of the professional participant of the Equities & Bond Market (to act as a broker or dealer or securities manager) — in this case admission to trading shall be terminated with regard to the activity specified in the respective revoked licence;
3. suspension of the Trading Member’s admission to trading with respect to all kinds of its professional activities as per the procedure set out in Sub-Clause b) Clause 1 Article 03.01 of this Part of the Admission Rules, due to revocation of all Trading Member’s professional Equities & Bond Market participant licences (to act as a broker and/or dealer and/or securities manager). In this case admission is terminated with respect to all kinds of activities;
4. suspension of the Trading Member’s admission to trading with respect to a specific kind of its professional activities as per the procedure set out in   
   Sub-Clause d) Clause 1 Article 03.01 of this Part of the Admission Rules due to revocation of one of the Trading Member’s professional Equities & Bond Market participant licences (to act as a broker or dealer or securities manager). In this case admission is terminated with respect to that kind of activities.
   * + 1. The Exchange terminates a Trading Member’s admission to trading on the Equities & Bond Market in certain trading modes of the Equities & Bond Market Section and/or Repo Market Section if one of the following grounds takes place:
5. the Exchange has received information from the Clearing Organisation in accordance with the Clearing Rules that indicates the necessity (according to the Exchange’s resolution) to terminate the admission to trading in certain trading modes of the Equities & Bond Market Section and/or the Repo Market Section for the Trading Member;
6. receipt by the Exchange of the Bank of Russia’s notice on terminating conclusion of transactions with the Bank of Russia in certain modes of the Repo Market Section regarding the Trading Member;
7. the Exchange has received information from the Public Creditor and (or) a Category E Trading Member that evidences the necessity to terminate admission to trading for such Trading Member in respective trading modes of the Repo Market Section;
8. the Exchange has received information from the Trading Member, the federal executive body responsible for the federal budget implementation according to the laws of the Russian Federation and authorised to participate in organised trading in securities according to the Russian Federation legislation, that evidences the necessity to terminate admission to trading for such Trading Member in respective trading modes of the Repo Market Section.
   * + 1. The Exchange is entitled to terminate the admission of a Trading Member to trading in certain modes of the Equities & Bond Market Section and/or the Repo Market Section if any circumstances implying the need to terminate such admission to trading in accordance with the Admission Rules, Trading Rules and Clearing Rules, and also the legislation of the Russian Federation occur.
       2. The Exchange is entitled to terminate the admission of a Trading Member to trading in certain instruments of the Equities & Bond Market Section and/or the Repo Market Section if any circumstances implying the need to terminate such admission to trading in accordance with the Admission Rules, Trading Rules and Clearing Rules, and also the legislation of the Russian Federation occur.
9. **PECULIARITIES of SUBSCRIPTION Fee payment**

## Admission Fee

* + - 1. The Equities & Bond Market Admission Fee is to be paid once by Trading Members of Category B, E and Category P and it shall not be refunded.

## Subscription Fee

1. Category B and Category E Trading Members shall pay the subscription fee.
2. A Trading Member shall acquire the obligation to pay the subscription fee effective the end of another calendar quarter for subscription service for the Trading Member in the given quarter. The Exchange can specify special aspects of charging subscription fee for the reporting quarter in which such Trading Member has been admitted to trading on the Equities & Bond Market.
3. The subscription fee shall be paid by a Trading Member without regard to the announcement (placement in the Trading System) of orders intended to execute transactions and/or execution and/or settlement of transactions based on the placed orders, unless otherwise provided for in this Part of the Admission Rules.
4. The subscription fee shall be paid by a Trading Member for a regular calendar quarter once and fully, whatever the number of IDs assigned to the Trading Member is.
5. The subscription fee shall be collected from a Trading Member at the end of each reporting quarter as follows:

* the subscription fee is charged according to the procedure given in the Clearing Rules;
* the subscription fee is charged if a Trading Member used the services during a full reporting quarter, unless otherwise is decided by the Exchange. In the event of admission to trading on the Equities & Bond Market termination prior to the end of the reporting quarter the subscription fee is not charged.