

Specifications for FX and precious metals spot, fix and swap deals

These specifications define standard terms for executing FX and precious metals spot, fix, weighted-average and swap deals on Moscow Exchange's FX and Precious Metals Markets.

The specifications, along with the National Clearing Centre's clearing rules and the trading rules for Moscow Exchange's FX and Precious Metals Markets, define the procedure for the emergence, alteration, fulfilment, and termination of obligations under spot, fix, weighted-average and swap deals, as well as other provisions set out in these specifications.

The terms and definitions used herein are to be construed in accordance with Russian law and the trading and clearing rules.

For specification purposes, the buyer means the party to the swap deal that is obliged to pay for the currency in the second part of the deal, and the seller means the party obliged to transfer the currency in the second part of the deal.

1. General provisions

1.1. The spot deal code is formed thus:

XXXYYY_ZZZ, where

XXX – lot currency code,

YYY – quote currency code,

ZZZ – code specifying the settlement date.

1.2. The fix deal code is formed thus:

XXXYYYFIX0 for fix deals, where

XXX – lot currency code,

YYY – quote currency code,

FIX0 – code specifying the fix deal executed on the date in which the fix rate is determined.

1.3. The weighted-average deal code is formed as follows:

XXXYYYWAP0 for weighted-average deals, where

XXX – lot currency code,

YYY – quote currency code,

WAP0 – code specifying the weighted-average executed on the date in which the weighted-average rate is determined.

XXXYYYWAPV for weighted-average deals, where

XXX – lot currency code,

YYY – quote currency code,

WAPV – code specifying the weighted-average executed on the date in which the weighted-average rate with premium/discount is determined.

1.4. The swap deal code is formed as follows:

XXX_TTTZZZ, where

XXX – lot currency code,

TTT – code specifying the settlement date of the first part of the deal,

ZZZ – code specifying the settlement date of the second part of the deal.

The swap deal code may also be formed as follows:

XXXYYYTTZZ, where

XXX – lot currency code,

YYY – quote currency code,

TT – code specifying the settlement date of the first part of the deal,

ZZ – code specifying the settlement date of the second part of the deal.

1.5. Execution of spot, fix and swap deals begins on the date when the specifications enter into force, unless stated otherwise by the exchange.

Execution of spot, fix and swap deals ceases on the specifications' termination date unless otherwise stated by the exchange.

1.6. The exchange sets the list of parameters for spot and swap deals:

For spot deals:

- Spot deal code;
- Lot currency code;
- Lot currency name;
- Quote currency name;
- Lot;
- Price tick;
- Settlement date.

For fix deals:

- Fix deal code;
- Lot currency code;
- Lot currency name;
- Quote currency name;
- Lot;
- Price tick;

Number of trading days between the fix deal date and the date in which the rate of the deal is determined.

For swap deals:

- Swap deal code;

- Lot currency code;
- Lot currency name;
- Quote currency name;
- Lot;
- Price tick;
- Accuracy of the base rate;
- Accuracy of the final rate;
- Settlement dates for the first and second parts of the deal.

2. Obligations under spot and swap deals; termination procedure

2.1. Obligations under a spot deal. On the settlement day determined in accordance with the parameters, the seller must transfer FX/precious metal to the buyer in an amount divisible by the lot size, and the buyer must pay an amount in the quote currency equalling the product of the relevant FX volume /precious metal and the deal's spot rate, as set forth in the clearing rules, to the seller.

2.2. Obligations under a fix deal. On the settlement day determined in accordance with the parameters, the seller must transfer FX to the buyer in an amount divisible by the lot size, and the buyer must pay an amount in the quote currency equalling the product of the relevant FX volume /precious metal and the fix rate, as set forth in the clearing rules, to the seller.

2.3. Obligations under a weighted-average deal. On the settlement day determined in accordance with the parameters, the seller must transfer FX to the buyer in an amount divisible by the lot size, and the buyer must pay an amount in the quote currency equalling the product of the relevant FX volume /precious metal and the weighted-average rate calculated in accordance with the List of parameters of spot, fix, weighted average trade and swap deals, as set forth in the clearing rules, to the seller.

2.4. Obligations under a swap deal.

2.4.1. Obligations under the first part of the deal. On the settlement day, determined by the List of parameters, of the first part of the deal, the buyer should transfer FX/precious metals to the seller in an amount divisible by the lot, and the seller must accept the FX/precious metal and pay the amount, in the quote currency, equalling the product of the relevant FX/precious metal volume and the deal's base rate, as set forth in the clearing Rules, to the buyer.

The swap deal's base rate is the central rate for the relevant FX/precious metal which is determined on the swap deal date.

The base rate for off-book swap deals is agreed by the brokers who are the end counterparties.

2.4.2. Obligations under the second part of the deal. On the settlement day, determined by the list of parameters, of the second part of the deal, the seller should transfer FX/precious metals to the buyer in the amount equalling the size of the first part, and the buyer must accept the FX/precious metal and pay the amount, in the quote currency, equalling the product of the relevant FX/precious metal volume and the deal's final rate, as set forth in the Clearing Rules, to the seller.

2.5. The termination of obligations under spot, fix and swap deals is governed by the Clearing Rules.

2.6. The parties are responsible for failure to fulfil obligations under spot, fix and swap deals and for improper fulfilment of such obligations in accordance with Russian law and the clearing rules.

3. Special provisions

3.1. If execution of spot, fix or swap deals is suspended/cancelled, including due to restrictions imposed on the lot currency, the exchange and/or clearing centre is entitled take one or more of the following actions if agreed with the other:

3.1.1. To change the settlement date of a spot, fix or swap deal;

3.1.2. To discharge obligations of a spot, fix or swap deal;

3.1.3. Other actions specified in the trading and/or clearing rules.

3.2. Any decision regarding action made by the exchange and/or clearing centre as per clause 3.1 hereof is to be posted on the exchange's and/or clearing centre's website at least three business days before coming into force unless a different date has been established by the exchange and/or the clearing centre.

4. Amendments and supplements

4.1. The exchange is entitled to amend and supplement these specifications with the agreement of the clearing centre.

4.2. Any amendments and supplements to the specifications come into force when the specifications with such amendments and supplements take effect.

4.3. Information on amended and supplemented specifications coming into force is to be posted on the exchange's website at least three business days before they come into force.

4.4. When amendments and supplements to the specifications come into force, the terms of existing obligations under previously executed spot, fix and swap trades are considered to include such amendments and supplements.