
REGULATIONS OF THE EXCHANGE AUCTIONS FOR METAL PRODUCTS

1. GENERAL PROVISIONS

- 1.1. The present Regulations were developed in Belarusian Universal Commodity Exchange OJSC in accordance with the Rules of Exchange Trade, approved by the Resolution of the Board of November 22, 2005 No.3 (hereinafter – the Rules) and they determine the peculiarities of the exchange auctions for the commodities admitted for exchange trade at the metal products section in Belarusian Universal Commodity Exchange OJSC (hereinafter – the Exchange).
- 1.2. The present Regulations use the following terms and definitions established by the Law of the Republic of Belarus «On Commodity Exchanges», by the Model rules of the exchange trade at the commodity exchanges approved by the resolution of the Council of Ministers of the Republic of Belarus of August 6, 2009 No.1039, by the resolution of the Council of Ministers of the Republic of Belarus of June 16, 2004 No.714 «On Measures of Development of the Exchange Trade at the Commodity Exchanges», by the Rules and the following terms and definitions:
- Active bid** – application to buy which was filed during trading session.
- Exposure time** – period of time during which a customer cannot make exchange transaction and sellers can correct a bid (blocks of bids) for sale.
- Counter-bid** – a bid to buy set during a trading session on basis of the sale bid by means of changing one or several indicators: volume, price, payment and delivery terms.
- Lot** – commodity item (consignment of homogeneous goods), including item name, brand, standard size in accordance with established standards and technical laws and regulations in the field of technical rate setting and standardization of the Republic of Belarus, amount and price.
- Commodity in transit** – commodity owned, controlled or managed by exchange trade participant – seller or its client – at the moment of filling the application for sale, but located on board of the transport vehicle and without customs clearance.
- Commodity to appear in the future** – commodity, whose manufacturing was confirmed or delivery was guaranteed by the manufacturing or marketing organization (official trade representative). The possibility of its delivery on time to the address of exchange trade participant – seller or its client - is guaranteed by commodity owner.
- Commodity in the warehouse** – commodity owned, controlled or managed by an exchange trade participant – seller or its client – at the moment of filling the application for sale.

Free customer's warehouse – delivery basis, including the expenses of manufacturing organization for harvesting, logging (mobile logging) to logger road, truck loading, transporting to a customer and discharging of timber in customer's warehouse.

Seller's warehouse – delivery basis, meaning that the seller fulfilled his delivery obligations after commodities were delivered at customer's disposal to the seller's warehouse located in the Republic of Belarus. Loading of commodities is the seller's responsibility.

Free receiving station – delivery basis, meaning that the seller fulfills his delivery obligations after the commodities are delivered to the receiving railroad station indicated by a customer. Discharge of commodities is the responsibility of a customer.

Price increment – the range of increase (decrease) of opening or current price of exchange commodities during the auctions period established by the Exchange.

Block of bids – two or more bids to buy (for sale) commodities from a single warehouse formed by a buyer (seller) during the exchange auctions «Buying metal at the seller's warehouse» and united by the same payment and delivery terms.

Counter alternative block of bids for sale – seller's block of bids that differs from the block of bids to buy in delivery and/or payment terms.

Counter identical block of bids for sale – seller's block of bids, formed on basis of the block of bids to buy and completely identical to it in delivery and payment terms.

(subparagraph 1.2 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 21, 2013 No.132 and of November 20, 2014 No.129)

1.3. For the purpose of the present Regulations one should understand the commodity name as the unity of the following parameters: the very name of commodities, HS code, standard size, brand, fraction, standard (GOST, TU) and qualitative characteristics of commodities.

1.4. According to the present Regulations, following types of exchange auctions can be held:

ferrous metals and articles thereof on domestic market;

non-ferrous metals and articles thereof on domestic market;

cable and wire production on domestic market;

buying metal at the seller's warehouse on domestic market;

coal and coke on domestic market;

scrap and waste of ferrous and non-ferrous metals, articles of ferrous and non-ferrous metals for export;

cable production for construction of Belarusian NPP on domestic market;

pipeline production for construction of Belarusian NPP on domestic market.

Schedule of the exchange auctions for the metal products is located at the official website of Belarusian Universal Commodity Exchange OJSC www.butb.by in the Internet (hereinafter – the Exchange's website).

(subparagraph 1.4 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 27, 2018 No.70)

2. THE ORDER OF AUCTIONING COMMODITIES. TERMS OF BID FILING

2.1. In order to participate in the exchange auctions for metal products (hereinafter – exchange auctions) an exchange trade participant should file a bid to buy (for sale) commodities with the use of software module called «The order of filing the bids for metal products section (user guide)» (hereinafter – software module). The bids should be filed in accordance with the reference book of commodity nomenclature of the Software module.

In case of filing a bid to buy commodities with the standard size «see specs», name, standard size, brand, standard, HS code, quality specifications and the number of items must be stated in the specification of the bid (it should be drawn up as an Excel document). The specification is attached to the bid; it is automatically provided a number correspondent to the number of the bid and becomes its indispensable part.

The bid to buy commodities with the standard size «see specs» is formed on the basis of the bid for sale. Name, standard size, brand, standard, HS code, qualitative characteristics and the number of items must be stated in the specification of the bid (it should be drawn up as an Excel document). The specification is attached to the bid; it is automatically provided a number correspondent to the number of the bid and becomes its indispensable part.

Bids to buy (for sale) commodities with the standard size «see specs» are filed for one trading session only, such bids are not transferred to the other dates of the exchange auctions.

The Exchange makes changes and additions to the reference book of commodity nomenclature of the Software module in the part of commodity name, HS code, standard size, brand, standard (GOST, TU) and manufacturing organization within 2 working days after the exchange trade participant submits the documents confirming this information.

In accordance with the Annex 3 to the Resolution of the Council of Ministers of the Republic of Belarus dated 15.03.2012 No.229 «On Enhancement of Relations in the Sphere of Government Procurement of Goods (works, services)» (hereinafter – Resolution) bids for sale of commodities worth more than 2000 base rates, originated from countries not mentioned in first part of subparagraph 2.16 of the Resolution, must contain information about manufacturer of commodities, including commodities' country of origin.

Participants of exchange auctions – buyers, which must comply with the norms of the Resolution and exchange brokers, in case they submit bids to buy in favor of such buyers, can submit bids to buy commodities, mentioned in part six of present subparagraph, only if they have relevant approval from Commission of Industrial Policy, established under the Resolution of the Council of Ministers of the Republic of Belarus dated 22.06.2015 No.525 «On Commission of Industrial Policy».

Submission of bids for sale of commodities included in Registry of hazardous materials which import and circulation on the territory of the Republic of Belarus are prohibited.

(subparagraph 2.1 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129, October 19, 2016 No.119 and April 27, 2017 No.52)

2.2. During the filing of the bids to buy (for sale) commodities in the domestic market the resident exchange trade participants should use the terms «free customer's warehouse», «seller's warehouse» and «free receiving station» in the «Delivery Terms» section of the bid with the meanings determined in subparagraph 1.2 of the Regulations. Commodity price in such bids must be stated in BYN. The resident exchange trade participants can state the commodity price in USD, but only in case all the transactional payments will be made in USD as well.

(subparagraph 2.2 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of October 3, 2013 No.114)

2.3. Bids to buy (for sale) should include authentic and adequate information on commodities.

If the weight of commodity in submitted bid for sale (to buy) can be determined by several ways (theoretical, actual and etc.), participants of exchange trade must indicate certain way, which will be used during shipment and acceptance of commodities.

If the price in bid for sale (to buy) has fluctuation by $\pm 50\%$ from average market prices for similar production, the Exchange have the right to decline such bid.

It is forbidden to include in the bid to buy the information which isn't connected with the exchange commodity or contradicts the information on commodity in the bid, such as the commodity name, HS code, standard size, brand, fraction, standard (GOST, TU), manufacturing organization, location and information aimed at restricting of entrepreneurial activity and (or) competition.

In accordance with the Law of the Republic of Belarus and with the Rules the exchange trade participant is responsible for provision of authentic and adequate information mentioned in the bid to buy (for sale) commodities.

(second part of subparagraph 2.3 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of September 17, 2013 No.106 and December 12, 2017 No.164)

2.4. Bids for sale (to buy) of commodities in the domestic market, except the case in the fifth part of the present subparagraph, are filed as follows:

Bids for sale of ferrous and non-ferrous metals and articles thereof – no later than 1 working day before the date of exchange auctions;

Bids to buy ferrous and non-ferrous metals and articles thereof – no later than 2 working days before the date of exchange auctions, except the cases in fourth and fifth paragraph of the present subparagraph;

Bids of the resident exchange trade participant to buy ferrous and non-ferrous metals and articles thereof, except metal constructions of ferrous metals and their parts (bridges and their sections, water gates, towers, lattice poles, roof structures, construction frames, doors, windows and their frames, doorsteps, louvres and balustrades, supports and columns) (HS code 7308) worth 80000 BYN (incl.VAT) or more – no later than 10 working days before the exchange auctions date; for their preliminary location at the exchange's website – no later than 8 working days before the exchange auctions date;

Bids of the exchange trade participant to buy metal constructions of ferrous metals and their parts (bridges and their sections, water gates, towers, lattice poles, roof structures, construction frames, doors, windows and their frames, doorsteps, louvres and balustrades, supports and columns) (HS code 7308), filed in accordance with design and estimate documentation; in case the blueprints are provided as a hard copy – no later than 20 working days before the date of exchange auctions; in case blueprints are provided as a soft copy – no later than 10 working days before the date of exchange auctions. Such bids are preliminary located at the exchange's website no later than 18 and 8 working days before the date of exchange auctions respectively.

Bids for sale (to buy) of cable and wire products in domestic market are filed:

Bids for sale – no later than 1 working day before the date of exchange auctions;

Bids to buy – no later than 2 working days before the date of exchange auctions, except the cases in the fourth paragraph of the present subparagraph;

Bids to buy worth 80000 BYN (incl. VAT) and more are sold no later than 5 working days before the date of exchange auctions; for their preliminary location at the Exchange's website – no later than 4 working days before the date of exchange auctions.

Bids for sale (to buy) coal and coke in the domestic market are filed:

Bids for sale – no later than 2 working days before the date of exchange auctions;

Bids to buy – no later than 4 working days before the date of exchange auctions;

Bids for sale (to buy) of commodities for export are filed:

Bids for sale – no later than 2 working days before the date of exchange auctions;

Bids to buy – no later than 1 working day before the date of exchange auctions;

Bids for sale (to buy) commodities for auctions «Metal sales from the seller's warehouse» are filed:

Bids for sale – no later than 1 working day before the date of exchange auctions;

Bids to buy – no later than 2 working days before the date of exchange auctions.

Exchange trade participants' bids to buy, submitted in accordance with paragraph four and five of part one and paragraph four of part two of the present subparagraph and activated in the Trading System upon buyer's written request can be transferred by the Exchange to the following trade sessions – no later than 2 working days before the date of exchange auctions.

(subparagraph 2.4 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 5, 2015 No.51, June 28, 2016 No.68, October 19, 2016 No.119, February 22, 2017 No.19, July 10, 2017 No.89, February 16, 2018 No.29 and April 27, 2018 No.70)

2.5. Bids are filed no later than 18.00 (UTC+3) of the established term of bid filing. In case the last term of bids filing is Friday, the bid must be filed no later than 16.45 (UTC+3).

2.6. Bids of the exchange trade participants for sale of commodities for foreign market can be withdrawn no later than 1 working day before the date of exchange auctions.

(subparagraph 2.6 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 27, 2018 No.70)

2.7. Bids for sale (to buy) of commodities can be adjusted by the exchange trade participant no later than the end of the term of bids filing established by the Regulations.

The Exchange doesn't accept the bids filed with violation of terms and other requirements established by the Regulations and filled in with violations of Software module requirements.

2.8. The exchange auctions date is determined in accordance with the schedule of exchange auctions for metal products section.

If, according to the Rules, exchange trade participant's bids were rejected for submission, he can be admitted to the upcoming exchange auctions only if all violations are eliminated no later than 30 minutes before the start of trade session.

(subparagraph 2.8 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 08, 2017 No.164)

2.9. The bid for sale should be filed with documents confirming the information on commodity stated in the bid:

2.9.1. For commodity located at the warehouse when the bid for sale is filed:

warehouse accounting certificate confirming the location and the volume of commodity;
commodities sales and purchase contract;

2.9.2. For commodity in transit, when the bid for sale is filed:

commodities sales and purchase contract;
consignment or railway consignment note;

2.9.3. For commodity that will appear in future:

commodities sales and purchase contract;
letter of guarantee on their delivery written by the manufacturer, sales organization or the owner of commodities.

Letter of guarantee should include a commitment to provide the following information on commodities: the name of commodities, standard size, brand, standard, quantity, location, manufacturing organization, etc.

2.10. The exchange trade participant should submit the copies of documents stated in the subparagraphs 2.9.1. – 2.9.3. of the Regulations to the Exchange upon its request within one working day.

The Exchange is entitled to request other documents confirming the information on the commodity in the bid for sale. The exchange trade participant should submit these documents within the time limit stated in the first part of the present subparagraph.

The documents drawn up in foreign language should be submitted with translation into Russian or Belarusian. The exchange trade participant who provided such a translation is responsible for authenticity and correctness of the translation.

Copies of the documents should be attested in the prescribed form.

(subparagraph 2.10 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 16, 2015 No.25)

2.11. Exchange trade participants, submitting bids for sale to previously submitted and published on the Exchange website bids to buy, worth more than 80 000 BYN in equivalent (including VAT) must provide documents mentioned in subparagraphs 2.9.1 – 2.9.3 of the Regulations, not later than deadline of relevant bids for sale submission, according to the Regulations.

(subparagraph 2.11 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 13, 2015 No.29, June 28, 2016 No.68 and April 27, 2018 No,70)

2.12. In case the exchange trade participant submits the bid for sale to the auctions, he guarantees that commodities' quality conforms to the requirements and it shall be confirmed by the quality certificate issued by the manufacturer.

2.13. Bids to buy (for sale) that were accepted by the Exchange are included in the correspondent registers of bids to buy (for sale) and located in the preliminary section of the Trading System database.

2.14. Bids for sale of commodities are included in the Trading System as the lots.

2.15. After the bid is filed to the Trading System, it is provided with a unique registration code. The filing time is fixed and the bid is registered in the single electronic register of bids.

3. PECULIARITIES OF HOLDING THE EXCHANGE AUCTIONS

3.1. The exchange auctions for metal products are held in electronic and electronic-vocal forms. The forms of the exchange auctions are determined by the Exchange.

3.2. The exchange auctions are held in the trade floors of the Exchange (its branches), in other specially equipped rooms where the workplaces of an exchange makler and exchange trade participants are located, and in remote access networks (remote workstations).

Exchange trade participants are prohibited to connect to Trading System any software, which provide advantages during conclusion of exchange transaction.

(subparagraph 3.2 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 27, 2017 No.52)

3.3. The organized registers of bids for sale (to buy) are located at the Exchange's website within the following terms:

Registers of bids to buy ferrous and non-ferrous metals and articles thereof in the domestic market; cable and wire products in domestic market – no late than 1 working day before the date of exchange auctions;

Registers of bids to buy coke and coal in domestic market – no late than 3 working days before the date of exchange auctions;

Registers of bids for sale of ferrous and non-ferrous metals and articles thereof, coke and coal, cable and wire products in the domestic market – before the start of exchange auctions;

Registers of bids for export sales of commodities – no late than 1 working day before the date of exchange auctions.

(subparagraph 3.3 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 5, 2015 No.51, July 10, 2017 No.89 and April 27, 2018 No.70)

3.4. The peculiarities of holding electronic exchange auctions in domestic market, import

3.4.1. During the electronic exchange auctions the trading session consists of opening period, auctions period, period for adjusting the sellers' bids, period of making transactions and closing period.

(subparagraph 3.4.1. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129, February 16, 2018 No.29)

3.4.2. Opening period is an electronic registration of the traders of the exchange trade participants.

During this period the traders of the exchange trade participants, whose bids were accepted by the Exchange and introduced into the register of bids, must pass a procedure of electronic registration in the Trading System.

3.4.3. Registration is the process when the Trading System identifies the traders of the exchange trade participants. The traders of the exchange trade participants are identified via the EDS and cryptographic software through automated workplaces of the exchange trade participant.

In case electronic identification system requires password, trader should enter the individual password and username through automated workplaces of the exchange trade participant.

Trader of the exchange trade participant must keep in secret the private key of electronic digital signature, the access password to the container where the private key is located, and other identification parameters used for participation in the exchange auctions. The parameters must not be transferred to other persons.

3.4.4. The Trading System activates only the bids from the exchange trade participants whose traders have been registered. The bids from the exchange trade participants whose traders haven't been registered, remain non-activated.

3.4.5. Auctions visitor cannot participate in one trading session as a buyer and a seller of one and the same commodity or be a client of an exchange broker who wants to sell and buy one and the same commodity.

3.4.6. During the opening period the exchange trade participant – a seller – can remove his bids from trading and adjust the following parameters: amount of commodity (except its increase); price; payment and delivery conditions (terms and basis). The seller can adjust the section «Additional Information» taking into account the requirements fixed by subparagraph 2.3 of the Regulations.

The bids removed by the seller during the opening of the auctions are not activated in the Trading System in the mode “Auctions period”.

Bids for sale, activated in the Trading during the opening period, are saved in the register of bids and are available for the exchange trade participants for making transactions during the whole trading session, as well as in case of quitting of the trader from the Trading System.

During the opening period the exchange trade participant – a buyer – should activate his bids to buy after he got access to the Trading system in case he wants to make transactions with them. He can also file a counter-bid and adjust the following bid parameters: amount of commodity (except its increase); price; payment and delivery conditions (terms and basis). The buyer can adjust the section «Additional Information» taking into account the requirements fixed by subparagraph 2.3 of the Regulations.

During the trading session the makler is entitled to remove the bids of the exchange trade participants if the bids do not conform to the requirements of the Regulations and other legal framework of the Exchange.

(subparagraph 3.4.6. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129 and of December 4, 2015 No.130)

3.4.7. Auctions period includes the process of making sale and purchase transactions.

3.4.8. The makler activates the Trading System, changing the «Opening Period» into «Auctions Period». After it the exchange trade participants can make exchange transactions.

3.4.9. The exchange trade participants make exchange transactions when the system is in «Auctions Period» and «Transactions Period» modes.

(subparagraph 3.4.9. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129)

3.4.10. Auctions period lasts for:

1 hour – during the sales of ferrous metals and articles thereof in domestic market;

1 hour – during the sales of non-ferrous metals, articles thereof and non-ferrous scrap in domestic market;

1 hour – during the sales of coke and coal in domestic market;

1 hour – during the sales of cable and wire products in domestic market.

Makler determines the duration of the period of making transactions.

(subparagraph 3.4.10. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129)

3.4.11. The exchange auctions for all the bids of the participants are held simultaneously.

3.4.12. In case a buyer wants to make an exchange transaction, he must have an active bid to buy in the Trading System, and it should correspond to the bid for sale in the following terms: name, standard size and amount. At the same time, buyer can conclude exchange transaction on conditions according to active bid (terms of payment and delivery, delivery period) and on more favorable conditions with lowest or equal price.

Buyer must select the lot for sale and press «Buy» button in order to make an exchange transaction. The Trading System fixes the fact and the time of making an exchange transaction, and the transaction can be seen in the «Transactions» section of the trading module «MetalTrader» used by the buyer and the seller.

(subparagraph 3.4.12. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129, October 19, 2016 No.119, April 27, 2017 No.52 and December 08, 2017 No.164)

3.4.13. During the auctions period the buyer is able to activate his bids to buy, adjust and remove them from the exchange auctions and file counterbids, whereas the seller's only ability is the adjustment of a bid.

(subparagraph 3.4.13. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129)

3.4.14. The adjustment of a bid means the change of the following bid parameters: commodity amount (except the increase), price (within the price range if there is any), and payment and delivery conditions (terms and basis).

Exposure time of a bid starts after the activation of the bid to buy, filing of the counterbid to buy or after the adjustment of a bid to buy (for sale).

(subparagraph 3.4.14. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129)

3.4.15. In case the seller adjusts the bid and the amount of commodity decreases, the rest of commodity is automatically included in the Trading System as a new bid formed on the basis of conditions of an original bid (before it was adjusted).

3.4.16. Paragraph 3.4.16. is excluded. – *Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 16, 2018 No.29.*

3.4.17. The adjustment of the bid parameters (purchase and sale) is fixed in the Trading System as the removal of the original bid and filing of a new bid. In case of removal of a bid to buy (for sale) the Trading System automatically fixes the fact of its removal, as well as its time, and makes correspondent notes in the single electronic register of bids.

3.4.18. The buyer who filed a bid in accordance with paragraph 2 of the present Regulations, is entitled to make a transaction on purchase of commodities that are not registered for a trading session and their equivalent price doesn't exceed 40 BYR mln. The buyer of such commodities forms a bid to buy these commodities in the Trading System.

In accordance with the first part of the present subparagraph the right to file a bid is not applied to the buyers who participate in the auctions for cable and wire products in domestic market; as well as to the buyers admitted to the exchange auctions on condition of collateral provision.

(subparagraph 3.4.18. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 13, 2015 No.29, June 28, 2016 No.68, July 10, 2017 No.89 and April 27, 2018 No.70)

3.4.19. After an exchange transaction is made, the bid for sale, on the basis of which the transaction was made, is automatically deleted from the Trading System. The correspondent bid to buy must be deleted from the System by the buyer's trader.

Makler is entitled to refuse to register the exchange transaction in case it is incorrect or inconsistent with the Legislation of the Republic of Belarus and/or with the legal framework of the Exchange.

3.4.19¹. After completion of auctions period, the period of seller's bids correction follows, in which only sellers correct their bids.

(paragraph 3.4.19¹ was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 16, 2018 No.29)

3.4.20. After the period for adjusting the sellers' bids is finished, the period of making transactions begins. During this period the sellers cannot adjust their bids, whereas the buyers can make exchange transactions on conditions formed by the sellers in their bids during the auctions period and the period for adjusting the sellers' bids.

Makler stops the Trading System after the end of the period of making transactions.

(subparagraph 3.4.20. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129 and February 16, 2018 No.29)

3.4.21. Closing period is the procedure of summing up the exchange auctions.

3.5. The peculiarities of holding electronic exchange auctions for foreign market

3.5.1. Electronic exchange auctions for foreign market are held with all the lots included.

(subparagraph 3.5.1. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 27, 2018 No.70)

3.5.2. Trading session consists of pre-trading period, auctions period, period of bids adjustment, period of auctions and summing up.

Length of each period is determined by a makler, all the exchange trade participants are informed about it via Trading System; if necessary, they can be informed about the period length via vocal informing or by other means. The length can be adjusted during the trading session.

3.5.3. Makler activates the Trading System and starts pre-trading period, over its course electronic registration of traders of the exchange trade participants takes place. The registration is held in accordance with subparagraphs 3.4.2. – 3.4.4. of the Regulations.

3.5.4. During the pre-trading period the sellers are entitled to adjust the parameters of their bids (except the name and amount of commodity). The seller is responsible for the authenticity and adequacy of the changes of the bid.

3.5.5. Auctions period includes the process of making sale and purchase transactions and filing of counterbids by the buyers (exchange trade participants).

3.5.6. Makler starts the auctions period, after it the exchange trade participants can make exchange transactions.

3.5.7. In case a buyer wants to make an exchange transaction on conditions different from the ones of the seller, he must file a counterbid to buy on basis of the bid for sale during the auctions period.

In order to file a counterbid the buyer should select the correspondent lot of the seller, then press the button «Counterbid to buy», form a counterbid and enter it in the Trading System after pressing the interface button «File a bid».

3.5.8. If the buyer wants to make a transaction (buy the commodity) at the starting price, he should select the lot of the seller and press the interface button «Bid to buy». In the new window the buyer should press the button «File a bid».

3.5.9. The buyer must increase the current price of a commodity unit for one or more price increments in order to be the leader on the lot that already has the bid to buy. The price should be increased within the time period after the last bid to buy was filed. The time period is established by the makler, and all the bids filed after this period are not accepted.

In order to increase the price for more than one price increment, the buyer should increase the price for the necessary amount of increments in the window «Bid to buy» in the line «Price of the supply». The button «Up» near the line increases the price for the necessary amount of increments.

3.5.10. During the auctions period the buyer is entitled to file counterbids based on the sellers' bids in case he is not satisfied with their original conditions. The counterbids are formed on the basis of adjustment of the parameters of the sellers' bids.

The adjustment of a seller's bid means the change of the following bid parameters: commodity amount (except the increase), price, payment and delivery conditions (terms and basis).

In order to adjust the bid the buyer selects the seller's lot that he wants to buy, presses the button «Bid to buy», forms counterbid and enters it in the Trading System by pressing the button «File a bid».

In case the buyer filed a bid to buy and agreed on the original conditions, all the counterbids filed by the other buyers are not accepted by the Trading System. All the previous counterbids are deleted.

3.5.11. The Trading System fixes the fact of making a transaction between a seller and the buyer whose offer was the leading one (it either had the best price or simply was the only one) by the end of the period for filing the bids.

3.5.12. When the auctions period is over, makler starts the period of sellers' bids adjustment.

The adjustment period of the sellers' bids includes the analysis of the counterbids filed by the buyers during the previous period and, if necessary, the adjustment of parameters of their own lots that didn't become transactions during the previous period.

3.5.13. If the seller is ready to make a transaction on conditions of a buyer's counterbid, the seller confirms the readiness to make a transaction by choosing the correspondent bid out of the list of buyers' counterbids.

The seller should select his own lot, press the button «Counterbids», choose the best one out of the list and then presses the button «Adjust» in order to adjust the parameters of his own lot in accordance with the conditions of the chosen counterbid.

3.5.14. In case there are no counterbids from the buyers or if the seller disagrees with their conditions, the seller can adjust the parameters of his lots. The seller chooses his lot, opens the window with lot parameters, adjusts the essential ones and enters the adjusted bid in the Trading System by pressing «Save» button. The seller is responsible for the authenticity and correctness of the changes of the bid.

3.5.15. In case the amount of commodities decreased after the adjustment of the lot parameters, the rest part of it forms a new lot that is auctioned.

3.5.16. During the adjustment period of sellers' bids the exchange trade participants can look through the list of transactions made during the previous period by all the exchange trade participants. They can also look through the list of their own transactions marked in the Trading System with green color. The lists are shown in a separate window.

3.5.17. After the period of sellers' bids adjustments makler starts the period of auctions and summing up.

The period of auctions and summing up involves the process of making purchase and sale transactions in accordance with subparagraphs 3.5.6. – 3.5.10. of the Regulations except the filing of counterbids by the buyers and the summing up of the exchange auctions.

3.5.18. After the period for filing bids is over and the Trading System fixes all the made transactions on all the lots, makler stops the Trading System and puts it in the «Stopped» mode (instead of «Active» mode).

3.5.19. In case the buyers that are non-residents of the Republic of Belarus participate in the exchange auctions for foreign market, and the Trading System fixes the exchange transaction made by non-residents with commodity price formed in foreign currency (VAT rate – 0%), the makler must adjust the parameters of the transaction before its registration in order to make it conform to the Legislation of the Republic of Belarus.

During the transaction adjustment the price and total cost of commodity are recalculated into BYN at a currency rate determined by the legislation for this category of transactions. In case of transaction between the residents of the Republic of Belarus the payments can be made in foreign currency.

(subparagraph 3.5.19. introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129 and April 27, 2018 No.70)

3.4.20. Makler is entitled to introduce an additional period of adjustment of sellers' bids and additional period of auctions and summing up.

(subparagraph 3.5.20. introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 13, 2015 No.29)

3.6. Peculiarities of holding electronic and vocal exchange auctions (mixed form) (for foreign market)

(subparagraph 3.6. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 27, 2018 No.70)

3.6.1. During electronic and vocal exchange auctions each lot is traded consecutively, makler uses his voice to tell the contents of the lot, its cost and price increment.

3.6.2. Buyers who want to buy commodity on the stated conditions confirm their desire by pressing the button «File a Bid» after the sound signal.

In case several buyers want to buy commodities at a certain price, makler increases the cost by one price increment.

3.6.3. The exchange transaction is made between seller and buyer who offered a better price for commodities.

3.6.4. If there are no buyers for the commodity with the starting price, makler starts the reverse auctions in case the seller of the product allows to do so. Makler decreases the commodity price down to the limit established by the seller.

3.6.5. In case there is no buyer after every consecutive price change (either increase or decrease), makler is entitled to continue the exchange auctions for the lot taking into account the previous price increment. The first person to agree on a transaction will become a buyer.

3.7. The peculiarities of holding exchange auctions “metal sales from the seller’s warehouse”

3.7.1. The exchange auctions «Metal sales from the Seller’s Warehouse» trade the commodity that is located at the seller’s warehouse in accordance with the definition «Commodity in the Warehouse», that is determined by the subparagraph 1.2. of the Regulations and reserved till the end of the trading session.

The exchange auctions «Metal Sales from the Seller’s Warehouse» are held in electronic form.

3.7.2. *Subparagraph 3.7.2. is excluded.* – Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 13, 2015 No.29

3.7.3. The auctions visitor (the seller) should file a bid for sale on condition «Free Seller’s Warehouse» and specify the location of commodity (town name) and the number of warehouse in the bid.

The exchange broker who represents the interests of the seller files a bid for sale specifying in it reference numbers of each warehouse of the client. In case the exchange broker represents the interests of several sellers, he should consecutively enumerate the warehouses of his clients.

Trader of an exchange trade participant cannot represent the interests of both the seller and the buyer in one trading session.

(subparagraph 3.7.3. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 13, 2015 No.29)

3.7.4. Bids to buy (for sale) can be adjusted and removed until the expiration of the bid filing term that was established by the present Regulations.

3.7.5. Before the activation of the Trading System the traders of the exchange trade participants should register in accordance with subparagraphs 3.4.2. – 3.4.4. of the Regulations.

3.7.6. During the opening period the seller is entitled to adjust his bids and to remove them from the exchange auctions.

The adjustment is the change of the following bid parameters: commodity amount (except the increase), price (within the price range if there is any), and payment and delivery conditions.

3.7.7. Trading session consists of auctions period and of period of making transactions.

(subparagraph 3.7.7. introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129)

3.7.8. During the auctions period the buyer forms a unit of bids to buy and determines the location of the warehouse. The unit of bids to buy should have similar payment and delivery conditions.

Exchange broker who represents the interests of a buyer enters the client code during the formation of the unit of bids.

(subparagraph 3.7.8. introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129)

3.7.9. The seller forms identical unit or counter-unit of bids for sale, and it should meet the following requirements:

number of bids introduced into the unit of bids for sale, must coincide with the number of bids introduced into the unit of bids to buy;

directly the commodity name, its standard size, amount and measurement unit should correspond to the data specified in the unit of bids to buy.

The seller is entitled to offer the buyer commodity of different brands and standards.

(subparagraph 3.7.9. in by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129 and of March 13, 2015 No.29, February 22, 2017 No.19)

3.7.10. The seller is entitled to form only one counter-unit of bids for sale for the correspondent unit of bids to buy.

3.7.11. Block of bids for sale (to buy) must correspond with following requirements:

the amount of commodity in total volume must not exceed 20 t;

total price of commodities must not exceed 80 000 BYN in equivalent (including VAT);

delivery term must not exceed 5 working days from the registration date of an exchange contract or from the transfer date of prepayment to the seller's account.

(subparagraph 3.7.11. in by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of October 19, 2016 No.119 and April 27, 2018 No.70)

3.7.12. The buyer is able to make exchange transactions in case the Trading System has already formed identical counter-units of bids for sale.

During the auctions period both buyer and seller are entitled to adjust the following parameters of their units of bids: price, delivery and payment terms and conditions, bid removal.

The buyer is not entitled to adjust his unit of bids in case if the auctions period is to be over within a period of time that is shorter than the exposure time of the bid to buy.

(subparagraph 3.7.12. introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129 and of March 13, 2015 No.29)

3.7.13. The buyer who wants to make an exchange transaction should have a unit of bids to buy, and it must be identical to the unit of bids for sale.

The Trading System keeps the unit of bids to buy (for sale) till the buyer is able to make a transaction, and this time period corresponds to the exposure time established by the makler. The buyer is entitled to make an exchange transaction only after the expiration of the abovementioned time period. During the exposure time the sellers-competitors are able to adjust their units of bids for sale.

3.7.14. The Trading System fixes the fact and the time of making the exchange transaction, and this data is shown in «Transactions» section of the trading module of both buyer and seller.

3.7.15. Period of making transactions is an additional period. During it the seller cannot adjust his units of bids, and the buyer can make the exchange transactions on conditions of the sellers in the units of bids for sale during the auctions period.

(Subparagraph 3.7. is introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 21, 2013 No.132)

4. SET OF PRE-INSULATED PIPES. PECULIARITIES OF BIDS FILING, HOLDING AUCTIONS AND REGISTRATION OF TRANSACTIONS

4.1. The bid to buy a set of pre-insulated pipes is formed in a Software module, with mentioning the commodity name – «Set of Pre-Insulated Pipes» (hereinafter – set) and with automatic numbering.

4.2. The articles of the set, commodity name (standard size, brand, standard, HS code), qualitative characteristics, amount and price are stated in the set specifications (drawn up as an Excel document) in accordance with the Regulations. The specification is attached to the bid for sale with automatic numbering, correspondent to the bid number.

(subparagraph 4.2 is introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 4, 2015 No.130)

- 4.3. The bid for sale of the set is formed with the use of Software module and on basis of the bid to buy with simultaneous creation of specification based on buyer's specification. The specification of a seller is attached to the bid for sale with automatic numbering, correspondent to the bid number.
- 4.4. The bids to buy (for sale) the set are filed for exact date of the trading session. The filed bids cannot be transferred to any other dates of the exchange auctions.
- 4.5. The specifications can be adjusted both by the seller and the buyer till the end of bids filing period. The term is established by the Regulations.
- 4.6. During the auctions period both buyer and seller can adjust their bids by changing the following parameters: commodity price, payment and delivery terms.
No amendments or additions to the specification is allowed.
- 4.7. During the making of an exchange transaction the seller has to adjust the specification on every commodity regarding the price and cost in accordance with the auctions result and send it by e-mail address specified in the schedule of the auctions for metal products. The specification must be adjusted within 30 minutes after the trading session is over. The schedule is located at the Exchange's website.

(subparagraph 4.7 is introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 4, 2015 No.130)

- 4.8. In case of adjustment of the design and estimates documentation, and taking into account the method of manufacturing of the articles by a particular manufacturer, one can amend the specification. Total cost of the set may vary within +/-10% of its total cost, determined by the results of the exchange auctions.

(subparagraph 4.8 is introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 4, 2015 No.130 and April 27, 2018 No.70)

5. DRAWING UP OF THE EXCHANGE CONTRACT, ITS SIGNING AND REGISTRATION

- 5.1. Drawing up of the exchange contract, its signing and registration takes place in electronic form in the Personal Section of the «Electronic Documents» section (hereinafter – Personal Section) in accordance with the Instructions for the clients of the Exchange to work with electronic contracts and agreements.

The information about made exchange transactions can be found in the Personal Section after the trading session is over.

- 5.2. Any party can draw up the exchange contract as an electronic document, in case this party made a transaction after the end of a trading session. One can use either free form of a contract or the one recommended by the Exchange in order to draw up the exchange contract as an electronic document.

In case one of the parties drew up a document in no particular form, and the other party doesn't agree to sign the exchange contract on the stipulated terms, the parties must draw up and sign an exchange contract in the form recommended by the Exchange in accordance with the appendix to the Regulations.

(subparagraph 5.2 is introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of July 22, 2014 No.87)

- 5.3. The exchange auctions participants must sign the exchange contract using electronic digital signature:
with a condition which sets term of commodities delivery up to 5 calendar days from the registration date of an exchange contract – no later than one working day after the day of trade session;
with a condition which sets term of commodities delivery as 5 or more calendar days from the registration date of an exchange contract – no later than three working days after the day of trade session.

(subparagraph 5.3. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 08, 2017 No.164)

5.4. Registration of the exchange contract drawn up with the use of the form recommended by the Exchange, takes place within one working day, following the day when it was signed by the latter of the parties. Registration of the exchange contract drawn up in no particular form takes place within three working days after the day when it was signed by the latter of the parties.

The exchange contract is registered on condition that this exchange contract is authentic and the exchange contract is correspondent to the exchange transaction made during the auctions. Otherwise the Exchange refuses to register the exchange contract and specifies the reason. After addressing the causes for refusal to register the exchange contract the exchange trade participants should redraft the exchange contract in accordance with subparagraph 5.2 of the Regulations and sign it.

(subparagraph 5.4 is introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 20, 2014 No.129 and December 08, 2017 No.164)

5.5. The exchange auctions participant can monitor the activities or inactivities of his counterpart of drawing up the exchange contract in the electronic form, its signing and registration (refusal of registration) and other information essential for work with exchange contracts.

5.6. The exchange contract is registered after it was signed by the electronic digital signature of an authorized Exchange employee. Confirmation of the exchange contract registration is a receipt with the requisites of the electronic digital signatures of the representatives of the exchange auctions participants who concluded the exchange contract and of the authorized Exchange employee who registered the exchange contract. If necessary the confirmation receipt can be printed.

5.7. If exchange contract was concluded based on the bid for sale with information about the commodities «commodity in the warehouse» or «commodity in transit», it is forbidden to change name of organization-manufacturer in terms of exchange contract.

(paragraph 5.7. was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 08, 2017 No.164)