APPROVED

by Minutes of the Board Meeting of JSC ‘Belarusian Universal Commodity Exchange’

 dated 04.11.2022 No. 244

(as amended by Minutes of the Board Meeting of JSC ‘Belarusian Universal Commodity Exchange’ dated 22.12.2022 No. 278, 16.11.2024 No. 264)

TEMPORARY REGULATIONS

on Exchange Auctions for Purchase/Sale of Commodities in the Domestic Market Using Formula-Based Pricing in the Metal Products Section of JSC ‘Belarusian Universal Commodity Exchange’

CHAPTER 1

GENERAL PROVISIONS

1. These Temporary Regulations describe certain aspects of the exchange auctions for the sale/purchase of commodities in the domestic market using formula-based pricing.

2. These Temporary Regulations use terms and their definitions set out in Law of the Republic of Belarus dated 05.01.2009 No. 10-Z ‘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 06.08.2009, No. 1039 “On Certain Measures for the Implementation of Law of the Republic of Belarus dated January 5, 2009, ‘On Commodity Exchange’”, Rules of Exchange Trading at JSC ‘Belarusian Universal Commodity Exchange’ approved by Resolution of the Board of JSC ‘Belarusian Universal Commodity Exchange’ dated 22.11.2005, No. 3, and Regulations on Exchange Auctions in the Metal Products Section approved by Resolution of the Board of JSC ‘Belarusian Universal Commodity Exchange’ dated 30.12.2005, No. 8 (‘Exchange Auctions Regulations’), as well as the following terms and their definitions:

sell offer submission time shall mean the time during which the seller reduces the current price (premium/discount) by one or more ticks to take the leading position with respect to the relevant lot;

counteroffer shall mean a sell offer generated in the course of the trade session on the basis of a buy offer by modifying one or more of the parameters of such buy offer, as stipulated by these Temporary Regulations;

quotation shall mean the mean arithmetic value of the highest and lowest quotations for the commodity for the month preceding the month of shipment published by a global agency reporting commodity prices in the metal and mining markets, as specified by the buyer;

premium/discount shall mean, when used in the commodity price formula, the percentage rate of the premium or discount of the seller relative to the quotation;

starting price (premium/discount) shall mean the price (premium/discount) specified in the buy offer and registered in the Trading System at the time of commencement of the trading period of the trade session;

current price (premium/discount) shall mean the price (premium/discount) changed in the course of any of the following periods of the trade session: trading period, offers adjustment period, and trading and results registration period;

commodity shall mean the exchange commodity admitted to exchange trading in the Metal Products Section for which quotation values are published by global agencies reporting commodity prices in the metal and mining markets;

price formula shall mean the mathematical expression of the commodity price calculation with a description of formula arguments which is provided in the commodity buy (sell) offer, and must contain a mandatory argument with a value equal to the rate of the premium/discount of the seller;

tick shall mean the amount by which the starting or current price (premium/discount) of the commodity is decreased during the trade session.

3. The commodity price shall be calculated in accordance with the following formula:

P = Pm ± k,

where:

P is the commodity price;

Pm is the quotation; and

k is the percentage rate of the premium/discount of the seller.

4. The rate of the premium/discount shall be determined in the course of the exchange auction, and shall remain unchanged throughout the effective term of the exchange transaction (contract).

5. A recalculation of the price in line with the quotation shall be made in the course of performance of the exchange transaction (contract) for each delivery month.

6. At the time of execution of exchange transactions, exchange trading participants acting in the capacity of sellers shall comply with the requirements of legislative acts regulating pricing matters, and shall bear liability for violation of such requirements.

If the price of an exchange commodity is generated in the course of an exchange auction without taking into consideration the legislative acts regulating pricing matters, the exchange trading participant acting in the capacity of the seller shall notify the makler accordingly within 20 minutes following the time of execution of such exchange transaction.

61. Certain aspects related to the submission of commodity sell (buy) offers and the conduct of exchange auctions for the commodities sold/purchased in the domestic market with the use of formula-based pricing and with consideration of equivalent commodities shall be described in Chapter 31 of these Temporary Regulations.

*(paragraph 61 introduced by Minutes of the Board Meeting dated 16.11.2024 No. 264)*

7. Exchange Auctions Regulations shall be used for guidance on all matters not expressly covered by these Temporary Regulations.

8. The schedule of exchange auctions shall be published on the official site of JSC “Belarusian Universal Commodity Exchange” on the internet global computer network at [www.butb.by](http://www.butb.by).

CHAPTER 2

PROCEDURES FOR THE OFFERING OF COMMODITIES AT EXCHANGE AUCTIONS. OFFER SUBMISSION DEADLINES

9. To participate in the exchange auction, the exchange trading participant shall submit the commodity sell (buy) offer using the program module for the submission of offers to exchange auctions for the sale/purchase of commodities in the domestic market using formula-based pricing from the traders’ remote workstations (the “Program Module”). All offers shall be drawn in accordance with the commodity nomenclature handbook of the Program Module.

10. Each buy (sell) offer shall contain the following information:

name of the commodity, including its brand, standard size, standard, and code under the Harmonized Commodity Description and Coding System of the Eurasian Economic Union;

quantity of the commodity with an indication of the unit of measurement;

value and currency of the quotation;

premium/discount of the seller (%);

currency of the offer (which can differ from the currency of the quotation);

tick;

VAT rate;

delivery terms (deadline and basis);

payment terms;

effective term of the offer.

In the “Additional Information” field, it shall be necessary to specify the commodity price formula and its arguments, and provide other material information on the commodity and the terms of performance of the transaction.

It shall be necessary to additionally specify the following information: in the buy offer – source of funding, and global agency reporting commodity prices in the metal and mining markets which sets quotation values; and in the sell offer – name of the manufacturer, country of origin of the commodity, and location of the commodity.

11. If the currency of the offer is different from the currency of the quotation, the price shall be automatically recalculated and converted into the currency of the offer at the exchange rate of the National Bank of the Republic of Belarus as of the current date.

12. Sell offers shall be submitted at least one business day prior to the date of the exchange auction.

Buy offers shall be submitted at least three business days prior to the date of the exchange auction.

*(paragraph 12 as amended by Minutes of the Board Meeting dated 22.12.2022 No. 278)*

13. The exchange trading participants which are residents of the Republic of Belarus may submit sell offers with a fixed condition whereby cash payment obligations under such transactions shall be payable in Belarusian rubles in the amount equivalent to the amount in the foreign currency as determined in the course of the exchange auctions, with such amount converted at the exchange rate of the National Bank of the Republic of Belarus as of the date of payment.

CHAPTER 3

CERTAIN ASPECTS OF THE CONDUCT OF EXCHANGE AUCTIONS

14. Exchange auctions shall be conducted in electronic form with a view to concurrently decrease the prices (premiums/discounts) for all buy offers (lots). The Trading System shall activate the offers submitted by the buyers whose traders have completed electronic registration (identification) in the Trading System.

15. The trade session shall consist of the pre-trading period, the trading period, the offers adjustment period, and the trading and results registration period.

The duration of each period shall be established by the Makler and communicated to the exchange trading participants by posting the appropriate message in the Trading System.

16. The Makler shall start the trade session and launch the pre-trading period during which the buyers shall be able to adjust the value of the quotation and the premium/discount of the seller.

17. Upon completion of the pre-trading period, the makler shall launch the trading period, whereupon the exchange auction participants shall become able to execute exchange transactions.

18. During the trading period, the exchange auction participants shall execute commodity sale/purchase transactions, and the buyers shall submit counteroffers.

19. To execute exchange transactions during the trading period, the sellers shall submit commodity sell offers for the sale of a specific lot on the terms of the buyer at the starting price (premium/discount), or at a price (premium/discount) which is lower than the starting price by one or more ticks. The seller shall confirm his or her obligation to deliver the commodity specified in the relevant buy offer.

When posting his or her proposal, the seller may adjust the following parameters of the buy offer: location of the commodity, country, manufacturer, VAT rate, and premium/discount rate.

In the event of modification of any value parameter of the offer available for adjustment, all value parameters subordinate to such parameter shall be recalculated automatically.

To take the leading position with respect to a lot for which another sell offer is already submitted, the seller shall, during the sell offers submission period, decrease the current premium/discount by one or more ticks.

20. During the trading period, the seller who is not satisfied with the initial terms offered by the buyer may submit a sell counteroffer on the basis of the relevant buy offer.

The counteroffer shall be generated by the seller by adjusting the following parameters of the buy offer: currency of the offer, VAT rate, premium/discount of the seller, country, manufacturer, quantity of the commodity (excluding any increase), delivery terms (deadline and basis), payment terms, location of the commodity; he or she may also supplement the buy offer with other terms which shall be specified in the parameter of the offer called “terms of the seller’s counteroffer”.

*(paragraph 20 as amended by Minutes of the Board Meeting dated 22.12.2022 No. 278)*

21. If the seller submits the sell offer for a given lot on the terms initially offered by the buyer, the counteroffers submitted with respect to such lot by other sellers shall not be accepted by the Trading System, and any previously submitted counteroffers shall be deleted. The sellers may submit sell offers for such lot in accordance with the procedure stipulated in the fourth part of paragraph 19 of these Temporary Regulations.

22. The Trading System shall register the execution of the transaction between the buyer and the seller with the leading offer (best-price (premium/discount) offer or only offer) at the time of expiry of the sell offers submission period for the traded lot.

23. If the duration of the sell offers submission period for the traded lot exceeds the time remaining until the end of the trading period, the trading period shall be automatically extended by the remaining time of the sell offers submission period for such lot, and shall expire upon registration in the Trading System of the execution of the transaction for the last traded lot.

24. Upon completion of the trading period, the Makler shall launch the offers adjustment period.

During the offers adjustment period, the buyers shall analyze the counteroffers submitted by the sellers during the previous period and, if necessary, adjust the parameters of their buy offers (lots) with which no transactions were executed during the previous trading period.

Adjustment of the buy offer (lot) shall include modification of the following parameters: currency of the offer, VAT rate, premium/discount rate, quantity of the commodity (excluding any increase), delivery terms (deadline and basis), and payment terms.

25. If an adjustment of the parameters of the lot reduces the quantity of the commodity in such lot, the remaining portion of the lot shall constitute a new lot which shall be automatically offered at the exchange auction.

26. If the buyer agrees to execute the transaction on the terms of the counteroffer submitted by the seller, the buyer shall confirm his or her readiness to execute such transaction by selecting the relevant offer from the list of counteroffers submitted by the sellers. The ‘Additional Information’ field (which already describes the terms offered by the buyer) shall be supplemented with the information on the terms offered by the seller, as specified in the parameter of the offer called ‘terms of the seller’s counteroffer’.

*(paragraph 26 as amended by Minutes of the Board Meeting dated 22.12.2022 No. 278)*

27. If no counteroffers are submitted by the sellers, or the buyer does not accept the terms of such counteroffers, the buyer may independently adjust the parameters of his or her lots.

28. During the offers adjustment period, the exchange auction participants may use the ‘Transactions’ interface window to view the list of transactions executed during the previous period by all exchange trading participants, and the list of their own transactions which shall be marked green in the Trading System.

29. Upon completion of the offers adjustment period, the Makler shall launch the trading and results registration period.

During the trading and results registration period, the exchange trading participants shall execute exchange transactions using the standard trading period arrangements, with the exception of submission of counteroffers by the sellers and the procedure for the registration of exchange auction results.

If the terms offered by the buyer, as specified in the ‘Additional Information’ field with respect to the transaction being executed, are different from the terms of the counteroffer submitted by the seller which are endorsed (accepted) by the buyer, the transaction shall be deemed to have been executed taking into consideration the terms offered by the seller, as specified in the parameter of the offer called ‘terms of the seller’s counteroffer’.

*(paragraph 29 as amended by Minutes of the Board Meeting dated 22.12.2022 No. 278)*

30. The Makler may introduce an additional trading period and an additional sellers’ offers adjustment period.

CHAPTER 31

CERTAIN ASPECTS OF THE CONDUCT OF EXCHANGE AUCTIONS WITH CONSIDERATION OF EQUIVALENT COMMODITIES

*(Chapter 31 introduced by Minutes of the Board Meeting dated 16.11.2024 No. 264)*

311. If the buyer is willing to purchase an equivalent commodity (commodity with similar properties, characteristics, and intended uses) (the ‘equivalent commodity’), buy (sell) offers shall be submitted using the program module ‘Submission of Offers to Exchange Auctions in the Metal Products Section’ in accordance with Chapter 2 of the Exchange Auctions Regulations.

321. The following information shall be specified in the ‘Additional Information’ field of the buy (sell) offer:

– price formula described in paragraph 3 of these Temporary Regulations;

– value of the quotation, and the source of such quotation;

– indication that the premium/discount rate is fixed in the contract executed upon completion of the exchange auction based on the price formula, and shall remain unchanged throughout the effective term of the exchange transaction (contract).

331. Exchange auctions with consideration of equivalent commodities shall be conducted in accordance with the provisions of subparagraph 3.4 of paragraph 3 of the Exchange Auctions Regulations.

CHAPTER 4

GENERATION OF THE EXCHANGE CONTRACT

31. The exchange contract shall be generated, signed, and registered in electronic form using the ‘Contracts’ tab of the personal account interface (the ‘personal account’) in accordance with the Guidelines on Exchange Client Operations with Electronic Documents Formalizing Contracts and Agreements.

Information on executed exchange transactions shall be available to the exchange trading participants in their personal accounts upon completion of the trade session.

32. The exchange contract may be generated in the form of an electronic document by either of the parties which executed the exchange transaction upon completion of the trade session. The exchange contract may be generated in the form of an electronic document on the basis of both the form recommended by the Exchange (attached to these Temporary Regulations), and any free form.

In the situation described in the third part of paragraph 29 of these Temporary Regulations, the information specified in the ‘Additional Information’ field of the exchange transaction and incorporated in the exchange contract shall be adjusted to reflect the terms of the seller accepted by the buyer in the course of the exchange auction.

*(paragraph 32 as amended by Minutes of the Board Meeting dated 22.12.2022 No. 278)*

33. The exchange contract shall contain a reference to the fact that, in the course of performance of the exchange transaction (contract), the price for each delivery month shall be recalculated in accordance with the quotation for the commodity for the month preceding the month of shipment, and that the rate of the premium/discount of the seller determined in the course of the exchange auction shall remain unchanged throughout the effective term of the exchange contract.

34. The change in the price of the commodity in accordance with the provisions of paragraph 33 of these Temporary Regulations shall be formalized with the consent of the parties by drawing a supplementary agreement to the exchange contract, such supplementary agreement being subject to mandatory registration by the Exchange.

35. If one of the parties generates the exchange contract using a free form, and the other party refuses to sign such exchange contract on the proposed terms (which were not agreed by the parties at the time of execution of the exchange transaction), the parties shall draw and sign the exchange contract using the form recommended by the Exchange, as provided in the appendix to these Temporary Regulations.

The weight of the commodity specified in the exchange contract may deviate by not more than ±10% (tolerance), unless otherwise stipulated by resolution of the Exchange.