APPROVED

Minutes of the Board Meeting of JSC 'Belarusian Universal Commodity Exchange' dated 25.08.2021 No. 155

(as amended by Minutes of the Board Meetings of JSC 'Belarusian Universal Commodity Exchange' dated 26.01.2022 No. 18, 28.02.2022 No. 49)

REGULATIONS

on Exchange Auctions for Petroleum Products, Chemicals and Petrochemicals

# General Provisions

* 1. These Regulations are developed in accordance with the Rules of Exchange Trading at JSC 'Belarusian Universal Commodity Exchange' approved by Resolution of the Board of JSC 'Belarusian Universal Commodity Exchange' dated November 22, 2005, No. 3 (the 'Rules'), and define certain aspects of how exchange auctions for export of petroleum products, chemicals and petrochemicals are organized and conducted.
	2. These Regulations use terms and their definitions set out in the Law of the Republic of Belarus 'On Commodity Exchanges', Standard Rules of Exchange Trading at Commodity Exchanges approved by Resolution of the Council of Ministers of the Republic of Belarus dated August 6, 2009, No. 1039, the Rules, and other by-laws of JSC 'Belarusian Universal Commodity Exchange' (the 'Exchange'), as well as the following terms and their definitions:

'delivery basis' shall mean the terms of delivery as defined in the current version of the International Commercial Terms ('Incoterms');

'price (correction) determination basis' shall mean the terms governing the setting of the price

(correction) subject to the delivery basis;

'buy offer submission time' shall mean the period of time after which the Trading System registers the execution of the exchange transaction;

'decrement time' shall mean the period of time after which the starting or current price (correction) is decreased by the decrement tick;

'counteroffer' shall mean a buy offer generated by the buyer in the course of the trading session on the basis of a sell offer by modifying one or more of its parameters: quantity, price (correction), date of dispatch, delivery terms and period, payment terms;

'group of homogeneous lots' shall mean a group of lots (commodity batches) with similar characteristics, as determined in accordance with the established procedure;

'buyer' shall mean the exchange trading participant which is a non-resident of the Republic of Belarus, and is willing to buy the commodity;

'correction' shall mean, in the commodity price formula, the amount of the discount or premium from/on the quotation for the commodity (by S&P Global Platts, as published in Platts European Marketscan, or by Argus Media, as published in Argus European Products, or by any other global agency) which is used as an equivalent of the commodity being sold;

'threshold price (correction)' shall mean the price or correction specified in the sell offer which, when achieved upon expiry of the decrement time, results in the lot being withdrawn from the exchange auction;

'seller' shall mean the exchange trading participant willing to sell the commodity; 'starting price (correction)' shall mean the price (correction) specified in the sell offer

and registered in the Trading System at the time of commencement of the trading period of the trading session;

'current price (correction)' shall mean the price (correction) modified in the course of the following periods of the trading session: trading period, trading and offers adjustment period, and trading and results registration period;

'commodity' shall mean the petroleum products, chemicals and petrochemicals included in the appropriate section of the List of Commodities (Groups of Commodities) Admitted to Exchange Trading at JSC 'Belarusian Universal Commodity Exchange', as approved by Resolution of the Board of JSC 'Belarusian Universal Commodity Exchange' dated December 30, 2005, No. 8;

'price formula' shall mean the mathematical expression of the calculation of the commodity price with a description of formula arguments which is provided in the sell offer, and must contain a mandatory argument with a value equal to the value of the correction determined on the basis of the results of the exchange auction in accordance with these Regulations;

'price (correction) tick' shall mean the amount, as set by the Exchange, by which the starting or current price is increased during the trading session;

'decrement tick' shall mean the amount, as set by the Exchange, by which the starting or current price (correction) is decreased during the trading session.

# Procedure for Submission of Sell (Buy) Offers

* 1. To participate in the exchange auction, the exchange trading participant shall submit a sell (buy) offer to the Trading System which shall be accessed through the official website of the Exchange on the Internet global computer network at [www.butb.by](http://www.butb.by/).
	2. Sell offers shall be submitted by 11:00 a.m. on the day of the exchange auction. Such sell offers may be revoked (withdrawn) or adjusted no later than by 12:00 p.m. on the day of the exchange auction.
	3. Buy offers shall be submitted by 12:30 p.m. on the day of the exchange auction.
	4. It shall not be permitted to specify in the sell (buy) offers: information and/or requirements which are inconsistent or contrary to the principle of granting all exchange trading participants equal access to exchange auctions;

information which contains contact data (website links, address, telephone number, fax number, e-mail address, etc.), or any other information which directly or indirectly identifies the exchange trading participant (client of the exchange broker).

* 1. The following information shall be provided in the sell offer:
		1. information on the commodity:

name of the commodity, including its brand, class, grade, quality standard, and code under the Harmonized Commodity Description and Coding System of the Eurasian Economic Union (EAEU HS);

name of the manufacturer;

* + 1. quantitative and qualitative characteristics of the commodity: quantity with an indication of the unit of measurement;

name of the price (correction) currency;

starting and threshold price excluding VAT or correction for the price (correction) determination basis, starting price (correction) for each delivery basis. The starting and threshold price (correction) for the price (correction) determination basis 'FCA manufacturer’s plant' shall not exceed the relevant prices (corrections) for delivery bases;

VAT rate;

* + 1. commodity sale terms: payment terms;

delivery market (direction/country); price (correction) determination basis; delivery terms;

dispatch date;

* + 1. other parameters of the sell offer:

if the price is calculated using a formula – calendar period of final pricing;

in other situations – month and year of acquisition by the manufacturer of the commodity of the basic raw materials from which the commodity being sold was manufactured ('resource of the month');

type of transport; attachment.

(*subparagraph 2.5 as amended by Minutes of the Board Meeting of JSC 'Belarusian Universal Commodity Exchange' dated 26.01.2022 No. 18*)

* 1. Other additional terms may be specified in the sell offer.
	2. The sell offer may contain information on a single delivery basis (single-basis lot) or multiple delivery bases (multiple-basis lot).
	3. The 'Additional Information' and

'Attachment to the Offer' fields of the sell offer shall be used to provide important information on the commodity and transaction terms (form of the exchange contract, commodity price formula with a description of its arguments and references to the sources of information for its elements, information on the certificate of origin of the commodity, procedure for the submission of dispatch orders, liabilities of the parties, etc.).

(*subparagraph 2.8 as amended by Minutes of the Board Meeting of JSC 'Belarusian Universal Commodity Exchange' dated 26.01.2022 No. 18*)

* 1. Buy offers shall be submitted, among other things, taking into consideration the sell offers included in the register of sell offers.
	2. The following information shall be provided in the buy offer:
		1. information on the commodity:

name of the commodity, including its brand, class, grade, quality standards, and EAEU HS code;

name of the manufacturer;

* + 1. quantitative and qualitative characteristics of the commodity: quantity with an indication of the unit of measurement;

name of the currency;

price (excluding VAT) or correction;

VAT rate;

* + 1. commodity purchase terms: payment terms;

delivery market (direction/country); delivery terms;

dispatch date; type of transport.

* 1. Other additional terms may be specified in the buy offer.
	2. The sell (buy) offers submitted by the exchange trading participants shall be reviewed by the Exchange, and, subject to their compliance with the applicable requirements and the absence of other reasons for refusal to accept such offers as stipulated by the applicable legislation and the by-laws of the Exchange, shall be admitted by their inclusion in the register of sell (buy) offers for the appropriate trading session.

Information on the registers of sell (buy) offers shall be communicated by the Exchange to the exchange trading participants, their clients, and other stakeholders in accordance with the procedure stipulated by the Rules within the following time period:

by 01:30 p.m. on the day of the exchange auction.

# Procedure for Conduct of Exchange Auctions

* 1. The exchange auctions shall be conducted electronically to increase the prices (corrections) concurrently for all sell offers (lots).
	2. The date and time of the exchange auction shall be determined in accordance with the schedule of exchange auctions in the Promising Commodities Section.
	3. Exchange auctions shall be conducted on the trading floors of the Exchange (its branches), in other specially equipped rooms, each such room containing the workstation of the Makler and/or remote workstations of the exchange trading participants, and on the network using remote access (from remote workstations).

The trader of the exchange trading participant who temporarily leaves his or her workstation during the trading session shall log out of the Trading System. If the trader does not log out as described above, he or she shall be fully liable for any and all actions performed in the Trading System on his or her behalf during the period of his or her absence.

The Exchange shall not be liable for the situations where the exchange trading participants are not able to work in the Trading System due to any circumstances which are beyond the control of the Exchange.

3.4. The Trading System messaging system shall be used, and other communication systems may be used in accordance with the established procedure, to enable interactions between the Makler and the traders of auction participants and other stakeholders during the exchange auction.

* 1. The trading session shall consist of the pre-trading period, trading period, trading and offers adjustment period, and trading and results registration period.
	2. The Makler shall establish the following trading session parameters which shall be communicated to the exchange trading participants by posting the appropriate message in the Trading System, or by using other methods:

trading session period;

duration of the trading session period; buy offers submission time;

decrement time;

price (correction) tick and decrement tick.

* 1. The Makler shall start the trading session and launch the pre-trading period during which the sellers may adjust the quantity of the commodity to create new lots, with the total quantity of the commodity in such lots not exceeding the quantity of the commodity in the adjusted lot, and activate their sell offers (lots), whereupon they shall be accessible for review by other exchange trading participants.

 The parameters of the lots created as a result of such adjustment shall be consistent with the other parameters of the lot being adjusted.

* 1. Upon completion of the pre-trading period, the Makler shall launch the trading period during which the buyers may execute exchange transactions and submit counteroffers, and the sellers may analyze the progress of the auction and review such counteroffers.
	2. During the trading period, the buyer willing to execute an exchange transaction shall, within the time period set by the Makler, submit the buy offer with respect to a specific lot at the starting price (correction), or at the starting price (correction) increased by one or more price (correction) ticks, or, when buy offers with respect to such lot are already submitted, at the current price (correction) increased by one or more price (correction) ticks. The buyer shall also indicate delivery terms, including the delivery basis.

To take the leading position with respect to the lot for which another buy offer is already submitted, the buyer shall, during the buy offers submission period, increase the current price (correction) by one or more price (correction) ticks.

* 1. If the price (correction) for one of the traded lots comprising a group of homogeneous lots is increased during the trading period, the prices for other non-traded lots in such group of homogeneous lots shall be automatically increased accordingly. If there are two or more concurrently traded lots in the same group of homogeneous lots, the prices of the non-traded lots shall be automatically increased to the lowest current price (correction) of traded lots in such group.
	2. If the price (correction) is increased during the trading period, the prices (corrections) shall be automatically changed for all delivery bases in the relevant lot by the amount of change in the price (correction) for the price (correction) determination basis.
	3. The Trading System shall register the execution of the transaction between the seller and the buyer who had the leading buy offer (best-price (correction) offer or only offer) at the time of expiry of the buy offers submission period for the traded lot, with an indication of the delivery basis for such buy offer.
	4. If the duration of the buy offers submission period for the traded lot exceeds the time remaining until the end of the period, trading in such lot shall be suspended, and then renewed at the time of the launch of the next period of the trading session.

The automatic start of the traded lot shall occur at the fixed time of submission of offers upon completion of the previous trading session period.

* 1. During the trading period, the buyer who is not satisfied with the initial terms offered by the seller may submit a counteroffer on the basis of the relevant lot. The quantity of the commodity in such counteroffer may exceed the quantity of the commodity in the seller’s lot.

If any buyer submitted a buy offer for a given lot on the terms offered by the seller, no more counteroffers shall be accepted by the Trading System, and any previously submitted counteroffers shall be deleted.

* 1. Upon completion of the trading period, the Makler shall launch the trading and offers adjustment period during which the buyers may execute exchange transactions and submit counteroffers in accordance with the procedure stipulated by these Regulations for the trading period, and the sellers may analyze the progress of the auction, review such counteroffers, and adjust their lots.
	2. Adjustment of the lot shall include modification of the following parameters: quantity (if decreased), threshold price (correction), dispatch date, payment terms, and price (correction) – for the lots which are not included in the group of homogeneous lots. Such lot shall not be accessible for the submission of the buy offer.
	3. If no buy offers are submitted for the lots comprising a group of homogeneous lots during the trading and offers adjustment period, the current price (correction) for such lots shall, upon expiry of the decrement time, be reduced by the appropriate price (correction) decrement tick.

No reduction of the current price (correction) shall be effected upon expiry of the trading and offers adjustment period.

Upon achievement of the threshold price (correction) after the expiry of the decrement time, the lot shall be withdrawn from the exchange auction, provided that there are other lots comprising a group of homogeneous lots with a lower threshold price (correction). In such event, the seller may reduce the threshold price (correction), and activate the lot which shall be returned to the trading session with the current price (correction) appropriate for such group of homogeneous lots.

Upon achievement of the threshold price (correction) after the expiry of the decrement time, the lot shall remain in the exchange auction with the current price (correction), if there are no other lots comprising a group of homogeneous lots with a lower threshold price (correction).

* 1. Upon completion of the trading and offers adjustment period, the Makler shall launch the trading and results registration period, during which the buyers may execute exchange transactions in accordance with the procedure stipulated by these Regulations for the trading period, the sellers may analyze the progress of the auction, and both the buyers and the sellers may record the information on consummated exchange transactions.

3.19. The trading and results registration period shall end upon expiry of the period of time established by the Makler, if there are no traded lots, or upon registration in the Trading System of execution of the transaction with respect to the last traded lot, whereupon the Makler shall end the trading session.

1. **Generation, Signing, and Registration of Exchange Contracts**
	1. The exchange contracts shall be generated, signed, and registered in the form of electronic documents using the personal account interface on the official website of the Exchange in the global Internet computer network at [www.butb.by](http://www.butb.by/)

('Electronic Contracts' tab).

* 1. The seller shall generate and sign the exchange contract in the form of an electronic document in the Russian language and, if necessary, in the English language within four business days (classified as such by the Exchange) from the date of execution of the exchange transaction.

To generate the exchange contract, the seller shall use the exchange contract form attached to the appropriate sell offer. The exchange contract shall be consistent with the terms of the consummated exchange transaction and with the requirements stipulated by the Rules, these Regulations, and other by-laws of the Exchange.

(*subparagraph 4.2 as amended by Minutes of the Board Meeting of JSC 'Belarusian Universal Commodity Exchange' dated 28.02.2022 No. 49*)

* 1. The buyer shall sign the exchange contract drawn in the form of an electronic document within one business day (classified as such by the Exchange) from the date of its signing by the seller.
	2. The exchange contract shall be registered by the Exchange within one business day (classified as such by the Exchange) from the date of its signing by the second party, provided that the exchange contract is consistent with the terms of the consummated exchange transaction and with the requirements stipulated by the Rules, these Regulations, and other by-laws of the Exchange.

Upon elimination of the reasons entailing refusal to register the exchange contract, the exchange trading participants shall generate, sign, and submit for registration a new version of the exchange contract in accordance with the procedure stipulated by subparagraphs 4.1–4.3 of these Regulations.

* 1. The registration of the exchange contract shall be performed by its sealing with the EDS of the authorized employee of the Exchange. The registration of the exchange contract shall be confirmed by the receipt indicating the details of the EDSs of the representatives of the seller and the buyer, and of the authorized employee of the Exchange.