

## **APPROVED**

By the Order of

Moscow Exchange

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### **Specifications for deliverable FX and precious metals swap contracts**

These specifications (the "Specifications") define terms for executing deliverable FX and precious metals swap contracts (the "swap contracts") on Moscow Exchange's FX and Precious Metals Markets.

The specifications, along with the National Clearing Centre clearing rules establishing how trades executed on the FX and Precious Metals Markets are cleared (the "Clearing Rules") and the trading rules for Moscow Exchange's FX and Precious Metals Markets (the "Trading Rules"), define the procedure for the emergence, alteration, fulfilment, and termination of obligations under swap contracts, as well as other provisions thereof pursuant to the Bank of Russia's regulatory acts.

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 contract that is obliged to pay for the contract underlying asset in the second part of the contract, and the seller means the party obliged to transfer the contract underlying asset in the second part of the contract.

#### **1. General provisions**

1.1. These Specifications are designed for deliverable futures contracts that are derivative financial instruments.

1.2. The swap contract code is formed as follows:

The swap contract with a regular settlement date (the "regular swap contract"):

XXX\_TOMNZ, where

XXX – underlying asset code,

TOM is the code specifying the settlement date of the first part of the regular swap contract that comes on the first operating day following the regular contract date,

NZ is the code specifying the settlement date of the second part of the regular swap contract where N is the number of weeks, months or years, Z is the code specifying weeks, that is W for weeks, M for months and Y for years.

The settlement date of the second part of a regular swap contract is defined as follows:

- NW specifies the date coming (N) weeks (W) after the settlement date of the first date of the swap contract;
- NM specifies the date with the day coinciding with the day of the settlement date of the first date of the swap contract in the calendar month coming (N) months (M) after the settlement month of the first date of the swap contract;
- NY specifies the date with the day coinciding with the day of the settlement date of the first date of the swap contract in the calendar month coming 12 months multiplied by a relevant number (N) of years (Y) after the settlement month of the first date of the swap contract.

1.3. The underlying asset of swap contracts is foreign currency or a precious metal.

1.4. The Exchange sets the List of Parameters for Deliverable Swap Contracts on Foreign Currency and Precious Metals with a regular settlement date. Such list includes the following parameters:

- Swap contract code;
- Underlying asset code;
- Underlying asset name;
- Swap contract lot;
- Price tick;
- Rate accuracy;
- Code specifying the settlement date for the second part of the contract.

1.5. The first trading day on which a regular swap contract is available for execution is the effective date of the Specifications unless otherwise set out by the Exchange.

The last trading day on which a regular swap contract is available for execution is the last business day the date of which immediately precedes the expiry date of the Specifications unless otherwise set out by the Exchange.

## **2. Obligations under futures contracts; termination procedure**

2.1. Parties of a futures contract must pay funds in RUB (a variation margin) to each other from time to time subject to the underlying asset price change. Variation margin is calculated and paid from the operating day following the contract date to the contract settlement day stated in the order, inclusive thereof. The variation margin calculation and payment is governed by the Clearing Rules.

2.2. **Obligations under the first part of a swap contract.** On the settlement day following the swap contract date, the buyer must transfer the underlying FX/precious metals to the seller in an amount of the contract lot, and the seller must accept the underlying asset and pay the amount in RUB, equalling the product of the contract lot and the contract's base rate, as set forth in the Clearing Rules, to the buyer.

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

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

- 2.3. **Obligations under the second part of a swap contract.** On the settlement day of the second part of the contract, the seller should transfer the underlying FX/precious metals to the buyer in the amount of the contract lot, and the buyer must accept the underlying asset and pay the amount in RUB as determined by the Clearing Rules, to the seller.

If the settlement date of the second part of a regular swap contract that is determined as per the rule NW falls on a non-operating day with regard to a relevant regular swap contract underlying asset, the settlement date of the second part of the contract is the next operating day for this underlying asset.

If the settlement date of the second part of a regular swap contract that is determined as per the rule NM falls on a day that is absent in a given calendar month, the settlement date of the second part of the contract is the last operating day for the relevant underlying asset.

If the settlement date of the second part of a regular swap contract that is determined as per the rule NM or NY falls on a non-operating day with regard to a relevant swap contract underlying asset, the settlement date of the second part is the next operating day for this underlying asset in the same calendar month; if such day comes in the next calendar month, the settlement date of the second part is the last operating day for a relevant underlying asset of the calendar month determined as per the rule NM or NY.

- 2.4. The termination of obligations under swap contracts is governed by the Clearing Rules.
- 2.5. The parties are responsible for failure to fulfil obligations under swap contracts and for improper fulfilment of such obligations in accordance with Russian law and the clearing rules.

### **3. Special provisions**

- 3.1. If execution of swap contracts is suspended/cancelled, including due to restrictions imposed on the contract underlying asset, 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 swap contract;
  - 3.1.2. To discharge obligations of a swap contract;
  - 3.1.3. To change the procedure for calculating and transferring variation margin;
  - 3.1.4. 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 swap contracts are considered to include such amendments and supplements.