**APPROVED**

by the Executive Board

Public Joint-Stock Company

Moscow Exchange MICEX-RTS

(Minutes No. 77 as of 29 December 2017)

**FUTURES-STYLE MOEX RUSSIA INDEX (MINI) OPTIONS CONTRACT SPECIFICATIONS**

This Specification (hereinafter, “Specification”) establishes the standard terms and conditions for the Futures-Style MOEX Russia Index (Mini) Options Contract (hereinafter, “Contract”, “Options Contract”).

The Specification, together with the Clearing Rules of the Derivatives Market (hereinafter, “Clearing Rules”) and Trading Rules of the Derivatives Market (hereinafter, “Trading Rules”) define the obligations under the Contract, as well as the procedures for their creation, effects, and extinction.

The Contract’s underlying asset is the cash-settled MOEX Russia Index (mini) Futures Contract (hereinafter, “Futures Contract”)[[1]](#footnote-1).

The contract is futures style margined, i.e. a variation margin obligation determined as set out in clause 2.1 below is in place.

Terms not explicitly defined in this Specification will have the same definitions as in the Trading Rules, the Clearing Rules, and the laws of the Russian Federation.

1. **Entering into the Contract**
	1. Entering into the Contract in the course of trading is sanctioned by the Moscow Exchange (hereinafter, “Exchange”), and with the following parameters set:
* Futures Contract Code (hereinafter, “FCC”)
* Contract type
* Contract category
* Strike price range (minimum and maximum strike price)
* Price tick
* Date of the first trading day when the Contract may be entered into (hereinafter, “first trading day”)
* The start time for the Contract to be entered into (i.e. the start of trading in the Contract)
	1. The code (designation) of the Contract consists of the following:

<FCC>M<last trading day of the Contract><Contract type><Contract category>< >\*<Strike>

* “M” symbol shall mean that it is a futures-style option,
* The last trading day of the Contract is indicated in Arabic numerals in the DDMMYY format,
* Contract type is either the “C” (Call Option) or “P” (Put Option),
* Contract category is either the “A” (American Option) or “E” (European Option),
* \*< > is not specified for Contracts with the first trading day occurring after 6 November 2016.
	1. The number of Futures Contracts used as the underlying asset of the Contract (hereinafter, “Lot”) is 1 (one) Futures Contract.
	2. The Contract price (Premium).
		1. Upon entering into the Contract in the course of trading, the Contract price (Premium) will be denominated in points per one Lot.
		2. The Contract’s minimum price interval (hereinafter, “tick”) during the course of trading is 0.05 (five one-hundredths) points.
		3. The tick value is RUB 0.5 (five tenths).
	3. The Contract period commences from the start of trading in the Contract and continues until the beginning of the evening clearing session of the Contract last trading day.
	4. The Contract last trading day is the third Thursday of the Contract expiry month (hereinafter, “last trading day”). The last trading days are specified in the List of Options’ Last Trading Days (hereinafter, “Expiration Calendar”).

If this is a non-trading day, the last trading day is the last trading day preceding it as indicated in the Expiration Calendar.

The Expiration Calendar is adopted by the Exchange, upon agreement with the NCC, and published on the Exchange’s website as produced for the current calendar year.

The Exchange is entitled to change the Expiration Calendar upon agreement with the NCC.

1. **Obligations under the Contract**
	1. Variation Margin obligation.
		1. The Parties to the Contract are to pay to each other cash (Variation Margin) in the amount that depends on the changes of the underlying asset’s price.
		2. The Variation Margin is calculated and paid in the period from the Contract’s first trading day to the last trading day of the Contract.
		3. The Variation Margin shall be calculated using the following formulas:

**VМo = (SPt – Po) \* W / R,**

**VМt = (SPt – SPp ) \* W / R,**

 where:

VМo - the Variation Margin for a Contract, for which Variation Margin has not been calculated yet;

VMt – the Variation Margin for a Contract, for which Variation Margin has been calculated before;

Po – the Contract Price (Premium) as of the trade execution;

SPt – the current (final) Settlement Price of the Contract;

SPp – the previous Settlement Price of the Contract;

W – the value of the tick;

R – the tick.

* + 1. The Exchange shall calculate the Contract’s Settlement price within the timeframe and in accordance with the procedure provided for in the Trading Rules and Specifications.
		2. For the purpose of Variation Margin calculation the Contract’s Current (last) Settlement price shall be equal to 0 (zero) in the following cases:
* The Contract was exercised in the current clearing session;
	+ - In the evening clearing session of the Contract last trading day.
		1. The Variation Margin for the Contract calculated according to the formula described in Clause 2.1.3 herein shall be rounded to kopecks as per the rules of mathematical rounding.
		2. The obligation to pay Variation Margin is to be fulfilled in accordance with the procedure and within the timeframe set forth in the Clearing Rules. In this case,
* If the Variation Margin value is positive, the Option Writer is liable to pay the Variation Margin;
* If the Variation Margin is negative, the Option Holder is subject to pay the amount equal to the absolute value of the calculated Variation Margin.
	1. Obligations to conclude the Futures Contract (delivery obligations).
		1. The Option Writer shall on demand of the Option Holder enter into the Futures Contract meeting the following requirements:
* the code of the Clearing Member and the code(s) of the client(s) of the Clearing Member that are indicated when entering into the Futures Contract coincide with those that were specified when the Contract was made;
* the Option Writer becomes the Seller of the Futures Contract, whereas the Option Holder becomes the Buyer of the Futures Contract, if it is a Call Option. If it is a Put Option, the Option Writer becomes the Buyer of the Futures Contract, whereas the Option Holder becomes the Seller of the Futures Contract;
* the price at which the Futures Contract is entered into shall be equal to the Contract’s Settlement Price.
	+ 1. The Option Holder can demand the Option Writer to exercise the Contract by submitting a relevant notice to the NCC in accordance with procedures and within the timeframes set forth in the Clearing Rules.
		2. During the evening clearing session the Option Holder is deemed to have submitted the above-mentioned demand provided that
			1. The Contract is an in-the-money option, i.e. it is either:
* a Call Option with the Exercise Price being lower that the Settlement Price of the underlying Futures Contract set by results of the evening Settlement Period of the last trading day of the Contract, or
* a Put Option with the Exercise Price being higher than the Settlement Price of the underlying Futures Contract set by results of the evening Settlement Period of the last trading day of the Contract.
	+ - 1. The Contract is at-the-money option, in particular, a Call Option or a Put Option with the Exercise Price being equal to the Settlement Price of the underlying Futures Contract established following the evening Settlement Period on the last trading day of the Contract. The Contract shall be settled to the extent of 50% (fifty per cent) of the near-the-money option open positions registered on the Option Holder’s position register sections with:
* Rounding up to the nearest whole number for the Call Option;
* Rounding down to the nearest whole number for the Put Option;
	+ 1. The Futures Contract is executed pursuant to the Clearing Rules and Trading Rules.
		2. The Option Holder is eligible to refuse to exercise the Contract on the Contract last trading by submitting the relevant notice to the NCC.
1. **Grounds and procedures for the Contract termination**
	1. The obligations under the Contract are discharged by due performance thereof.
	2. The obligations of either party to the Contract are discharged in full when the party takes opposing obligations under the Contract with the same code (designation), i.e. the Seller takes the Buyer’s obligations and vice versa, in accordance with the procedure and within the time frame set forth in the Clearing Rules.
	3. The obligations under the Contract may be discharged on other grounds provided for in the Clearing Rules and in accordance with the procedure set forth in these rules.
2. **Default liability**
	1. Either party shall be responsible for failure to perform its obligations under the Contract or improper performance thereof, in accordance with laws of the Russian Federation, the Clearing Rules, and the Trading Rules, and the Admission Rules.
3. **Special Provisions**
	1. The Exchange is entitled, as agreed with the NCC, to change the last trading day for a Contract with a specific code if during the period of such Contract:
		1. Decision to change the last trading day and/or settlement day for the Futures Contract is made by the Exchange in accordance with the Contract’s specification;
		2. Decision to change the Expiration Calendar is made by the Exchange;
		3. The Contract’s last trading day is announced to be a non-business day by a Russian Government body.

 In this case, the Contract code remains unchanged.

* 1. Trading members shall be notified of the decision(s) of the Exchange made in accordance with Clauses 5.1 hereof by publishing them on the Exchange’s website no less than 3 (three) trading days before they come into force. If the grounds for taking such resolutions provided for in the Clause 5.1 hereof appear less than 3 (three) trading days before the Contract’s last trading day, trading members shall be notified of this resolution(s) by way of the resolution being published on the Exchange’s website no later than the date of this resolution(s) coming into force.
	2. As soon as the decision(s) made by the Exchange in accordance with clause 5.1 above come(s) into effect, the terms of the obligations under the Contracts that were made previously shall be deemed to have been changed to include the above-mentioned decision(s).
1. **Amendments and Supplements to the Specification**
	1. The Exchange is entitled to introduce amendments and supplements hereto as agreed with the NCC.
	2. The amendments and supplements hereto shall come into effect at the moment the Exchange enforces the Specification containing such amendments and supplements upon registration thereof in accordance with the procedure established by the Bank of Russia.
	3. The Exchange shall notify Trading Members of Specification containing any amendments and supplements to take effect by publishing the information on the Exchange’s website at least three (3) trading days prior to the day when the given Specification come into effect.
	4. When amendments and supplements come into effect, obligations under previously concluded Contracts shall be deemed to have been altered to include such amendments and supplements unless otherwise decided by the Exchange.
1. The MOEX Russia Index was called the MICEX Index prior to 27 November 2017. From 27 November 2017 to 31 December 2018, the names MICEX Index and MOEX Russia Index were both admissible. [↑](#footnote-ref-1)