**APPROVED**

by Public Joint Stock Company Moscow Exchange MICEX-RTS

(Order No. МБ-П-2023-3709 dated 13 December 2023)

**Specification of premium-style options contracts on indices**

This Specification defines the standard terms and conditions of European premium-style cash-settled options with indices as the underlying asset (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 index options (the “Contract”) 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-style options on indices 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;
* Contract lot.

The underlying assets of the Contracts are indices calculated by Moscow Exchange (the "Exchange") and specified in the Parameters List.

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 (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 in the Contract”).
	2. The Contract code (designation) is formed as follows:

<Code>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., 210923 - 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. The Contract price (premium) in the course of Trading when entering an order and executing the Contract shall be specified in points.
	2. The tick value specified in the [List of Parameters](#Список_параметров), for contracts, the underlying asset of which is an index calculated in US dollars, is calculated in Russian roubles at the US dollar to rouble exchange rate, determined in accordance with the Indicative FX Rates Methodology, approved by the Exchange and published on the Exchange website (the "US Dollar Rate").
	3. The time at which the USD/RUB FX Rate is set by the Exchange and available on the Exchange website.
	4. 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.
	5. The date of the last Trading Day on which the Contract may be concluded (hereinafter referred to as the last day of conclusion of the Contract), as specified in the Contract code, shall be determined in accordance with the List of Dates which are the last trading days for options, as one of Wednesdays of the month and the year of expiration of the Contract.

If the relevant Wednesday of the month and year of expiration 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 constituting the last trading days for options as the date of the last Trading Day preceding the relevant Wednesday of the month and year of expiration of the Contract.

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(Index value – Option Strike Price; 0) for call options
* MAX(Strike Price – Index value; 0) for put options,
	+ 1. The value of the index which is the underlying asset of the Contract shall be deemed to be equal to the average value of the index for the period from 15:00 to 16:00 Moscow time on the last trading day for the Contract determined in accordance with Clauses 1.7 or 5.1 or 5.2 of the Specification (the "Calculation Period"). This rule is valid provided that during the entire Calculation Period the aggregate share of all stocks in the Index (the "Stocks"; the total weight of the Stocks in the Index, respectively) in each second of the Calculation Period was not less than 75% (the "Index Calculation Condition"). Furthermore, to calculate the total weight of the Stocks in the Index, the weights of the Stocks as of the close of the previous trading day are used, and only those Stocks traded on the Exchange during the Calculation Period (excluding Stocks traded through a discrete auction).
		2. If the Index Calculation Condition specified in clause 2.2.3 of the Specification has not been met:

the last trading day for the Contract shall be the next trading day during which the total trading time in Stocks, the total weight of which in the Index is not less than 75%, is not less than 60 minutes from 12:00 till 16:00 MSK (the "Reference Time"). Furthermore, to calculate the total weight of the Stocks in the Index, the weights of the Stocks as of the close of the previous trading day are used, and only those Stocks traded on the Exchange during the Reference Time (excluding Stocks traded through a discrete auction). In this case clause 2.2.3 of the Specification shall not apply and the current Settlement Price for the purpose of determining the Settlement Obligation shall be deemed to be equal to the average value of the Index cumulatively for the first 60 minutes of the Reference Time during which the total weight of Shares in the Index is at least 75%.

* + 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 evening clearing session of the day of exercise for "in-the-money" Options, namely:
			1. Call Options whose strike price is less than the Index Value determined in accordance with clause 2.2.3 or clause 2.2.4 of this Specification, or
			2. Put Options whose strike price is greater than the Index Value determined in accordance with clause 2.2.3 or clause 2.2.4 of this Specification.
		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 2.2.6 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. The 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 the event of circumstances that lead to a material change in the terms of performance of the Contract stipulated in the Specification, including in case of suspension/termination of the Contract on MOEX, suspension/termination of calculation of the index being the underlying asset of the Contract, as well as in case the Exchange suspends trading in at least one Stock in the period from the first trading day for the Contract until the Trading Day preceding the last trading day for the Contract inclusive, or at least one Stock is withdrawn from the market (cancelled), and in other cases stipulated in the Trading Rules, the Exchange has the right to:
		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 Index which is 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.

**Appendix 1**

**to the Specification of premium-style options contracts on indices**

**LIST OF PARAMETERS FOR THE OPTIONS**

**on indices**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Name of contract** | **Underlying asset** | **Code of the underlying asset** | **Contract lot** | **Tick** | **Tick value** |
|  | MOEX Russia Index Option | MOEX Russia Index | IMOEX | 1 | RUB 0.01 | RUB 0.01 |