**APPROVED**

by Public Joint Stock Company   
Moscow Exchange MICEX-RTS

(Order No. МБ-П-2023-2499 dated 12 September 2023)

**SPECIFICATION**

**FUTURES CONTRACT on sugar**

This Specification sets out the standard terms and conditions of a cash-settled sugar futures contract (the "Specification").

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 sugar futures contract (hereinafter the “Contract”) as well as the procedure for such obligations to arise, be changed or terminated.

The underlying assets of Contract shall be sugar (the “Commodity”).

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 availability of the Contract for Trading shall be sanctioned by Moscow Exchange (the "Exchange") through a resolution which shall specify:

* contract code (designation);
* 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);
* the last Trading day for the Contract (the “Last Trading Day”).
  1. The Contract code (designation) is formed as follows:

SUGAR-<settlement month>.<settlement year>.

The settlement month and settlement year specified in the Contract's code (designation) (hereinafter, “Contract’s settlement month” and “Contract’s settlement year”, respectively) is stated in Arabic numerals and is used in determining the termination of the last trade date and the final settlement date of the Contract.

* 1. Contract price
     1. When orders are submitted and contracts are made the Contract price shall be quoted in RUB per ton of the Commodity, inclusive of VAT.
     2. The minimum price fluctuation for the Contract (the “tick”) is ten Russian Roubles.
     3. The tick value is RUB 1.

1.4. The Contract lot is 100 kg.

1.5. The last trading day for the Contract shall be the 15th day of the month and year of Contract settlement, or if the 15th day is not a trading day, the preceding trading day.

The Exchange shall be entitled, upon agreement with the Clearing Centre, to set another date for the Last Trading Day for the Contract, different from the date determined in accordance with this clause.

1.6. The settlement day for the Contract is its last trading day, except to the extent mentioned in sections 5.1 and 5.2 below.

1.7. The list of dates, which are the last trading and settlement days for the Contracts, shall be published on the Exchange website.

1. Obligations under the Contract
   1. Variation Margin obligation.
      1. The Parties to the Contract must pay each other variation margin in the form of cash, in the amount depending on the changes in the value of the underlying asset.
      2. Variation margin will be calculated and must be paid during the life of the Contract.
      3. Variation margin is calculated according to the following formulas:

**VMо = (SPc – Pо) \* W / R,**

**VMт = (SPc– SPp) \* W / R,**

where:

VMо – variation margin for the Contract for which no variation margin has previously been calculated;

VMc – variation margin for the Contract for which variation margin has previously been calculated;

P0 – execution price of the Contract,

SPc – current (last) settlement price of the Contract,

SPp – previous settlement price of the Contract,

W - the tick value;

R - the minimum price fluctuation (tick).

* + 1. The obligation to pay the variation margin calculated as per the formula indicated in section 2.1.3 above, is performed in accordance with the procedure and within the time limits set forth in the Clearing Rules, and:
* if the variation margin is positive, the obligation to pay the variation margin arises for the Seller;
* if the variation margin is negative, the Buyer is obliged to pay the absolute value of the variation margin.
  + 1. The settlement price of the Contract is set by the Exchange under the procedure and within the time frames set out in the Trading Rules and Specification.
  1. Expiration Settlement Obligation
     1. The obligation to pay the variation margin as determined during the evening clearing session on the settlement date for the Contract, is the Expiration Settlement Obligation.
     2. To determine the Expiration Settlement Obligation on the settlement day, the current Contract Settlement Price (Final Settlement Price of the Contract) shall be deemed equal to the arithmetic mean of the Sugar Index for the Central Federal District[[1]](#footnote-1) calculated by NAMEX in accordance with the NAMEX Methodology[[2]](#footnote-2) for the Daily OTC Central Federal District Sugar Index for the five (5) calendar days preceding the settlement day for the Contract inclusive on which the Central Federal District Sugar Index was calculated, rounded to the nearest one rouble. The value of the Central Federal District Sugar Index for each day it was calculated during the calendar month is published on NAMEX's website**[[3]](#footnote-3)**.

The Exchange may decide to change the procedure for determination of the Contract settlement price specified in this clause 2.2.2, having notified the Trading Members thereof by placing the relevant notification on the Exchange's website not less than 30 calendar days prior to the expected effective date of the relevant changes.

* + 1. The Settlement Price of the Contract is adjusted to account for the futures contract Settlement Price fluctuation limit, if established by the Exchange upon agreement with the Clearing Center under the Settlement Price Methodology for Derivative Contracts constituting the appendix to the Trading Rules.

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 shall be terminated in full as a result of that party incurring off-setting obligations under the Contract with the same code (designation), i.e. the Seller incurring obligations of the Buyer or the Buyer incurring obligations of the Seller, in the manner and within the time limits stipulated 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, the Admission Rules and the Clearing Rules.
3. Special provisions
   1. In the event of circumstances that lead to a significant change in the terms of performance of the Contract stipulated in the Specification, including suspension/termination of calculation and/or publication of the value of the Central Federal District Sugar Index, change by NAMEX of the previously published value of the Central Federal District Sugar Index used to settle the futures contract concerned by NAMEX or lack of data for index calculation, the Exchange shall have the right to adopt one of the following decisions:

* change the last trading date for the Contract,
* change the settlement date for the Contract,
* change the daily (final) settlement price, and/or amend the calculation method for the variation margin and/or rules pertaining to its payment,
* undertake other actions provided for in the Trading Rules.
  1. 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.
  2. Information on the decision(s) taken by the Exchange under sections 5.1 and/or 5.2 above shall be communicated to the Trading Members by its publication on the Exchange website not less than 3 (three) Trading Days prior to the effective date of the respective decision(s). In case the grounds for decisions provided by clause 5.1 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.
  3. Unless otherwise provided by a decision of the Exchange, from the entry into force of the decision(s) made by the Exchange in accordance with clauses 5.1 and 5.2 of the Specification, the terms of existing obligations under previously concluded Contracts shall be deemed to have been amended accordingly.

1. Amendments and Supplements to the Specification
   1. The Exchange is entitled to introduce amendments and supplements hereto as agreed with the Clearing Center.
   2. Amendments and supplements hereto go into force at the moment the Exchange puts into effect the updated Specification, containing such amendments and supplements.
   3. The Specification as amended and supplemented from time to time is published on the Exchange website at least 3 (three) business days before it takes effect, which serves as notice to trading members.
   4. 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.

1. Central Federal District shall mean the Central Federal District of the Russian Federation. [↑](#footnote-ref-1)
2. The Methodology can be found on NAMEX's website at www.namex.org [↑](#footnote-ref-2)
3. www.namex.org [↑](#footnote-ref-3)