

**Additional information**

Full description of Order-driven trading on the RTS Classic Market can be found in the RTS Trading Rules in the "Electronic Trading" chapter.

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## RTS Classic Market Goes Order-Driven



In 2003 the RTS Stock Exchange experts, together with leading securities market participants, started to develop **Order-driven trading technology**. This technology based on modern international standards also took into account the peculiarities of Russian securities industry practice and legislation. The technology combines advantages of the anonymous order book (simplicity and speed of automated order matching) with convenience of the T+4 settlement in US Dollars at Depository Clearing Company (DCC). Each participant is allowed to trade within limits set by the RTS Clearing Center.

**Order-driven segment of RTS Classic Market = (Anonymous order book) + (DVP settlement on T+4 in US Dollars)**

- Order-driven technology allows using API to connect Order Management / Algorithmic Trading systems or Direct Market Access systems, such as GL Trade;
- T+4 is the usual US dollars settlement practice on the Russian securities market;
- DVP eliminates potential credit risks.

**RTS Classic Market**

Segment	Order-driven	Quote-driven
Started	2005	1995
Order Book	Anonymous	Non-anonymous
Instruments	7 most liquid stocks	All the other stocks and bonds (230+)
Price Currency	USD	USD
Settlement Cycle	T+4	From T+0 to T+30
Collateral	US Dollars or Russian Rubles	N/A
3 <sup>rd</sup> Party Guarantee	RTS Guarantee Fund	N/A
Securities Settlement	DCC	Any depository or registrar
DVP	Mandatory	Optional
Settlement Currency	USD	USD or RUR
Settlement Bank	JPMorgan Chase or RTS Settlement Chamber	Any bank
Trade Confirmation	Not required	Required

**Settlement**

Trades are settled on T+4 in US Dollars via the DVP clearing system that uses accounts with JPMorgan Chase and RTS Settlement Chamber.

No trade confirmation by the electronic contract notes is required. Trades are settled after the appropriate instructions have been submitted to DCC.

**Risk Management**

Each participant can trade within the trading limit consisting of two parts:

- **Unsecured limit** – depends on the settlement reliability level of the participant;
- **Secured limit** – cash assets deposited to the special accounts with the RTS Settlement Chamber or JPMorgan Chase. The accounts are managed by the RTS Clearing Center. In the future liquid securities will be accepted as a collateral.

The size of participant’s available limit is automatically recalculated after each transaction. The limit available to each participant decreases after the trade is executed and increases appropriately after the trade is settled. The value of unsettled obligations is calculated on the gross basis.

If a participant fails to settle a trade, the RTS Clearing Center uses the collateral deposited by this participant to pay the fines. If the collateral is not big enough, RTS Clearing Center uses its own guarantee fund.

**Trading Technology**

Trades are executed by submitting orders to the anonymous order book through the RTS Plaza workstation or via API. The minimum order value is 5,000 US dollars.

The trading system accepts limit and market orders and supports GTC (good till cancelled), IOC (immediate or cancel) and DAY timing.

A trading day in the Order-driven segment of the RTS Classic Market coincides with the trading day on all the other RTS securities markets: from 10:30 to 18:45 Moscow time.

**Participants**

Each trading participant of the RTS Classic Market is allowed to trade in the Order-driven mode.

To start receiving the service a member firm is required:

- to join the DVP settlement system;
- to register its clients with the RTS Clearing Center.

**Securities**

The following 7 most liquid stocks will be traded on the Order-driven segment at the first stage:

RTS symbol	Security
EESR	RAO UES of Russia
GMKN	Norilsk Nickel
LKOH	LUKOil
RTKM	Rostelecom
SIBN	Sibneft
SNGS	Surgutneftegaz
TATN	Tatneft

Each security is characterized by the market risk ratio used to calculate limits. Basis margin for all the securities at the first stage is set to 25%.

**Fees**

Exchange trading and clearing fees are not charged.

The settlement fee charged by DCC equals to 0.05 % of the transaction volume but not more than 25 US dollars. All transactions with the same stock made within a day between two participants in one direction are charged as one trade.

