**APPROVED**

by the Executive Board of

Public Joint-Stock Company

Moscow Exchange MICEX-RTS

(Minutes No.44 as of 07 August 2015)

**RUONIA FUTURES CONTRACT SPECIFICATION**

These Specification establish the standard terms of the RUONIA futures contract (hereinafter “the Specification”).

Specification together with the Clearing Rules for the Derivatives Market (hereinafter “the Clearing Rules”), Trading Rules for the Derivatives Market (hereinafter “the Trading Rules”) shall define the obligations under the RUONIA futures contract (hereinafter “the Contract”) as well as the procedure for such obligations to arise, be changed or terminated.

The Contract’s underlying asset is the ruble overnight index average (RUONIA) calculated and released by the Bank of Russia (the “Rate”)[[1]](#footnote-1).

Terms and definitions not explicitly provided for in these Specification shall be construed in compliance with the law of the Russian Federation, the Trading Rules and the Clearing Rules.

1. Concluding the Contract
	1. The ability to conclude Contracts during the trading process is established by resolution of the Exchange that includes the following:
		* Contract code (designation);
		* First trading day during which the Contract may trade (hereinafter the first trading day);
		* Time from which the Contract may be executed (hereinafter the start of trading);
		* Initial Settlement Price of the Contract;
		* Initial price fluctuation limits for the Contract.
	2. The Contract code (designation) is formed thus:

RUON-<settlement month>.<settlement year>.

The settlement month and year specified in the Contract code (designation) (hereinafter the Contract’s settlement month and year) are indicated in Arabic numerals and shall be used to determine the last trading day and the settlement day of the Contract.

* 1. The Contract’s price
		1. In the process of trading, when placing an order and concluding the Contract, the Contract’s price is specified in percentage defined as one hundred percent reduced by the expected arithmetic average Rate per annum for the calculation month.

The calculation period is a period of time starting from the last Trading day of the month preceding the Contract’s settlement month inclusive until the last but one Trading day of the Contract’s settlement month inclusive.

* + 1. Minimum price movement (the tick) is 0.01% (one hundredth percent).
		2. The tick value is calculated in RUB as per the following formulae:

where:

|  |  |
| --- | --- |
| W | The tick value; |
| T | The number of calendar days in the Calculation month; |
| N | The Contract’s notional value of RUB 1,000,000 (one million); |
| R | The tick; |
| Round | The Round function tuned to a specific accuracy. |

* 1. The last Trading day for the Contract shall be the last Trading day of the Contract’s settlement month.

The Exchange may, with agreement from the Clearing Center, establish a last trading day for a Contract that differs from that determined in this clause.

* 1. The Contract’s settlement date shall be its last trading day unless otherwise specified in Clauses 5.1-5.2 hereof.
1. Obligations under the Contract
	1. Variation Margin Obligation
		1. The Parties to the Contract are to pay to each other cash (variation margin) in the amount depending on the changes in the value of the underlying asset.
		2. Variation margin is calculated and paid starting from the Contract’s first trading day until its settlement day.
		3. Variation margin shall be calculated using the following formulae:

Where:

|  |  |
| --- | --- |
| **VМО**  | the Variation Margin for a Contract for which a Variation Margin has not yet been calculated; |
| **VМТ**  | the Variation Margin for a Contract for which a Variation Margin has previously been calculated; |
| **PО** | Contract price; |
| **SPc** | the current (final) Settlement price of the Contract; |
| **SPp** | the previous Settlement price of the Contract; |
| **W** | the value of the tick; |
| **R** | the tick; |
| **Round** | The Round function tuned to a specific accuracy. |

* + 1. The obligation to pay variation margin calculated as per formula given in Clause 2.1.3 hereof is to be fulfilled in accordance with the procedure and within the timeframe set forth in the Clearing Rules. Whereby,
* If variation margin is a positive number, the Seller is liable to pay it;
* If variation margin is a negative number, the Buyer is liable to pay the absolute value of it.
	+ 1. The Contract’s settlement price is determined by the Exchange in accordance with the procedure and within the timeframe set forth in the Trading Rules and the Specification.
	1. Settlement Obligations
		1. Obligation to pay variation margin determined during the evening clearing session on the Contract’s settlement day is the settlement obligation under such Contract.
		2. For the purpose of settlement obligations calculation, the Contract’s current (final) settlement price (the strike price) is determined as follows on the Contract’s last trading day after the Rate is published on the Bank of Russia’s website:

Where:

|  |  |
| --- | --- |
| StrikeP | The Contract’s strike price, in percent; |
| RUONIAi | The Rate calculated on the i-th calendar day of the Settlement month (if the Rate was not calculated on the i-th day, it takes on its latest calculated value);  |
| i | Number of the calendar day of the Settlement month; |
| T | Number of calendar days in the Settlement month. |

* + 1. The Contract’s Settlement Price is adjusted for the Settlement Price movement tolerance if such movement tolerance has been established by the Exchange and agreed with the Clearing Centre in accordance with the Methodology for Calculation of Derivatives Contracts’ Settlement Prices constituting an appendix to the Trading Rules.
1. Grounds and procedure for termination of obligations under the Contract
	1. Obligations under the Contract are discharged in full after being properly fulfilled.
	2. Obligations of a party to the Contract are discharged in full if such party has obtained opposite obligations under the Contract with similar code (designation). This means that Seller has obtained the Buyer’s obligations and vice versa, in accordance with the procedure and within the time frame set forth in the Clearing Rules.
	3. Obligations under the Contract may be discharged on other grounds provided for in the Clearing Rules and in accordance with the procedure set forth in these Rules.
2. Default responsibility
	1. Parties shall be responsible for a failure to perform obligations under the Contract or improper performance thereof, in accordance with the legislation of the Russian Federation, the Trading Rules, the Clearing Rules, the Admission Rules and the Specification.
3. Special provisions
	1. If trading in the Contract is suspended/cancelled, or the Rate cannot be determined due to suspension/cancellation of its publication by the Bank of Russia, the Exchange is entitled to take one or more of the following actions as agreed with the Clearing Center:
		1. Change the Contract’s last trading day;
		2. Change the Contract’s final settlement date;
		3. Change the current (final) settlement price, and/or amend the calculation method for the variation margin and/or rules pertaining to its transfer;
		4. Undertake other actions provided for in the Trading Rules.
	2. The Exchange shall be entitled, as agreed with the Clearing Center, to change the last trading day and/or settlement day for a Contract with a specific code, if during the period of such Contract the last trading day of such Contract is announced to be a non-business day by a Russian government body.
	3. Trading Members shall be notified of the decision(s) of the Exchange made in accordance with this Article through the Exchange’s website no less than 3 (three) trading days before they come into force. If the grounds for taking such decisions provided for by the Clauses 5.1 and 5.2 hereof come to existence less than 3 (three) trading days before the Contract’s last trading day, trading members shall be notified of the information on this decision(s) by publishing the decision on the Exchange’s website no later than the date of this decision(s) coming into force.
	4. As soon as the decision(s) made by the Exchange in accordance with Clauses 5.1 and 5.2 hereof come(s) into effect, the terms of the existing obligations under the Contracts that were made previously shall be deemed changed with regard to the above-mentioned decisions(s).
4. Amendments and supplements to the Specification
	1. The Exchange shall be entitled to introduce amendments and supplements hereto as agreed with the Clearing Center.
	2. The amendments and supplements hereto shall come into effect at the moment the Exchange enforces the Specification containing such amendments and supplements upon registration thereof in compliance with the procedure established by the Bank of Russia.
	3. The Exchange shall notify trading members of the Specification containing any amendments and supplements to take effect by publishing the corresponding information on the Exchange’s website at least three (3) trading days prior to the day when the given Specification come into effect.
	4. Since any amendments and supplements come into effect, the obligations under the Contracts that were made before shall be considered to have been altered to include such amendments and supplements.
1. The Exchange and the Clearing House shall not be liable for inaccurate, incomplete or late information about the Rate published by the Bank of Russia on its website at [www.cbr.ru](http://www.cbr.ru). [↑](#footnote-ref-1)