

# Individual risk parameters on securities and FX markets

Acronyms used in this document:

- BA – bank account
- TCA – trading/clearing account

## 1. General

1.1. An opportunity for trading and clearing members to define the following types of risk parameters are introduced in securities and FX markets trading/clearing systems:

- Rates for market risk parameters;
- Concentration limits for market risk parameters;
- Discounts for interproduct spreads;
- Flag to exclude instrument from collateral;
- Flag to apply percent risk parameters.

1.2. Availability of risk parameter management to trading and clearing members:

- Clearing members who opened 2nd level BA and TCA: for 2nd level BA and TCA;
- Clearing members who opened 3rd level BA and TCA: for 3rd level BA and TCA;
- Trading members who opened 3rd level BA and TCA: for 3rd level BA and TCA.

Note:

On securities market these functions are implemented as part of a new project to support separation of members to clearing members and trading members. This project will introduce an opportunity to open 2nd and 3rd level BCs and TCAs.

In short, the logic of risk management availability is as follows: the Clearing Center sets limits for a clearing member; a clearing member sets limits for a clearing or a trading member he provides clearing services to; a trading member sets parameters for his client.

1.3. Further below the ‘individual risk parameters’ term will refer to risk parameters defined by clearing and trading members for 2nd and 3rd level accounts.

1.4. Clearing and trading members will be able to set individual risk parameters using the MOEX Trade SE/Currency trader terminals or the ASTS Bridge API. In order to be able to change these parameters a User ID must have clearing permissions set.

1.5. Definition of individual risk parameters is available dynamically throughout a day and their modification leads to the respective recalculation of a single limit and planned T+ position. Flag to exclude an instrument from collateral can only be set when there are no active orders for an affected asset.

1.5.1. Changes in individual risk parameters are applied immediately and remain valid permanently.

1.6. If no individual risk parameters are defined or they have been deleted then risk parameters from the 1st level accounts will be applied to 2nd and 3rd level accounts.

## 2. Risk parameters

2.1. Individual risk parameters are set for assets and trading/clearing accounts, except for percent risk which are applied just to TCA.

- if an asset or a group of assets are accounted on a TCS (securities) then individual risk parameters for such assets are applied on TCS level;
- if an asset or a group of assets are accounted on a BA (cache and precious metals) then individual risk parameters are applied on a level of bank account which includes the indicated trading/clearing account;

2.2. Individual risk parameters are managed using either the MOEX Trade SE/Currency terminal or with the following ASTS Bridge transactions:

- Concentration limits and market risk parameter rates - SET\_RM\_TRDACC\_PRICERANGE (CLEAR\_RM\_TRDACC\_PRICERANGE transaction to disable).
  - Concentration limits are indicated as positive numbers of assets expressed in units with  $L1 \leq L2$
  - Risk rates are indicated as positive percentage with two decimal points with:  
 $R1_{\text{вверх}} \leq R2_{\text{вверх}} \leq R3_{\text{вверх}}$   
 $R1_{\text{вниз}} \leq R2_{\text{вниз}} \leq R3_{\text{вниз}}$
  - Individual market risk ranges are calculated using the provided rates to be used for single limit calculation.
- Discounts for interproduct spread - SET\_RM\_PRODUCT\_SPREAD (to disable - CLEAR\_RM\_PRODUCT\_SPREAD).
  - This individual risk parameter can only be set for assets which have been included into interproduct spreads by the clearing center.
  - Discounts are indicated as positive percentage with two decimal points.
- Exclude asset from collateral - SET\_RM\_COLLATERAL.
- Apply percent risk parameters - SET\_RM\_CALC\_PERCENT.