**APPROVED**

by Public Joint Stock Company Moscow Exchange MICEX-RTS

(Order No. МБ-П-2023-2666 of 26.09.2023)

**Specification of premium options on foreign currency exchange rates to the Russian rouble**

This Specification for Premium Options on Foreign Currency Exchange Rates to the Russian Rouble (the "Specification") defines the standard terms and conditions of European-style premium cash-settled options with foreign currency exchange rates to the Russian Rouble as the underlying asset.

The Specification with the Clearing Rules for the Moscow Exchange Derivatives Market (the "Clearing Rules"), Trading Rules for the Moscow Exchange Derivatives Market (the "Trading Rules") shall define the obligations under the premium options on foreign currency exchange rates to the Russian roubles (the "Contract", "Contracts") as well as the procedure for such obligations to arise, be changed or terminated.

Moscow Exchange (the "Exchange") approves the List of Parameters for premium Options on Foreign Currency Exchange Rates to the Russian Rouble as set out in Appendix this Specification (the "List of Parameters"), which contains:

* name of the Contract;
* underlying asset of the Contract;
* code of the underlying asset;
* minimum price movement for the Contract in the course of trading on MOEX (the "tick");
* the tick value;
* coefficient indicating the quantity of the underlying asset in the Contract Price and Strike Price (Lot\_Coeff);
* number of foreign currency units being the underlying asset of one contract (the "Lot").

The underlying assets of the Contracts the terms of which are determined in this Specification and in the List of Parameters shall be foreign currency exchange rates to the Russian Rouble (the "Exchange Rates").

Terms and definitions not expressly defined in the Specification shall be understood in accordance with the laws of the Russian Federation, the Trading Rules and the Clearing Rules.

1. **Entering into the Contract**
	1. The opportunity to conclude the Contract in the process of trading shall be granted by the Moscow Exchange resolution that shall specify:
		* Contract code
		* first trading day during which the Contract may trade (hereinafter the First Trading Day);
		* the time from which the Contract may be executed (hereinafter the “Start of Trading in the Contract”).
	2. The Contract code (designation) is formed as follows:

<Code of the Contract>P<last trading day for the Contract><type of the Contract>E<exercise price>

* + - character "P" means that the Contract is with a Premium;
		- the last trading day for the Contract shall be indicated in Arabic numerals in the format DDMMYYY (e.g., 150923 - 21 September 2023);
		- type of the Contract - the Contract to buy (Call) - "C" or the Contract to sell (Put) - "P";
		- character "E" means that the Contract is a European option.
	1. When entering the order and executing the Contract, the Contract price (premium) is stated in RUB.
	2. The Contract term shall be from the start of Trading in the Contract until the start of the evening clearing session of the last trading day (exercise day) for the Contract.
	3. The date of the last Trading Day during which the Contract can be executed (hereinafter referred to as the last trading day for the Contract) is determined in accordance with the List of dates which are the last trading days for options, as one Thursday of the month and year of expiration of the Contract.

If that Thursday is not a Trading Day, the date of the last trading day for the Contract specified in the Contract code shall be determined in accordance with the List of Dates which are the last trading days for options as the date of the last Trading Day preceding the relevant Thursday of the month and year of expiration of the Contract.

The list of dates being the last trading days for options is approved by the Exchange upon agreement with the Clearing Centre and is published on the Exchange website.

The Exchange is entitled, upon agreement with the Clearing Centre, to amend the List of Dates, which are the last trading days for options.

The settlement day for the Contract is its Last Trading Day, except to the extent mentioned in sections 5.1 and 5.2 below.

1. **Obligations under the Contract**
	1. Obligation to pay the premium.
		1. The Option Holder/Buyer is obliged to pay the Writer/Seller cash (the premium), the amount of which is determined during trading hours based on orders entered by trading members.
		2. The obligation of the Buyer to pay the premium arises in the clearing session immediately following the trade execution.
		3. The premium shall be paid in RUB and shall be calculated in respect of each Contract as follows:

**Premium = Round(Contract price (premium) \* Round(W/R; 5); 2)**

where:

**Round()** is a mathematical rounding function with a specified accuracy;

**Contract Price (premium)** – the price of the trade executed in the completed trading session;

**W** - the tick value;

**R** - the tick.

* 1. Settlement obligation
		1. The obligation to pay cash in an amount equal to the intrinsic value of the option determined during the evening clearing session of the day of exercise of the Contract shall be the Settlement Obligation and shall be calculated in RUB.
		2. For the purpose of determining the Settlement Obligation, the intrinsic value of the option on the day of exercise shall be determined as follows:
* MAX(Exchange Rate\* Lot\_Coeff – Strike Price; 0) for Call options
* MAX(Strike Price – Exchange Rate\* Lot\_Coeff; 0) for put options,

where the Exchange Rate of the currency being the underlying asset of the Contract is equal to the fixing determined on the Contract exercise day in accordance with the Moscow Exchange Fixing Methodology (the "Methodology") approved by the Exchange and published on the Exchange's website (the "fixing");

If on the Contract exercise day, the currency being the underlying asset of the Contract was not traded on the Exchange or was suspended from trading during the fixing period specified in the Methodology, the fixing value shall be set equal to the value of the relevant currency exchange rate set by the Central Bank of the Russian Federation on the Contract exercise day.

Lot\_Coeff is the coefficient indicating the quantity of the underlying asset in the Contract Price and the Strike Price which is determined in the List of Parameters.

* + 1. The amount of cash equal to the intrinsic value of the option shall be paid in RUB, and shall be calculated for each Contract as follows:

**Option Intrinsic Value = Round (Option Intrinsic Value \* Round(W/R; 5); 2)**

 where:

**Round()** – is a mathematical rounding function with a specified accuracy;

**Option Intrinsic Value** – a value determined in accordance with the procedure laid down in point 2.2.2 of this Specification;

**W**– the tick value in RUB;

**R** - the tick of the Contract.

* + 1. Claims and obligations to exercise the Contract arise automatically in the end-of-day clearing session of the day of exercise for "in-the-money" Options, i.e. for contracts whose Intrinsic Value is positive.
		2. Claims and obligations to exercise the Contract shall not arise for options which do not meet the conditions for 'in-the-money' options referred to in Clause 2.2.4 of this Specification.
		3. The Buyer/Holder shall not be entitled to waive the automatic exercise of the 'in-the-money' option on the day of exercise of the Contract.
1. **Grounds and procedure for termination of obligations under the Contract**
	1. Obligations under the Contract are terminated in full upon due performance thereof.
	2. A party’s obligations under the Contract will be terminated prior to the final settlement by entering into an offsetting Contract with the same Contract code (designation), subject to the procedures and time frames set forth in the Clearing Rules.
	3. Obligations under the Contract may be terminated on other grounds provided for in the Clearing Rules, in accordance with the procedures set forth thereof.
2. **Liability of the parties for failure to perform the obligations under the Contract**
	1. The parties shall be liable for non-performance or improper performance of obligations under the Contract in accordance with the legislation of the Russian Federation, the Trading Rules and the Clearing Rules.
3. **Special provisions**
	1. In case of suspension/termination of Contract trading on the Exchange, suspension of trading on the Moscow Exchange FX Market and/or suspension/termination of fixing calculation, the Exchange shall be entitled, upon agreement with the Clearing Centre, to take one or more of the following decisions:
		1. change the last trading date for the Contract;
		2. change the settlement date for the Contract;
		3. change the Strike Price of the option;
		4. undertake other actions provided for in the Trading Rules.
	2. The Exchange, upon agreement with the NCC, may alter the last trading date and/or the final settlement date for the Contract with a specific code, if the last trading date is declared a public holiday by order of the competent authority of the Russian Federation.
	3. Any changes adopted by the Exchange pursuant to Sections 5.1-5.2 above will be published on the Exchange website at least 3 (three) trading days prior to their taking effect, which serves as notice to the Trading Members. In case the grounds for decisions provided by clauses 5.1-5.2 above occur less than 3 (three) Trading Days prior to the last trading day for the Contract, the information on such decision(s) taken by the Exchange shall be notified to the Trading Members by its publication on the Exchange website not later than on the effective date of the respective decisions.
	4. As soon as the decision(s) made by the Exchange in accordance with clauses 5.1-5.2 of the Specification come into force, the terms of existing obligations under previously concluded Contracts shall be deemed to have been modified to take account of the said decision(s).
	5. If the Exchange Rate of the currency being the underlying asset of the Contract ceases to meet the requirements set by the legislation for the underlying asset of contracts which are derivative financial instruments, the terms and conditions of the obligations under the previously concluded Contracts shall not be changed.
4. **Amendments and Supplements to the Specification**
	1. The Exchange is entitled to introduce amendments and supplements hereto as agreed with the Clearing Center.
	2. The Exchange shall notify Trading Members of Specification containing any amendments and supplements to take effect by publishing the corresponding information on the Exchange website at least three (3) business days prior to the day when the given Specification come into effect.
	3. Unless otherwise decided by the Exchange, as soon as any amendments and supplements to the Specification come into force, the terms of existing Contracts previously entered into are deemed to have been amended or supplemented accordingly.

**LIST OF PARAMETERS FOR PREMIUM OPTIONS ON**

**EXCHANGE RATES OF CURRENCIES TO THE RUSSIAN ROUBLE**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Contract name   | Code of the underlying asset | Underling asset | Lot\_Coeff | Lot | Tick | Tick value | Exercise price | Exercise time |
| 1 | USD/RUB option | Si | USD to RUB exchange rate | 1 | USD 100 | RUB 0.001 | RUB 0,1 | USDFIXME Fixing | Day clearing session  |
| 2 | CNY/RUB option | Eu | EUR to RUB exchange rate | 1 | EUR 100 | RUB 0.001 | RUB 0,1 | EURFIXME Fixing | Day clearing session  |
| 3 | EUR/RUB option | CNY | CNY to RUB exchange rate | 1 | CNY 100 | RUB 0.001 | RUB 0,1 | CNYFIXME Fixing | Day clearing session  |