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| **Approved in new edition****by the Resolution of the Supervisory Board****of the “Armenia Stock Exchange” OJSC** **Chief Executive Officer Hayk Yeganyan****“ ” 2024** **c. Yerevan**AMX **-01/L** |  **Registered in new edition** **at the Central Bank** **of the Republic of Armenia****Chairman Martin Galstyan**  **“ \_\_ “ \_\_\_\_\_\_\_\_\_\_\_ 2024** |

**ARMENIA STOCK EXCHANGE**

OPEN JOINT-STOCK COMPANY

**GENERAL TRADING RULES**

(NEW EDITION)

## Chapter 1 Concepts

1. Concepts used in these Rules shall have the meanings as specified in this Chapter:
2. **“Trading Rules”** shall mean the integrity of the Operator’s “General Trading Rules”, “Rules on Corporate Securities Trading”, “Rules on Government Bonds Trading” and “Rules on Foreign Exchange Trading”.
3. **“Trading System”** shall mean the integrity of technical, software and other means used by the Operator for the organization of electronic trade and the processing and storage of related information, as well as for the implementation of other functions defined by the Operator’s Trading Rules.
4. **“Trading Day”** shall mean any business day on which trading with financial instruments is organized by the Operator.
5. **“Trading Session”** shall mean the time period within the trading day, during which trading with financial instruments is carried out in accordance with the procedure defined by the Operator’s Trading Rules.
6. **“Pre-Trading Session”** shall mean the time period preceding the trading session, during which buy (sell) Bids (except for cases provided for in these Rules) may be placed in accordance with the procedure defined by the Operator’s Trading Rules, when, however, transactions may not be concluded in case of availability of matching counter bids.
7. **“Opening Auction”** shall mean the opening moment of trading session immediately following the Pre-trading session, during which Bids placed during the pre-trading session may be executed in accordance with the procedure defined by the Operator’s Trading Rules, whereas unexecuted bids shall not be eliminated from the trading system and, from the moment of opening of the trading session, shall be included in the corresponding Bid Queues of the trading session organized by way of two-sided continuous auction.
	1. **“Performing a basket repo transaction"** shall mean the period following the trading session and preceding the post-trading session of basket repo transactions, during which the presence of necessary and sufficient funds for the execution of the transaction at the parties to the Basket Repo transaction is checked in accordance with the procedure specified in chapter 9.1 of these rules.
8. **“Post-Trading Session”** shall mean the time period following the end of the trading session, during which Bids may be placed in accordance with the procedure defined by the Operator’s Trading Rules, and transactions may be concluded with the weighted average price generated during the trading session proceeding the given session, except for cases stipulated by these Rules.
9. **“Exchange Member”** shall mean the Market Participant having been granted the status of Exchange Member pursuant to the Operator’s “Rules On Membership and Market Participation”.
10. **“Market”** shall mean the market organized by the Operator for the purpose of organizing public trading of any financial instrument pursuant to the Law and the Operator’s Rules.
11. **“Market Participant”** shall mean the Central Bank of the Republic of Armenia, as well as those Banks and Investment companies and entities authorized by the legislation of the Republic of Armenia and international treaties to carry out banking activities and/or provide investment services in the territory of the Republic of Armenia, which have a valid contract with the Operator on participation in trading, and which in accordance with the Operator’s rules is allowed to participate in trading organized by the Operator on any Market.
12. **“Bank”** shall mean a legal entity licensed (having the right) to carry out banking activities defined under the legislation of the Republic of Armenia, or a branch of a foreign bank.
13. **“Investment Company”** shall mean a legal entity licensed (having the right) to provide investment services defined under the legislation of the Republic of Armenia, or a foreign investment company branch.
14. **“Trading Participant”** shall mean a natural person authorized by Market Participant for participation to trading on the Market, who is entitled to participate to trading on behalf of the Market Participant in accordance with the procedure defined by the Operator’s Trading Rules.
15. **“Broker”** shall mean a Trading Participant that trades on behalf of a Market Participant and on the account of its clients.
16. **“Dealer”** shall mean a Trading Participant that trades on behalf of and for the account of a Market Participant.
17. **“Sponsored Client”** shall mean a legal entity or an individual, as well as an investment fund that is not a legal entity, to which the Market Participant provides an opportunity to participate in trading organized by using Two-sided Continuous Auction method in accordance with these rules, to directly submit Bids in the Trading System and conclude transactions on its own account and on behalf of the Market Participant.
18. **“Remote Terminal”** shall mean a separated computer located outside the Operator’s territory and designated for participating to trading by Market Participant, which is given an individual permission by the Operator to connect to the trading system, and to which a software module is installed enabling a real-time connection to the trading system either through the CBANet computer network with username and passwords or Internet.
19. **“Operator”** shall mean “Armenia Stock Exchange” Open Joint-Stock Company.
20. **“Depository”** shall mean “Central Depository of Armenia” Open Joint-Stock Company.
21. **“Conclusion of Transaction”** shall mean an Agreement between Market participants on the essential terms of the transaction in accordance with the Trading rules.
22. **“Lot price”** shall mean the price of 1 (one) Lot of financial instrument denominated in the relevant currency. The price of 1 (one) lot of the bond is expressed as a percentage of the nominal value thereof.
23. **“Transaction Price”** shall mean the price of one Lot of the financial instrument subject to the transaction, and in the case of bonds, the monetary value calculated in accordance with the Lot price of the bonds subject to the transaction, with which the transaction was concluded.
24. **“Transaction Amount”** shall mean the amount to be paid by the buyer for the Financial instrument acquired as a result of the transaction (the product of the transaction price and the number of Lots of the Financial instrument subject to the transaction), and in the case of coupon bonds, also the amount of the coupon accrued as of the date of the final settlement of the transaction added to that product.
25. **“Cash”** shall mean cash expressed in the Republic of Armenia drams or foreign currency, intended to be used for acquiring financial instruments during trading organized by the Operator.
26. **“Best Price”** shall mean the highest price specified in buy bids, or the lowest price specified in sell bids of the given financial instrument.
27. **“Best Bid”** shall mean the bid submitted with the best buy (sell) price.
28. **“Limit Bid”** shall mean a purchase (sale) bid with immediate activation, that, at the time of being entered into the trading system, may be executed either in part or in full at the price specified in the bid, or at a lower (higher) price (in the case of bids for concluding Basket repo transactions, a buy (sale) bid, which at the time of entering the Trading System can be partially or completely executed at the price specified in the Bid or at a higher (lower) price), and at the price specified in the bid only after being entered into the trading system and included in the Bid Queue.
29. **“Market Bid”** shall mean a buy (sell) bid with immediate activation, that may be executed at the best sell (buy) price immediately after being entered into the trading system, otherwise it shall not be included in the Bid Queue.
30. **“Bid with Immediate Activation”** shall mean the bid, that is activated immediately, at the moment of being entered into the trading system.
31. **“Bid with full execution”** shall mean a bid that, immediately after being entered into the Trading System, can be executed in the amount of the full number of Lots specified in the Bid only, otherwise it is not included in the bids queue.
32. **“Bid with partial execution”** shall mean a bid that may be executed in whole or in part.
33. **“Keep during the day”** shall mean Condition of a Public Quote or partially executed Bid, in which case the given quote or the unexecuted part of the given Bid is included in the Bid Queue until the end of the given Trading Session.
34. **“Withdraw the balance”** shall mean a bid condition, in the presence of which the Bid can be fully or partially executed only at the time of entering the Trading System, and the unexecuted part of the bid is not included in the bid Queue.
35. **“Lot”** shall mean the minimum quantity of a financial instrument allowed to be specified in a buy or sell order of the given financial instrument. In each Market, the Lot size shall be defined pursuant to the Trading Rules of the given Market.
36. **“bid”** shall mean an offer to buy (sell) any Financial instrument entered into the Trading System on behalf of a Market Participant, which is addressed to all Market Participants with the right of trading with the given Financial Instrument, and where all the essential conditions for the fulfilment of that offer are indicated.
37. **“Addressed Offer”** shall mean an offer to conclude a trade or repo transaction with the given financial instrument, which Trading Participant addresses during the Trading session to any Market Participant through the trading system, the acceptance of which results in a registration of a Transaction conclusion in the trading system.
38. “Material Conditions of Bid Execution” shall mean mandatory conditions to be included in the Bid to be entered into the trading system, which, in case of execution of any bid counter the given bid, the conclusion of the Transaction, shall be registered in the Trading system.
39. **“Queue”** shall mean a regulated sequence of purchase (sell) bids of the same Financial Instrument entered into the trading system and not yet executed.
40. “Counter bids” shall mean sell bids in face of buy bids, and buy bids in face of sell bids.
41. “Matching Counter bids” shall mean the counter bids to the given bids that correspond to all material conditions of execution of the given bid and based on which transaction(s) is (are) concluded.
42. “Repo Transaction” shall mean an agreement reached between Trading Participants for conclusion of two interrelated direct-repo and reverse-repo transactions; with the former of which the one party sells the given financial instrument to the other, while obliges with the latter to repurchase it in the future on conditions agreed at the given moment.
	1. “**Basket repo transaction”** shall mean Repo transaction, the object of which is the Financial Instruments included in basket, and the term of which is one day.
	2. **“Basket”** shall mean the list of financial instruments approved by the decision of the head of the operator’s executive body, with which it is allowed to conclude Basket Repo transactions. Moreover, the decision of the head of the executive body of the Operator mentioned in this point also defines the maximum number of types of financial instruments included in the Basket, which can be the subject of one Basket repo transaction/bid.
43. **“Repo settlement price”** shall mean repo settlement price set for the given Trading Day, which is accepted for Government bonds as the price of the yield curve calculated for Government bonds of a given class as of the day preceding the given Trading Day and published by the Central Bank (for basket repo transactions, it shall be the sum of the yield curve calculated for Government bonds of a given class as of the day preceding the given Trading Day and published by the Central Bank and 2% limit adjustment (haircut)) and for Corporate securities it is calculated in the following successive ways (each subsequent way is applied only if it is impossible to use all the previous ways due to lack of relevant transactions/applications in the Trading system):
44. the weighted average price of the transactions concluded in the Trading System with securities of the given class during the previous 5 (five) consecutive trading days by two-sided continuous auction;
45. the weighted average price of the transactions concluded in the Trading System with securities of the given class during the previous 30 (thirty) consecutive trading days by two-sided continuous auction;
46. the weighted average price of the transactions concluded in the Trading System with securities of the given class during the previous 60 (sixty) consecutive trading days by two-sided continuous auction;
47. the weighted average price of the transactions concluded in the Trading System with securities of the given class during the previous 90 (ninety) consecutive trading days by two-sided continuous auction;
48. the weighted average price of the prices of the best buy and best sell bids submitted to the Trading System with corporate securities of the given class during the trading sessions of the preceding 5 (five) consecutive trading days, in which there were both buy and sell bids for at least 1 (one) hour in a row;
49. the weighted average price of the prices of the best buy and best sell bids submitted to the Trading System with corporate securities of the given class during the trading sessions of the preceding 30 (thirty) consecutive trading days, in which there were both buy and sell bids for at least 1 (one) hour in a row;
50. the weighted average price of the prices of the best buy and best sell bids submitted to the Trading System with corporate securities of the given class during the trading sessions of the preceding 60 (sixty) consecutive trading days, in which there were both buy and sell bids for at least 1 (one) hour in a row;
51. the weighted average price of the best buy and best sell bid prices submitted to the Trading System for corporate securities of the given class during the trading sessions of 90 (ninety) consecutive trading days prior to the conclusion of the transaction, in which there were both buy and sell positions for at least 1 (one) hour in a row applications;
52. the price of the last repo transaction concluded with corporate securities of the given class during the trading sessions of the previous 90 (ninety) consecutive trading days.

If it is not possible to calculate a Repo settlement price by any of the methods mentioned in sub-points a) to i) hereof, no Repo settlement price for the given trading day is set for the given class of Corporate securities.

1. **“Swap”** shall mean an agreement reached between Trading Participants for conclusion of two interrelated direct-swap and reverse-swap transactions; with the former, one party sells the given currency to the other, while obliges with the latter to repurchase it in the future on conditions agreed at the given moment.
2. **“Swap settlement price”** shall mean the Foreign Currency Swap calculation price for the given Trading Day, which is defined as the weighted average price of the transactions concluded in the given Currency in the Trading System during the preceding 5 (five) consecutive Trading Sessions by means of two-sided continuous auction, and in case of impossibility of calculation thereof, exchange rate calculated and published by the Central Bank for the given Currency the as of the day preceding the given Trading day.
3. **“Financial Instrument”** shall mean a share, bond, depositary receipt, investment fund unit, foreign currency that is permitted for trading by the Operator.
4. “Corporate Securities” shall mean listed securities (shares and corporate bonds), as well as instruments permitted for trading on the Operator’s free market platform.
5. “Government Bonds” shall mean government treasury bonds issued on behalf of the Republic of Armenia and bonds issued by the Central Bank of Armenia.
6. “Foreign Currency” shall mean all means defined by Article 3 (point 3) of the Republic of Armenia Law “On Currency Regulation and Currency Control”.
7. “Platform” shall mean a section of the Market, for which a corresponding environment in the Operator’s trading system is created, for the purpose of organizing trading with financial instruments in the given section of the Market in compliance with specific criteria.
8. “Ticker” shall mean a distinctive code depicting the same class or type of the financial instrument permitted for trading.
9. Other concepts used in the Operator’s Trading Rules shall have the meanings defined under the Republic of Armenia Law “On Securities Market” and the Operator’s Rules.

## Chapter 2 Market Structure

1. In accordance with the procedure defined under the Law and its Rules, the Operator shall organize the following markets:
2. corporate securities market, which includes stock exchange, free market and corporate securities placement platforms;
3. government bonds market, which includes government bonds trading, basket repo transactions and government bonds auctions platforms;
4. foreign exchange market.
5. Shares and corporate bonds listed pursuant to the Operator’s Rules shall be circulated on the stock exchange platform.
6. Those shares, corporate bonds, investment fund shares and depositary receipts, which were permitted for trading pursuant to the Operator’s Rules without being listed shall be circulated on the free market platform.
7. In accordance with its “Rules on Securities placement” the Operator shall organize the placement of securities defined by these rules in the Corporate Securities placement Platform, as well as the privatization of state-owned shares of companies with state participation. The Operator shall organize government bonds placement, buyback and/or switch auctions on the Government Bond Auction Platform in accordance with its “Rules for Organizing Government Bond Auctions”.
	1. The Operator shall organize conclusion of basket repo transactions in accordance with the procedure provided for in chapter 9.1. of these rules on the platform of basket repo transactions.
8. Trading organized by the Operator on markets and platforms, shall be carried out as full pre­deposition scheme in the manner prescribed by Chapter 5 of these Rules, with the exception of the government bonds auctions and basket repo transactions platforms, where the Operator shall organize tradings without pre-deposition scheme, respectively, in accordance with the Operator’s “Rules on Organization of Government Bonds Auctions”, while the Basket Repo transaction in the manner provided by chapter 9.1 of these rules.
9. The following types of transactions may be concluded with corporate and government bonds on the stock exchange, free market and government bonds trading platforms organized by the Operator, respectively:
10. trading transactions, by way of opening auction, two-sided continuous auction and addressed trading, in accordance with Chapters 6,7 and 8 of these Rules, respectively;
11. repo transactions in accordance with Chapter 9 of these Rules.
12. The following transactions can be concluded in foreign currency in the operator’s foreign currency market:
13. purchase and sales transactions by means of a two-sided continuous auction, respectively, in accordance with the procedure established by Chapter 7 of these rules;
14. Swap transactions in accordance with Chapter 10 of these rules.

The operator shall organize trading with listed or traded Financial Instruments only. Foreign currency trading is allowed by the decision of the head of the executive body of the Operator.

## Chapter 3. Trading Days and Trading Sessions

1. The Operator organizes trading with Financial Instruments through the Trading System.
2. The Operator organizes trading from Remote Terminals by connecting to the Trading System in real-time mode via the CBANet computer network or the Internet.
3. All business days are deemed to be trading days for Corporate Securities, Government Bonds and Foreign currency.
4. Pre-trading sessions are held on Trading Days from 10:50 to 10:59 inclusive, Opening Auctions at 11:00.
5. Trading sessions for corporate securities, government bonds and foreign currency are held on trading days from 11:00 to 14:59 inclusive, and post-trading sessions from 15:00 to 15:04 inclusive. Trading sessions for basket repos are held on Trading Days from 11:00 to 14:45 inclusive, and Post-Trade Sessions from 14:45 to 15:04 inclusive. Execution of basket repo transactions takes place at 14:45.
6. The start and the end (opening and closing) of the trading session are signalled by the corresponding message sent to the Trading participants and Sponsored clients through the Trading System.

## Chapter 4 Trading Participants and Sponsored Clients

1. The participants of the given Market only can directly participate in the trading organized by the operator in any Market.
2. Members of the Exchange, which are considered participants of the Corporate Securities Market only, can directly participate in the corporate securities trading.
3. A market participant is assigned a trading code.
4. Trading Participants and Sponsored clients may trade on behalf of the Market Participant.
5. Trading participants must master the functional capabilities of the Trading System, which is verified by the Operator before granting permission to participate in trading. Trading participants, that represent the Corporate Securities and Government Bond Market participants and provide investment services must also have appropriate professional qualifications.
6. Registration of trading participants and Sponsored clients in the Trading System begins 10 minutes before the start of the Pre-trading (Trading) session and ends at the end of the Trading (Post-trading) session.
7. Purchase (sale) bids with financial instruments can be entered into the Trading system once the Pre-trading (trading) session begins. Submission of Addressed offers, as well as conclusion of Transactions based on submitted Bids and Addressed offers is allowed only once the Trading Session opens. Bids and Addressed Offers are entered into the Trading System only on behalf of the Market Participant on its own account or on account of clients (including Sponsored Clients).
8. The contract concluded between the Market Participant and the Sponsored Client may set restrictions on the conditions of the Bids entered into the Trading System by the Sponsored Client. The Market Participant supervises compliance with these restrictions.

## Chapter 5. Trading with Full Pre-Deposition

1. Trading with full pre-deposition is carried out in compliance with the requirements of this chapter.
2. During trading with full pre-deposition, Trading Participants and Sponsored Clients may enter into transactions within the limits of positive balances of funds and pre-deposited Financial Instruments.
3. Before the start of the trading session and during the session, the data on the initial balances of the Financial Instruments and Funds deposited are received and entered into the Trading System according to the relevant rules and procedures established by the Operator and the Depository.
4. In case of additional deposits made by market participants in accordance with the rules of the Operator and the Depository, the balances of the deposited funds are increased accordingly.
5. In the cases and in the order provided by the Operator’s rules, the trading participant can completely or partially de-deposit the deposited funds of the Market participant from its terminal (Remote Terminal), that is the currently available and free (unrestricted) balance in the Trading System or a part of it, in which case the amount of the de-deposited funds the balance of the given deposited fund is reduced. The Sponsored Client may fully or partially de-deposit the funds deposited to his account by the Market Participant.
6. In case the Trade Participant (Sponsored Client) enters a Purchase bid (Purchase Addressed Offer) into the Trading System, the balance of funds in the appropriate currency deposited by the Market Participant as a means of payment (in the case of a Sponsored Client, deposited to the account of the Sponsored Client) is blocked in the Trading System in the amount of the Transaction price and the number of Lots specified in the bid, while in the case of concluding transaction, the balance of the given financial instrument shall be increased in the amount of lots of the purchased financial instruments, and the balance of the Cash in the relevant currency deposited as a means of payment is reduced by the amount of the transaction.
7. In the case where the Trading Participant (Sponsored Client) enters a Sales bid (sale Addressed offer) into the Trading System, the balance of the given Financial instrument deposited by the Market Participant (in the case of a Sponsored Client, deposited into the account of a given Sponsored Client) is blocked in the Trading System in the amount of Lots of the Financial Instrument specified in the bids, and in the case of conclusion of the Transaction, the balance of the given Financial instrument sold as a result of the transaction is reduced by the amount of Lots of the Financial instrument while the balance of Cash deposited as a means of payment in the appropriate currency is added to the amount of the Transaction.
8. Trade participants (Sponsored clients) can enter any Financial instrument Sales bids (sale Addressed offers) into the trading system, and purchase bids (purchase Addressed offers) deposited as means of payment in the appropriate currency at the given time within available and free (unrestricted) balances.
9. The requirements of this chapter of the Rules also apply to Addressed Offers for Repo and Swap transactions.

## Chapter 6. Pre-trading session and Opening auction

1. All bids submitted during the pre-trading session shall be limit bids, where the following essential conditions for execution shall be specified:
2. The ticker of the financial instrument;
3. Bid type: purchase or sale;
4. Lot price (except for Market Bid);
5. Number of lots;
6. Quantitative condition of execution of bid with full or partial execution;
7. The time condition for execution of bid: to keep during the day or withdraw the balance;
8. Bid activation condition with immediate activation.
9. During the pre-trading session, the Bids for the purchase and sale of the given Financial instrument entered into the Trading System by the Trading participants are included in two separate Queues according to price priority. Buy Orders are classified according to decreasing price, and Sell Orders according to increasing price, respectively. In case of equality of the prices specified in more than one Bid in the same queue those Bids are classified in the queue according to the time priority of their registration in the Trading System; moreover bids with the same price in the Trading System, in the corresponding Queues of bids, are visible in a consolidated form, reflecting the sum of the number of Lots.
10. During the pre-trading session, the Trade participants have the right to remove the Bids submitted by them in the Queue, as well as to change the conditions specified in them (except for the ticker of the Financial Instrument and the Bid type).
11. Concluding transaction of purchase and sale of Financial Instruments by means of opening auction is carried out by comparing Financial Instruments Purchase (Sell) Bids entered by trade participants during the Pre-Trade Session and satisfying them in the presence of relevant counter bids.
12. The price of each Transaction concluded during the opening auction is equal to the price of the Bid that was entered into the Trading System earlier among the matching counter bids to be executed first according to the condition of price priority.
13. Bids not-executed during the opening auction are not removed from the Trading System and from the moment of opening of the Trading Session are included in the corresponding Queues of the Trading Session organized by the two-sided continuous auction method.

## Chapter 7. Two-Sided Continuous Auction

1. Conclusion of trade transactions with financial instruments by way of two-sided continuous auction shall take place in the way of continuously comparing buy (sell) bids of financial instruments entered into the trading system by Trading Participants and of executing such bids in case matching counter bids are present, in the manner prescribed by this Chapter.
2. In the bids submitted during the two-sided continuous auction the following essential conditions for execution shall be specified:
3. The ticker of the financial instrument;
4. The bid type - buy or sell;
5. The price of the lot;
6. Number of lots;
7. The price condition for executing the bid: limit or market;
8. Quantitative condition of execution of bid with full or partial execution;
9. The time condition for execution of bid: to keep during the day or withdraw the balance;
10. Bid activation condition with immediate activation.
11. Bids for the purchase and sale of a given financial instrument entered into the trading system are included in two separate Queues according to price priority. Buy bids shall be arranged in corresponding bid queues in descending price order, while sell orders shall be arranged in ascending price order. In the event when prices submitted in more than one bids are equal in the same queue, the given orders shall be arranged according to their time priority of registration in the trading system, moreover bids with the same price in the Trading System, in the corresponding Queues of bids, are visible in a consolidated form, reflecting the sum of the number of Lots.
12. The terms and conditions of any Bid entered into the trading system are compared with the conditions of the Bids in the Counter Bid Queue. In the event of the presence of a corresponding counter bid (bids), in the queue of counter bids the trading system registers the conclusion of the transaction (transactions).
13. If, the bid submitted with partial execution during the Trading Session is still partially executed after all corresponding counterpart bids have been executed (Conclusion of Transactions), then the balance (the unexecuted part of the bid) is included in the Queue in the order specified in Point 91) of these rules or is not included in the Queue, depending from the time condition of execution of bids.
14. If during the Trading Session there are no corresponding counter-bids in the Queue to the bid submitted with partial execution, then it is included in the Queue in the order specified in Point 91) of the Rules or is not included in the Queue depending on the time condition of the bid being executed.
15. Trading participants and Sponsored clients shall have the right to remove the Queued Bids previously submitted by them, which have not yet been executed, or the parts of partially executed Bids, which have not been executed, as well as to change the conditions specified therein (except for the tickers of the Financial Instrument and the Bid Type).
16. Brokers of a market participant in the trading system can distinguish only those bids included in the queues of bids, which were submitted by them and other brokers acting on behalf of the same market participant, while Dealers – the bids, which were submitted to the trading system only by themselves and other dealers acting on behalf of the same market participant. Sponsored Clients can distinguish in the Trading System only those Bids included in Bid Queues that were submitted by the given Sponsored Client.

## Chapter 8. Addressed Trading

1. With the financial instruments defined under the decision of the Head of its Executive Body, the Operator also organizes addressed trading, of which Trading Participants shall be informed through the trading system.
2. Addressed trading shall be carried out by way of accepting addressed buy and sell offers of a financial instrument, when one Trading Participant sends through the trading system an addressed order (offer to conclude a transaction with financial instrument to any Market Participant, and when the Trading Participant thereof accepts it through the trading system.
3. In the addressed offer on concluding a trade transaction sent to a Market Participant during addressed trading the following conditions shall be specified:
4. the ticker of the financial instrument;
5. the trading code of the Market Participant to whom the addressed offer is sent;
6. the type of the addressed offer - buy or sell;
7. the price per lot;
8. the number of lots.

## Chapter 9 Repo transactions

1. Repo transactions may be concluded in the Operator’s trading system only with full pre-deposition scheme and with financial instruments for which conclusion of such transactions is permitted by the decision of the Head of the Executive Body of the Operator, of which Trading Participants shall be informed through the trading system.
2. A Trading Participant intending to conclude a repo transaction may submit an Addressed Offer, and the Trading System checks the availability of appropriate funds.
3. At the time of submission of an addressed offered, it is visible only to the relevant Trading Participants of the Market Participant that received the given offer.
4. Repo transactions are concluded by accepting the Addressed offer for concluding repo-direct and repo-reverse transactions in accordance with the procedure set forth in this chapter.
5. The following data should be included in the Addressed offer sent to the Market participant for the purpose of concluding a repo transaction:
6. The stock exchange ticker of the financial instrument;
7. Trade code of the market participant to which the Addressed Offer is sent;
8. Addressed offer type: purchase/sale or sale/purchase;
9. Repo transaction amount;
10. Number of lots;
11. Settlement code (ТО in case of repo-direct transaction, SО in case of changing the conditions of repo-reverse transaction);
12. Repo interest rate (annual);
13. Number of calendar days in between repo-direct and repo-reverse transactions: from 0 to 366;
14. Number of financial instrument included in the lot;
15. The initial value of the discount, expressed as a percentage;
16. The annual interest rate of repo transaction compensation in case of delay in execution of the repo-reverse transaction provided by the repo transaction (optional condition).

The conditions mentioned in subparagraphs d), e) and j) of this point are interrelated, and the presence of at least 2 (two) of them in the Addressed Offer is mandatory. The condition mentioned in subparagraph j) of this point is also related to the Repo settlement price.

1. Additional fields of the addressed offer reflect the following conditions related to the initial settlement of repo-direct and repo-reverse transactions:
2. Repo settlement price of the financial instrument;
3. Repo settlement price with discount rate;
4. Repo amount in case of repo-direct transaction;
5. The number of Lots of the financial instrument in case of repo-direct transaction;
6. The initial value of the discount in percentage, in case of repo-direct transaction;
7. Repo interest rate (annual) in case of repo-direct transaction;
8. Settlement code in case of repo-direct transaction;
9. The date of conclusion of the repo transaction, in case of repo-direct transaction;
10. Amount of repo-reverse transaction;
11. Number of repo transaction days: number of calendar days in between repo-direct and repo-reverse transactions;
12. the date of execution of the repo-reverse transaction.
13. In the absence of the condition mentioned in subparagraph j) of point 104) of these rules in the Addressed offer, it shall be calculated by the following formula:

***𝐷𝑛 = (1-𝑆 / 𝑄 ∗ (𝑃 + 𝑎)) ∗ 100%,*** where:

• P – Repo settlement price of financial instrument.

• 𝐷𝑛 – initial discount value.

• 𝑆 - repo amount.

• 𝑄 - number of lots of the financial instrument, which is calculated by rounding up to a whole number.

• P% - price of one unit of financial instrument.

• Nom - nominal value of one unit of financial instrument.

* 𝑎 - accrued coupon amount in case of coupon bonds.
1. In the absence of the condition mentioned in subparagraph d) of point 104) of these rules in the addressed offer, it shall be calculated by the following formula:

***𝑆 = (1 − 𝐷𝑛 100%) ∗ ((𝑃%∗Nom/100% + 𝑎) ∗ 𝑄)***

Based on the index received after calculating the condition specified in sub-item d) of point 104) of these rules in the manner defined by this point, the condition specified in sub-point j) of point 104) of these rules is justified by the formula defined in point 107) of these rules.

1. In the absence of the condition mentioned in subparagraph e) of point 104) of these rules, in the addressed offer, it is calculated by the following formula:

 ***𝑄 = 𝑆 /(1 − 𝐷𝑛 100%) ∗ (𝑃 + 𝑎).***

Based on the index received after calculating the condition specified in subparagraph e) of point 104) of these rules in the manner defined by this point, the condition specified in subparagraph i) of point 104) of these rules is justified by the formula defined in point 107) of these rules.

1. At the time of concluding the repo-direct transaction, the amount of the repo-reverse transaction is calculated by the following formula:

***𝑆2 = 𝑆1 ∗ (1 + 𝑅/100 ∗ (𝑇365/365 + 𝑇366/366))***, where:

* + 𝑆2 – amount of repo-reverse transaction (redemption amount);
	+ 𝑆1 - repo amount;
	+ 𝑅 repo annual interest rate;
	+ 𝑇365 is the number of days between the execution of repo-direct and repo-reverse transactions for a 365-day calendar year;
	+ 𝑇365 is the number of days between the execution of repo-direct and repo-reverse transactions for a 366-day calendar year
1. The term of the repo-reverse transaction cannot be later than the day preceding the maturity date of the underlying Financial instrument (in the case of Financial instruments issued for a certain period).
2. During the trading session, the Trading participants have the right to withdraw the Addressed Offers previously entered into the Trading System, as well as to change the conditions specified in them. Repo Addressed offers may be withdrawn or changed if they are not previously approved (accepted) by the Market Participant to whom the Addressed Offer was sent.
3. A repo transaction is concluded when the Addressed offer aimed at the conclusion of repo-direct and repo-reverse transactions by any Trade participant through the Trading System is accepted through the Trading System by the Trade Participant of the Market participant to whom the Addressed Offer was sent.
4. Repo transaction is considered concluded from the moment of registration of the acceptance of the Addressed offer aimed at its conclusion in the Trading System.
5. Addressed offers unaccepted during a given Trading Session are removed from the Trading System after the end of the Trading Session and are not included in the Trading System in the next Trading Session.
6. At the time of concluding a repo-direct transaction, the Trading System forms the report of the repo-reverse transaction, which becomes immediately visible to the parties of the given Repo transaction and is activated for confirmation.
7. From the moment of concluding a repo-direct transaction until the end of the Trading Session on the day of execution of the repo-reverse transaction, the parties to the transaction may, by mutual agreement, increase the number of transaction days, as well as change the repo interest rate, the number of Lots and the Transaction amount. Such change of the Repo Transaction may be initiated by one of the parties to the Repo Transaction by sending an Addressed Offer to the other party.
8. The changes described in point 116) of these rules are carried out through the netting of financial instruments and/or funds. In case of early redemption of the repo-reverse transaction, netting of securities and/or funds does not occur.
9. In order to change the terms of the repo-reverse transaction, the party initiating such a change sends an Addressed Offer with the SO settlement code to the other party of the Repo transaction, and the latter confirms (accepts) it by sending the corresponding Counter Addressed Offer with the SO settlement code through the Trading System.
10. In order to confirm the change in the terms of the repo-reverse transaction, both parties to the repo transaction must carry out a netting between the repo-reverse transaction formed as a result of the repo transaction concluded with the settlement code TO and the repo-direct transaction concluded with the settlement code SO.
11. As a result of netting, one party to the Repo transaction may have towards the other party:
12. 1 (one) net monetary claim or 1 (one) net monetary liability, and/or
13. 1 (one) net financial instrument claim or 1 (one) net financial instrument liability.
14. As a result of the netting, a new repo-reverse transaction with SO settlement code with modified conditions is automatically created on the basis of the repo-direct transaction concluded with the settlement code SO in the Trading System, which replaces the repo-reverse transaction formed on the basis of the repo transaction concluded with the settlement code TO.
15. As a result of changing the terms of the repo-reverse transaction in accordance with point 121) of these rules, the presence of the necessary and sufficient amount of funds with the parties to the repo transaction is automatically verified in the Trading System. Based on the results of the verification, the Trading System either rejects the change of the repo-reverse transaction (in case of insufficient funds), or approves the change (in case of sufficient funds), simultaneously reducing and/or increasing the balances of financial instruments and/or funds.
16. The trading system allows simultaneous netting of Repo-reverse transactions with no more than 2 (two) Repo transactions. Netting of Repo-reverse transactions with different financial instruments is prohibited in the trading system.
17. Early repayment of the repo-reverse transaction is carried out in the Trading System with mutual approval by the transaction parties: at the same time, the Trading System automatically checks the availability of the necessary and sufficient funds of the parties to the Repo transaction at the given time. If sufficient funds are available, the Repo transaction is considered prematurely settled and is automatically removed from the Trading System from the next Trading Day.
18. The date of conclusion of the repo-direct transaction is not taken into account for the calculation of the repo interest rate, while the day of execution of the repo-reverse transaction is taken into account.
19. The parties may, by mutual agreement, prematurely redeem the repo transaction (perform the repo-reverse transaction).
20. Before the repo-reverse transaction expires, the settlement of the repo transaction is carried out in accordance with the requirements established by RA legislation. The trading participants sign the agreement on the resolution of the Repo transaction in writing and are obliged to inform the Operator about it within the day of signing the agreement by enclosing a copy of the agreement.
21. If the repo transaction settlement agreement provides for the obligation to return the funds received by the repo-direct transaction, then it is carried out in the manner agreed between the parties.
22. If the repo-reverse transaction is not concluded within a due time, it can be concluded within 2 (two) working days following the date of conclusion of the repo-reverse transaction provided by the repo transaction, without changing the terms of the repo-reverse transaction.
	1. The provisions of this chapter are not applicable to Basket Repo transactions.

**Chapter 9.1. Basket repo transactions**

129.2) Basket repo transactions are concluded without prior depositing in a two-sided continuous auction. Bids may be submitted and transactions are being concluded during the Trading session only. Trading participants are being informed about Financial instruments included in the basket through the Trading System.

129.3) In order to have the opportunity of concluding Basket Repo transactions with each other, the Market participants shall specify the limits within which they can conclude Basket Repo transactions with each of the other Market participants on each Trading Day in the Trading System. Not registering a limit for any Market participant or setting it to 0 leads to the impossibility of concluding Basket Repo transactions with that Market participant. The limits specified in this point are visible in the Trading System only to the Market participants who set them. The limits may be set both during the pre-trading period and during the trading sessions.

129.4) Bids for concluding basket repo transactions are Limit bids with partial execution. The bids shall include:

a) Tickers of financial instruments from those included in the Basket (only in the case of Sales Bids); moreover, the maximum number of types of financial instruments included in one bid is defined by the decision of the head of the executive body of the Operator;

b) Bid type, that is purchase (receipt of Financial instrument /transfer of facilities) or sale (transfer of Financial instrument / receipt of facilities);

c) The number of each Financial instrument included in the bid (only in the case of Sale bids);

d) repo amount (in the case of a sale bid, it is automatically calculated by the System, and in the case of a purchase bid, it is specified by the participant);

(e) repo interest rate.

129.5) Repo-reverse transaction is performed by the parties with mutual confirmation in the System.

129.6) For calculating the repo interest rate, the date of conclusion of the repo-direct transaction is not taken into account, while the day of execution of the repo-reverse transaction is taken into account. The term of the repo-reverse transaction cannot be later than the day before the maturity date of the underlying Financial Instrument (in the case of Financial Instruments issued for a certain period).

129.7) During the trading and post-trading sessions of the day of execution of the repo-reverse transaction, the parties to the transaction can only once move the day of execution of the repo-reverse transaction to the next trading day by mutual agreement, as well as change the repo interest rate and composition of financial instruments. A move of repo-reverse execution day (which may also involve a change in interest rate) can be initiated by either the Buyer or the Seller by sending an Addressed Offer to the other party to the transaction. A proposal to change the composition of financial instruments can only be initiated by the Seller by sending an Addressed Proposal to the Buyer.

129.8) During the execution of the basket repo transaction, the Trading System automatically verifies the presence of the necessary and sufficient amount of funds with the parties of the Basket Repo transaction. Moreover, in case of availability and sufficient funds at the parties, the repo-direct transaction can be performed with the approval of both parties before the execution period of the Basket Repo transaction. If Repo-direct transaction is not executed by the end of the period of execution of the Basket Repo-direct transaction due to insufficient funds, it is removed from the System before the end of the given Trading Day. Repo-reverse transaction may be executed on both the Trading and Post-trading sessions by mutual consent of the parties. Where Repo-reverse transaction is not executed on time, it can be executed within 2 (two) Trading Days following the specified deadlines, without changing the terms of the repo-reverse transaction. In that case, the party that allowed the overdue transfer to the other party, in addition to the repo interest rate, pays a penalty for each delayed day in the amount of 0.13% of the overdue transfer amount (transaction volume).

129.9) The final settlement of concluded Basket Repo transactions is carried out in the authorized money and securities accounts of the Market participants, transaction by transaction, in the T+0 mode. Eligible cash accounts can be cash accounts opened in the name of the Market Participant in the Central Bank of the Republic of Armenia or in a commercial bank operating in the Republic of Armenia, as well as securities accounts opened in the name of the Market Participant in the Depository. Eligible accounts of participants are registered in the System.

129.10) Repo-direct transactions concluded during a trading day and not executed in accordance with these rules, and repo-reverse transactions not executed within 2 (two) trading days following the deadlines, are removed from the Trading System and are not transferred to the next trading day.

## Chapter 10 Swap Transactions

1. Swap transactions can be concluded in the trading system with Foreign Currencies allowed for trading, with analogy of Repo transactions, the number of Lots specified in the addressed offer for concluding Swap transactions must be a multiple of one thousand.

## Chapter 11 Transactions Registration Certificates

1. After the end of the trading session, the Operator issues registration certificates of concluded transactions.
2. A registration certificate for transactions concluded by each Market Participant shall be issued, which shall be also considered as a report from the Operator to Market Participant on transactions concluded thereby.
3. The electronic copy of the transaction registration certificate is sent to the relevant CBANet e-mail address of the relevant Market participant by 15:30 on the given Trading Day. Transaction registration certificate sending messages must have the ability to receive receipts confirming the delivery and receipt of the message.
4. In the event when the Market Participant is not connected to the CBANet computer network, or the delivery of the message through the CBANet computer network is not possible, the transaction registration certificate shall be issued by printing in 2 copies, one copy of which shall be given upon signing to the representative of the corresponding party to the transaction, while the second one shall be remained with the Operator.
5. The transaction registration certificate shall include at least the following information: the name of the Market Participant, details of transactions concluded by Trading Participants acting in the structure or on behalf of the Market Participant and the amount of commissions subject to payment to the Operator.
6. The form of the transaction registration certificate is defined by the head of the executive body of the Operator.

## Chapter 12 Interfering in Trading Process

1. The Head of the Executive Body of the Operator, the head of the Operator’s structural unit responsible for the organization of trading and the authorized representative of the Central Bank of Armenia shall be authorised to interfere in the trading process (postpone the opening hour of the given pre-trading and / or trading session, announce the temporary break of a pre-trading and / or trading session, including that of a technical break, re-open the interrupted pre-trading and / or trading session, terminate the trading) in cases prescribed by this Chapter, of which the Operator shall inform Market Participants and the Central Bank of Armenia through the CBANet computer network or by phone within 15 (fifteen) minutes. The provisions defined under this Point shall be also applied to all types and forms auctions organized by the Operator.
2. The authorized representative of the Central Bank of the Republic of Armenia may interfere the trading process only through the Head of the Executive Body, or the head of the structural unit of the Operator responsible for the organization of trading.
3. The opening hour of the pre-trading and / or trading session defined by these Rules may be postponed in cases prescribed by the Operator’s Rules, or in cases when technical issues related to the trading system or communication means designated to be connected thereto arise, for a maximum of 2 (two) hours, after which the trading session shall be announced as not held by the Head of the Executive Body, or the head of the structural unit of the Operator responsible for the organization of trading, if the reasons of postponement have not been eliminated.
4. Trading session may be interrupted or terminated if one of the following events is present:
5. ubiquitous, drastic or significant fluctuations of normal prices of any financial instrument;
6. failure of a secure and efficient operation of the integrity of the system, or a threat thereof; or
7. other incitements endangering the normal operation of the market.
8. Technical breaks may also be announced during the trading session in case when technical issues related to the trading system or communication means designated to be connected thereto arise, until the elimination of the corresponding issue. A technical break without interruptions may take no longer than 2 (two) hours.
9. Trading session may be terminated by the decision of the Head of the Executive Body, or the head of the structural unit of the Operator responsible for the organization of trading, if during the technical break announced in accordance with the point 141) of these Rules, grounds for the interruption of the given trading session have not been eliminated.
10. Interrupted trading session may be restarted after elimination of grounds for the interruption of the trading by the order of the Head of the Executive Body, or the head of the structural unit of the Operator responsible for the organization of trading.
11. Bids and Addressed offers entered into the Trading System by the Trading Participants before the interruption of the Trading Session are kept in the Trading System during the interrupted Trading Session, except for the case when the Trading Participant applies to the Operator by phone, fax, CBANet computer network or in paper form, with the instruction to remove all the Bids entered into the Trading System from the Trading System, but not yet executed, in which case all the unexecuted Bids of the given Market Participant are removed from the Trading System. The Operator accepts the instruction specified in this point by fax or via the CBANet computer network only if they are sent from the authorized number or e-mail address provided to the Operator by the given Market participant; moreover, a protocol is drawn up on the actions taken on the basis of the received instruction in the order determined by the decision of the head of the Executive body of the Operator. At the same time, the Operator is obliged to keep the instructions and protocols received for at least 3 (three) years.

## Chapter 13 Transactions Concluded Outside the Trading System

1. Market Participants shall be under the obligation to inform the Operator of transactions concluded outside the trading system of the Operator with financial instruments permitted to trading on the Market in cases and manner prescribed by the Supervisory Board of the Operator.

## Chapter 14. Internal Record Books of the Operator

1. In order to record the bids, Addressed offers and signed transactions submitted by trade participants, Sponsored customers, the Operator maintains the internal electronic registries defined by this chapter.
2. The following information shall be included in the Trading Participants’ registries:
3. the name, address and contacts of Market Participant;
4. the number and the signing date of the agreement concluded between the Operator and Market Participant;
5. the numbers and issue dates of licenses of Market Participant permitting to participate to trading organized by the Operator;
6. first and last names of Trading Participant, as well as the serial number, number and the issue date (if any) of the qualification certificate;
7. the type, serial number, number and the issue date of the identification document of the Trading Participant;
8. the name, issue date and validity period of the document given by the Market Participant to the Trading Participant permitting the latter to participate to Trading in the given market;
9. the trading code given to the Market Participant by the Operator;
10. the username given to the Trading Participant by the Operator.
11. The following information shall be included in the record book of bids per each bid submitted by Trading Participants during the pre-trading session and two-sided continuous auction:
12. the distinctive number of the bid issued by the Operator;
13. the ticker of the financial instrument submitted in the bid;
14. the time the bid was entered into the trading system;
15. the bid type and other material conditions for bid execution.
16. The following information shall be included in the record book of addressed offers submitted by Trading Participants to conclude trade, repo and swap transactions per each Addressed offer:
17. the distinctive number issued by the Operator for the transaction provided with the addressed offer;
18. the ticker of the financial instrument submitted in the addressed offer;
19. the trading code issued by the Operator to the Market Participant having submitted the addressed offer;
20. the Market Participant on behalf of which the transaction is being concluded;
21. the type of the transaction envisioned with the addressed offer;
22. the amount of the trade or direct-repo / swap transaction included in the addressed offer;
23. the amount of the reverse-repo / swap transaction included in the addressed offer;
24. the annual repo / swap interest rate;
25. the username of the customer (if the addressed offer was submitted on behalf of the customer of the Market Participant);
26. the operation type (“submission”; “change”; “change confirmation”; “removal”; “transaction conclusion”; “prolongation change confirmation” (in case, when a confirmation of a prolongation change takes place, regardless other changes); “cut change confirmation” (in case, when a confirmation of a cut change takes place, regardless other changes), or “redemption”);
27. the time when the addressed offer was submitted in the trading system (hour:minute:second);
28. the duration of repo / swap transaction (number of days);
29. the trading code of the Market Participant to whom the addressed offer is sent.
30. The following information shall be included in the record book of transactions concluded during two-sided continuous auction and opening auction per each transaction
31. the distinctive number issued by the Operator for the transaction;
32. the transaction conclusion time;
33. the distinctive numbers of corresponding bids submitted by Sponsored clients, Trading Participants acting on behalf of Market Participants that are parties to the transaction;
34. the trading codes of Market Participants that are parties to the transaction;
35. the ticker of the financial instrument of the transaction;
36. the transaction price;
37. the number of lots of the financial instrument of the transaction;
38. the transaction amount
39. The following information shall be included in the record book of transactions concluded during addressed trading per each transaction:
40. the distinctive number issued by the Operator for the transaction;
41. the transaction conclusion time;
42. the trading codes of Market Participants that are parties to the transaction;
43. the ticker of the financial instrument underlying the transaction;
44. the transaction price;
45. the number of lots of the financial instrument underlying the transaction;
46. the transaction amount.
47. The following information shall be included in the record book of repo / swap transactions, as well as basket repo transactions per each transaction
48. the distinctive number issued by the Operator for the transaction;
49. the transaction conclusion time;
50. the trading codes of Market Participants that are parties to the transaction;
51. the ticker of the financial instrument subject to the transaction;
52. the type of the transaction purchase/sale or sale/purchase;
53. the amount of the direct-repo / swap transaction;
54. the amount of the reverse-repo / swap transaction;
55. the annual repo / swap interest rate;
56. the number of lots of the financial instrument subject to the transaction;
57. the number of days in the period lying between direct-repo/swap and reverse-repo/swap transactions.
58. The forms of the record books described under this Chapter shall be approved by the Head of the Executive Body of the Operator. All the records shall be made and archived till 18:00 of the given business day and shall be kept for the minimum of 7 years.

## Chapter 15. Ensuring Trading System Security, Backup Copies and Procedures

1. The organization of the trading system security shall be aimed to ensuring the confidentiality of information maintained and circulated in the trading system, the continuity of operations executed through the trading system, the reliability of the performance of the trading system, as well as to excluding the non-authorized use, modification, destruction of information, the execution of unauthorized attempts to enter the trading system, the unpermitted distribution of accesses, the loss of information or the under-delivery thereof.
2. All the input data circulated through the trading system, as well as the outgoing information sources shall be subject to protection in the trading system, together with the software, databases, encryption keys and archive files.
3. After the end of the trading sessions, the Operator ensures the safe storage of protected data, databases, computer software, encryption keys, archive files specified in point 156) of these rules.
4. In the event of impossibility to enter bids into the trading system through the remote terminal located in the territory of the Market Participant, or to perform all other operations to participate to trading, the Trading Participant may request the Operator to use the terminal installed in the room in the Operator’s location and designated for similar occurrences, through which the Trading Participant may connect to the trading system in a real-time mode and participate to trading, or may request the Operator by phone, fax, the CBANet system or in writing to remove all the entered and unexecuted bids from the trading system, in case of which all the unexecuted bids of the given Market Participant shall be removed from the trading system. A protocol shall be drawn up on the operations performed based on the received requests in the manner prescribed by the decision of the Head of the Executive Body of the Operator. The Operator shall be obliged to keep the accepted instructions and relevant protocols (the recordings for instructions received by phone) for the minimum of 3 (three) years.

## Chapter 16. Prohibition of Official Data Usage and of Market Abuse

1. Market Participants, Trading Participants, Sponsored clients, as well as the Operator’s officials and employees shall be prohibited to conclude transactions on the market organized by the Operator by way of unfairly using official and internal data, as well as to commit price abuse or take actions contributing thereto.

## Chapter 17. Control over Compliance with the Trading Rules and Imposition of Sanctions

1. Control over compliance with the provisions defined under the Trading Rules shall be implemented by the Operator and the Central Bank of Armenia.
2. The Market Participant shall be held liable for the violation of the requirements established by the Trading Rules in accordance with the agreement concluded with the Operator, the Operator’s Rules and the procedure established by the Central Bank of the Republic of Armenia.
3. Disputes arising between Market participants or between the Operator and Market participants within the framework of the control of compliance with trading rules are resolved in accordance with the rules of the Operator and RA legislation.

## Chapter 18 Amendments and Addendums to the Rules

1. Amendments and addendums to these Rules are an integral part hereof, and enter into force in the manner established by law and in the manner provided by these rules.