



# **Regulations**

**bidding**

**virtual assets**

## Chapter 1. General provisions

1. These Rules use the following concepts:

**clients** — individuals and legal entities, including foreign individuals and legal entities, entering into agreements with the crypto exchange to carry out transactions with crypto assets on the crypto exchange;

**clearing** — a set of operations aimed at determining, clarifying and offsetting mutual obligations of crypto exchange clients, as well as mutual settlements between them;

**quotation sheet** — a list of crypto-assets that meet the criteria defined by the crypto-exchange and are admitted by it to trading in crypto-assets;

**settlement and clearing house (hereinafter referred to as RCP)** — a structural unit of a crypto-exchange that ensures clearing, settlements and settlements for crypto-exchange transactions through an electronic clearing system;

**RCP secondary account** — secondary demand deposit accounts of the crypto-exchange, opened in the bank servicing the crypto-exchange, for storing funds of buyers and sellers and making settlements for transactions;

**individual user number (hereinafter referred to as INP)** — a unique code assigned to the clearing participant;

**virtual account** — a special account opened in the RCP of the crypto exchange for conducting clearing operations;

**direct trading platform** — an electronic platform operating as part of the electronic platform of a crypto exchange, intended for carrying out transactions for the purchase and sale of crypto assets;

**platform for trading non-fungible tokens** — an electronic platform operating as part of the electronic platform of a crypto exchange, designed to carry out operations for the issuance and putting into circulation of a non-fungible token;

**token** — a type of crypto-asset, which is a unit of accounting in a distributed data registry, serving to certify the obligation or ownership of a certain asset, which is managed on the basis of a smart contract;

**smart contract** — an agreement in electronic form, the execution of rights and obligations under which is carried out by automatically performing digital transactions;

**secured token** — a token backed by any material or other property;

**non-fungible token** — a separate type of crypto-asset, not secured by material and (or) other property, certifying the owner's right to unique content (text, audiovisual, musical, photographic works, as well as works of fine art and others) in digital form;

**stable token** — type of secured token, the value of which is equal to the nominal value of foreign currency;

**token release** — organizational and technical measures aimed at the emergence of a token;

**registration of the release of a secured token** — registration of the issued secured token for the purpose of its listing;

**listing** — the process of admitting crypto-assets to crypto-exchanges for circulation on the electronic platform of the crypto-exchange;

**delisting** — the process of withdrawal by crypto-exchanges of crypto-assets that have undergone the listing process from circulation on the electronic platform of the crypto-exchange;

**initial placement of a secured token** — the process of putting secured tokens into circulation for sale on the electronic platform of a crypto exchange in order to attract investments and finance activities;

**crypto-wallet** — software or software and hardware designed for storing and managing crypto-assets;

**crypto wallet address** — a unique combination consisting of letters, numbers and symbols in a distributed data ledger, which is used to carry out operations to send and receive crypto-assets from one crypto-wallet to another;

**to clearing member** — a client of a crypto exchange who sent an acceptance and registered in the manner prescribed by these Rules in the RCP;

**bidders** — clients admitted by the crypto exchange to trading crypto assets;

**crypto-asset trading** — the process of completing transactions for the purchase and sale of crypto-assets for national and (or) foreign currency or the exchange of crypto-assets of one type for crypto-assets of another type on the electronic platform of a crypto-exchange;

**electronic crypto exchange platform** — information system and (or) hardware and software complex of a crypto exchange, within the framework of which the following is carried out:

- acceptance, control and registration of applications for participation in trading in crypto-assets;
- receiving, monitoring and registering applications for the purchase, sale and (or) exchange of crypto-assets;
- acceptance, control and registration of applications for participation in trading in crypto-assets on the direct trading platform;
- listing and delisting of crypto assets;
- primary placement and storage of secured tokens;
- introduction of non-fungible tokens into circulation;
- carrying out transactions for the purchase, sale and (or) exchange of crypto-assets;
- announcement of prices for crypto assets;
- determining the requirements and obligations of trading participants based on the results of transactions with crypto-assets, as well as ensuring the execution of these transactions;
- preparation and generation of reporting documents on completed transactions with crypto-assets;
- storage, processing and disclosure of information necessary for making and executing transactions with crypto-assets;
- other functions related to trading crypto assets;

**major transaction for the purchase and sale of crypto assets (hereinafter referred to as a major transaction)** - an operation carried out on an electronic direct trading platform on the electronic platform of a crypto-exchange for the purchase and sale of crypto-assets for national and (or) foreign currency, the total amount of which exceeds three thousand basic settlement values on the day of the transaction;

**insider information about crypto assets** — information about crypto-assets, the persons who created and placed them, about transactions with crypto-assets, which is not publicly available and puts the persons possessing it in an advantageous position compared to other clients;

**manipulation of prices for crypto assets** — taking actions that have a significant impact on the demand and (or) supply for crypto-assets, the market price of crypto-assets or the volume of trading in crypto-assets, with the aim of artificially inflating or understating prices for crypto-assets relative to the level prevailing in market conditions;

**last beneficial owner of the crypto exchange** - an individual who directly or indirectly establishes a crypto exchange or directly or indirectly owns or controls a person who directly or indirectly owns shares (shares) in its authorized capital (capital);

**authorized body** — National Agency for Prospective Projects of the Republic of Kyrgyzstan.

2. A legal entity that has received a license to operate a crypto exchange in the prescribed manner is obliged to carry out this type of activity in accordance with these Rules and special regulations.

3. The crypto exchange is obliged to:

- ensure proper operation of the electronic platform of the crypto exchange;
- ensure separate accounting and storage of funds, crypto-assets of the crypto-exchange and clients located at the crypto-exchange. Joint accounting of funds and crypto-assets of two or more clients is not permitted;
- carry out backup copies of all data on transactions (operations) made by clients at the end of each day;
- ensure the execution of client orders for trading crypto assets in accordance with the requirements of these Rules, if it is possible to execute such orders, including in the presence of counter orders placed on the electronic platform of the crypto exchange;
- ensure proper information security of the electronic platform of the crypto exchange;
- ensure a regular increase in the level of knowledge of crypto-exchange employees and persons engaged by crypto-exchanges under civil contracts, directly involved in the implementation of the activities of the crypto-exchange, in the field of legislation regulating the activities of crypto-exchanges, anti-money laundering, financing terrorism and financing the proliferation of weapons of mass destruction, as well as other local acts approved by the crypto exchange (hereinafter referred to as the local act);

- ensure that the client confirms his orders to the crypto-exchange to return (transfer) to the client the funds held by the crypto-exchange, the client's crypto-assets, as well as other orders and other actions of the client;
- allow trading participants to conduct transactions through the electronic platform of the crypto exchange after introducing mechanisms for their mandatory identification and applying other measures in accordance with the legislation in the field of circulation of crypto assets;
- comply with the requirements for advertising crypto-assets provided for by law;
- comply with other requirements provided for by legislative acts.
- The crypto exchange must develop and approve rules regulating the following processes:
  - listing and delisting of crypto assets;
  - carrying out the initial placement of secured tokens in order to attract investments and finance activities;
  - introduction of non-fungible tokens into circulation.

4. The crypto exchange monitors transactions related to trading crypto assets on an ongoing basis.

If violations of the law and these Crypto Exchange Rules are detected, measures must be taken to eliminate them and prevent them from happening in the future.

Information about each fact of violation of the law and these Rules identified by a crypto exchange must be stored by the crypto exchange for at least 5 years from the date of detection of this fact.

At the request of the authorized body, the crypto exchange is obliged, no later than five working days from the date of receipt of the relevant request, to provide the authorized body with information about facts of violation of the law.

If signs of a crime are detected, the crypto exchange is obliged to immediately send a message in writing to the authorized body and law enforcement agencies in accordance with the law.

5. Residents of the Republic of Kyrgyzstan have the right to carry out on the electronic platform of the crypto exchange:

all types of trading of crypto-assets on a crypto-exchange for national currency, including transactions for the purchase and sale of crypto-assets on the direct trading platform;

with non-residents of the Republic of Kyrgyzstan exclusively transactions on the sale of crypto-assets for foreign currency.

The choice of crypto-assets as an object of acquisition and, accordingly, the consequences of this choice are the risk of the buyer himself.

6. Residents of the Republic of Kyrgyzstan can carry out operations to exchange non-fungible tokens for other types of crypto assets on foreign crypto exchanges and platforms.

Crypto-assets received by residents of the Republic of Kyrgyzstan through the exchange of non-fungible tokens on foreign crypto-exchanges and platforms are sold on the electronic platforms of service providers in the field of crypto-asset turnover (hereinafter referred to as service providers), registered in the territory of the Republic of Kyrgyzstan in the prescribed manner.

7. The crypto exchange has the right to carry out the activities of a crypto depository on the basis of a license separately obtained for this type of activity. As part of this activity, the crypto exchange has the right to provide services for the issue and (or) registration of the issue of secured tokens.

When carrying out the activities of a crypto-depository, the crypto-exchange is obliged to approve the procedure for issuing, registering the issue, initial placement and circulation of secured tokens, including providing for:

repurchase of secured tokens by the person who carried out the initial placement of secured tokens on the crypto exchange, in cases and in the amount provided for by contractual obligations;

imposing a ban on the use in the name or symbols of issued secured tokens of the words “state”, “state-backed”, “state-supported”, “Kyrgyzstan”, “Kyrgyz”, “national”, “som (KGS)”, as well as the names of the cities of the Republic Kyrgyzstan in full or abbreviated form, using their combinations in any language and in any form.

8. A crypto-exchange, when carrying out the activities of a crypto-depository, must:

determine whether heads of legal entities, individual entrepreneurs and their representatives carrying out activities aimed at registering the issue and placement of secured tokens belong or do not belong to the category of persons specified in paragraph 14 these Rules;

ensure the verification of the actual availability of material and (or) other property contributed as collateral for the purpose of carrying out the initial placement of secured tokens.

9. On crypto exchanges it is prohibited:

release and registration of the issue of stable tokens;

release, registration of issue, placement and circulation of unsecured tokens for the initial placement of secured tokens.

10. On the territory of the Republic of Kyrgyzstan, it is prohibited to conduct transactions for the purchase and sale of crypto-assets for national and (or) foreign currency, as well as the exchange of crypto-assets for other crypto-assets outside service providers, except in cases provided for by law.

11. The basis for carrying out mutual settlements for transactions is information about the trading of crypto assets on the electronic platform of the crypto exchange.

## **Chapter 2. Procedure for establishing relationships with clients**

12. The crypto exchange establishes relationships with clients on a contractual basis.

The contract must provide for the following conditions:

on the transfer of information to the authorized body provided for point 4 these Rules;

on making, with the consent of clients, audio or video recordings of negotiations with them, including recording correspondence, and storing such information for at least 5 years;

about the requirements provided for point 5 these Rules;

other conditions provided for by these Rules and legislation.

13. To establish a relationship with a client, the crypto exchange has the right to request:

- for an individual - a copy of his identity document and personal identification number of an individual for citizens of the Republic of Kyrgyzstan;
- for an individual entrepreneur - copies of his identity document and state registration certificate;
- for a legal entity - a copy of the state registration certificate, information about the location, managers, as well as information specified in the constituent documents;
- client contact information allowing you to establish contact with him (email address and other contact information);



- other information provided by law, including in the field of combating the legalization of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.

14. The crypto exchange has no right to establish relations with:

- minors;
- persons included in the list of persons participating or suspected of participating in terrorist activities or the proliferation of weapons of mass destruction, in accordance with the legislation on combating the legalization of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.

15. As a result of establishing a relationship between the crypto-exchange and its client, an account is created for the client in the electronic platform of the crypto-exchange, which contains information about the client, his funds, crypto-assets held by the crypto-exchange.

It is prohibited for one client to create more than one account on the electronic platform of the crypto exchange.

16. The crypto-exchange has the right to grant the status of a participant in crypto-assets trading (admission to trading in crypto-assets) for trading in crypto-assets on its own behalf and at its own expense - to any client, unless this contradicts the law or these Rules.

17. The crypto exchange is obliged to provide individuals and legal entities, including clients, with the following information:

conditions for establishing relationships with clients, including the text of the relevant agreement (in this case, the crypto exchange is obliged to explain the form, amount and procedure for receiving remuneration);

content of the “White paper” declaration when a crypto exchange carries out (organizes) transactions aimed at listing crypto assets.

18. Information provided in paragraph 16 of these Rules must be communicated to individuals or legal entities before or during the process of establishing relations with them, either orally or in writing.

The main page of the crypto exchange website must contain the information provided in the appendix to these Rules.

## Chapter 3. Organization of trading in crypto assets

19. The organization of trading in crypto-assets is carried out by the crypto-exchange by providing clients with access to the electronic platform of the crypto-exchange for trading participants to perform actions aimed at buying, selling and (or) exchanging crypto-assets.

Access to the electronic platform of the crypto exchange is provided on the basis of a license agreement.

A client excluded from the list of trading participants due to a violation of the rules for trading crypto-assets in accordance with these Rules and local regulations cannot be a trading participant for three months from the date of exclusion.

The procedure for admitting a client to trading in crypto-assets, including other services (“spot”, “margin” trading, etc.) and crypto-exchange products, as well as exclusion from the number of participants in trading in crypto-assets, is determined by local regulations.

20. The crypto exchange is obliged to:

ensure transparency of the process of trading crypto assets, as well as the fulfillment of obligations arising from their results;

to check the availability of tangible and (or) other property contributed as collateral for secured tokens during the initial placement of secured tokens on the electronic platform of the crypto exchange.

21. The crypto exchange, in accordance with these Rules and local regulations, is obliged to take measures to identify, suppress, prevent the use of insider information about crypto assets, manipulation of their prices, as well as to eliminate the consequences of such.

The use of insider information about crypto-assets means the use of this information for personal purposes, including for participation in trading in crypto-assets on one’s own behalf and at one’s own expense, as well as its transfer to third parties, except as provided by law.

Persons who have insider information about crypto assets include:

- members of management bodies and other employees of the organization that created and placed crypto-assets;
- persons who created and listed crypto-assets;

- employees of an audit organization providing audit services to the person who created and placed crypto-assets, or to a trading participant;
- other persons who, by virtue of their official position, labor duties or a civil contract concluded with the person who created and placed crypto-assets, and (or) a trading participant, have access to the specified information.

22. A crypto-exchange has the right to take part in trading in crypto-assets as a trading participant only if it discloses information about its participation in trading in crypto-assets, takes and discloses measures to resolve conflicts of interest arising in connection with such participation, in accordance with local acts.

23. To complete a transaction, a trading participant or a crypto-exchange places an application for the purchase, sale and (or) exchange of crypto-assets on the electronic platform of the crypto-exchange.

The procedure for submitting an application for the purchase, sale and (or) exchange of crypto-assets is determined by local regulations.

Client applications for the purchase, sale and (or) exchange of crypto-assets are subject to execution by the crypto exchange at the moment a counter application appears that meets their conditions. Delay in the execution of orders, changes in their conditions or cancellation after the appearance of a counter application is not allowed.

24. To conduct trading (settlements) in crypto-assets, the trading participant transfers funds and (or) crypto-assets to the cash register, respectively.

Cash, crypto-assets of a trading participant must be accounted for separately from cash, crypto-assets of a crypto-exchange and other participants.

25. The crypto exchange must daily prepare a report for each trading participant on completed transactions for the purchase, sale and (or) exchange of crypto assets and the amount of such transactions, as well as on executed and unexecuted orders for the purchase, sale and (or) exchange of crypto -assets.

After compiling a report on completed transactions and operations, each client is assigned a unique code to identify him.

The report must be kept for at least five years from the date of preparation. The procedure for storing reports is determined by local regulations. Adjustments and changes to reports are not permitted.

The crypto exchange is required to provide a report free of charge:

to clients - to the extent that concerns them, no later than fifteen days from the date of receipt of such a request;

to the authorized body - in the amount and period specified in its request.

26. The crypto exchange ensures the execution of transactions for the purchase, sale and (or) exchange of crypto assets.

If a trading participant makes a transaction for the purchase, sale and (or) exchange of crypto-assets in the process of trading crypto-assets, the crypto-exchange is obliged to deduct the amount (quantity) of execution for this transaction from the amount of funds of this trading participant, crypto-assets taken into account on the secondary account of the RKP or on the addresses of crypto-wallets of the crypto-exchange, and attach the specified trading participant to the counterparty, unless otherwise provided by the agreement.

The receipt by the crypto-exchange of the remuneration due to it from the client is ensured by it in the manner and under the conditions stipulated by the agreement for participation in trading in crypto-assets.

27. The crypto-exchange, on its own behalf and in its own interests, has the right to make transactions with the consent of the client and in the absence of an assignment (instruction) from the client with his funds and crypto-assets under the following conditions:

to ensure liquidity of the crypto exchange, that is, receiving funds and crypto assets from counterparties who are not its clients, in order to fulfill accepted (or planned to accept) obligations to clients;

when there is a reasonable belief in the return of funds and crypto-assets in full, received by the crypto-exchange from clients as a result of concluding these transactions.

The client's funds and crypto-assets are subject to mandatory return by the crypto-exchange within the period agreed upon by the parties. For the use of client funds, the agreement may provide for the charging of interest.

28. The crypto-exchange has the right to provide clients within its electronic platform with the right to use its crypto-assets to make and execute transactions with them on the terms of return of the corresponding amount of crypto-assets (or an equivalent amount of crypto-assets of another type) within the period agreed upon by the parties. A crypto exchange may charge interest on the use of its crypto assets by its clients.

## Chapter 4. Organization of direct trading

29. The organization of transactions for the purchase and sale of crypto-assets is carried out by the crypto-exchange by providing clients with access to the direct trading platform.

Access to the electronic direct trading platform is provided on the basis of a separate agreement drawn up taking into account the requirements of these Rules and local regulations.

30. The crypto exchange is obliged to ensure the transparency of the process of conducting direct trading of crypto assets, as well as the fulfillment of obligations arising from their results.

31. Large transactions of the client are carried out exclusively on the direct trading platform by transferring funds for the sale of crypto-assets to the client's account in the commercial bank servicing him.

32. Transactions on the direct trading platform are carried out in the following order:

- the seller of crypto-assets in his personal account creates an application for the sale of crypto-assets indicating the requirements for the price of crypto-assets and the details of his account at the servicing commercial bank;
- the crypto-exchange deposits the seller's crypto-assets on the electronic direct trading platform until the transaction is completed or the seller's request to return these crypto-assets;
- the buyer accepts the application, sends funds in national or foreign currency to the specified bank account of the seller in the prescribed manner;
- the buyer provides (attaches) a copy of the document on the transfer of funds in his personal account as evidence of the completed transfer;
- the seller checks his account, makes sure that the funds have been received in full, and in his personal account allows the crypto exchange to send crypto assets to the buyer.
- The crypto-exchange has the right to carry out transactions for the purchase and sale of crypto-assets on the direct trading platform on its own behalf and (or) at the expense of clients on the basis of an agency agreement by transferring funds through the crypto-exchange cash register.

33. Cancellation of a transaction, refund of funds or other disputes are resolved through negotiations between the parties in the prescribed manner.

34. On the direct trading platform, transactions for the purchase and sale of crypto-assets can be carried out in accordance with the mutual agreement of the seller and buyer.

35. When carrying out transactions on a direct trading platform, the crypto exchange may set and charge interest.

36. The crypto exchange is responsible for the proper organization of transactions between the parties on the direct trading platform in accordance with these Rules and other legislative acts.

## **Chapter 5. Transactions based on intermediary relationships with clients**

37. The crypto exchange has the right to carry out transactions for the purchase, sale and (or) exchange of crypto assets in the interests of clients on the basis of establishing intermediary relations with them through exchange or direct transactions as follows:

- on behalf and at the expense of clients on the basis of an agency agreement;
- on its own behalf and at the expense of clients on the basis of a commission agreement;
- in any other way that does not contradict the law.

38. The crypto exchange has the right to carry out transactions specified in paragraph 37 of these Rules:

- on our own electronic platform;
- on foreign electronic platforms and in trading systems of other crypto exchanges.

When performing these types of transactions, the crypto exchange in the interests of clients is obliged to:

- act in good faith, wisely and competently, complying with the law and following the provisions of contracts concluded with clients;
- inform clients about the risks associated with transactions, explaining the essence and level of each such risk;
- make transactions on the best terms and prices for clients;

- not to carry out transactions at a price significantly (more than 10 percent) different from the market price for the corresponding crypto-assets, unless otherwise separately agreed with the client in each specific case.

At the same time, the crypto exchange is obliged to provide for the procedure for determining the market price for crypto assets in the agreement it concludes with the client.

## **Chapter 6. The procedure for carrying out settlement and clearing operations on the crypto exchange**

### § 1. Status, functions, rights and obligations of the RCP

39. RKP is a structural subdivision of the crypto-exchange, does not have the status of a legal entity and acts on behalf of the crypto-exchange without the right to carry out any independent operations and actions not provided for by these Rules.

40. The RCP performs the following main functions:

- registers clearing participants;
- ensures the opening and maintenance of accounts of clearing participants;
- provides timely and full support for mutual settlements on transactions;
- determines, clarifies, accounts for mutual obligations, and also maintains separate records of the obligations of clearing participants for concluded transactions;
- carries out the generation and provision of clearing participants with the necessary information based on the results of clearing;
- ensures storage of information on transactions for which clearing is carried out, on the results of clearing in accordance with legal requirements;
- exercises control over the fulfillment of obligations under concluded transactions;
- ensures that cash receipts are credited to the current account of the crypto exchange.

41. RCP has the right:

- independently choose the clearing method;

- in case of failure or improper fulfillment by a clearing participant of its obligations under the transaction, as well as in the presence of a decision of the arbitration and/or disciplinary commission of a crypto exchange to impose a fine on the clearing participant for violating the rules of trading crypto assets or contractual obligations, write off the amount of the fine without acceptance from the virtual accounts of the guilty clearing participant;
- write off the commission fees of the crypto exchange when fixing a transaction;
- receive from clearing participants the information necessary to carry out settlement and clearing operations.

42. RKP is obliged:

- carry out settlements and settlements only for transactions registered on the crypto exchange and related operations (commission fees and other expenses in accordance with the law);
- ensure separate accounting of the obligations of each clearing participant;
- ensure the confidentiality of information about the content of transactions and not provide this information to third parties without the consent of clearing participants, except in cases provided for by law.

43. All actions on transactions carried out on the electronic platform of the crypto-exchange, including the accounting of funds in the virtual accounts of participants in the electronic platform of the crypto-exchange, must be carried out by the RCP.

44. Clearing participants and RCPs are prohibited from carrying out transactions for the assignment of a monetary claim using funds held in accounts with the RCP.

## § 2. Registration of clearing participants

45. RKP, within one business day after receiving all the necessary documents specified in local acts, assigns an INP to the client of the crypto-exchange and opens a virtual account necessary to fulfill the obligations and rights of claim for transactions with crypto-assets.

46. RCP ceases servicing clearing participants in the cases provided for item 69 of these Rules.

## § 3. Procedure for maintaining accounts in the RCP

47. The crypto-exchange, as part of its activities, must open a secondary RCP account with the servicing bank, intended for accounting for the funds of clearing participants, the accounting of which is maintained in the RCP in separate virtual accounts.



48. RCP maintains records of virtual accounts of clearing participants.

49. Closing of a virtual account of a clearing participant is carried out by RCP on behalf of the account owner (or his legal successor), except for cases provided for item 69 of these Rules.

50. Before closing the virtual account, the remaining funds on it are transferred to the bank accounts of the clearing participant based on his instructions.

A virtual account is closed only if there are no funds in the virtual account.

51. Changes to the virtual account details are made when the name or other details of the clearing participant are changed.

52. The owner of a virtual account has the right to give instructions to the RCP for:

return of funds (part of funds) from the virtual account to your account at the servicing bank;

clearing a transaction if the transaction is registered in accordance with local regulations and legislation.

53. RCP can carry out transfers of funds through virtual accounts only for operations related to the conclusion and execution of transactions.

#### § 4. Rights and obligations of clearing participants

54. The clearing participant has the right:

- participate in clearing transactions registered by a crypto exchange;
- receive the necessary information about the state of the virtual account and the fulfillment of obligations;
- fulfill monetary obligations to the crypto exchange and counterparties ahead of schedule;

withdraw free funds in your virtual account to your account at the servicing bank.

55. Participant shall be obliged to clear:

- provide reliable information to the RCP in accordance with these Rules;
- in case of termination of the contract, fulfill the obligations that arose before its termination;
- maintain confidentiality of information;
- comply with the requirements established by these Rules.

56. Interaction between the RCP and clearing participants is carried out on the basis of a clearing service agreement.

57. The exchange of information between the crypto exchange and clearing participants for clearing and settlements, as well as between clearing participants for the fulfillment of contractual obligations, is carried out using information and communication technologies.

#### § 5. Clearing procedure

58. After registration, clearing participants transfer funds to the secondary accounts of the RCP, opened in the bank servicing the crypto-exchange, to participate in trading in crypto-assets and fulfill their obligations.

59. The clearing member transfers funds as a deposit and/or to fulfill obligations under transactions to the secondary accounts of the RCP in the bank serving the crypto-exchange for crediting them to the virtual account. The size of the deposit is determined by local acts.

60. The RCP records the funds and obligations of each clearing participant separately in their virtual accounts.

61. Funds of clearing participants located in virtual accounts in the RCP are used:

- to carry out settlements between them related to the fulfillment of obligations under transactions;
- as a deposit for participation in trading sessions;
- on behalf of the client - for return to the clearing participant's account in its servicing bank;
- to make payments for crypto exchange services;
- for other purposes related to the conclusion and execution of transactions.

Settlements for transactions are carried out exclusively through the electronic clearing system, except for cases provided for Chapter 4 of these Rules.

62. The electronic clearing system monitors the security of orders before each trading session. The control over the security of orders is carried out based on orders for concluding transactions within the framework of trading sessions.

63. Based on the register of concluded transactions, the electronic clearing system determines the obligations of clearing participants and blocks deposits. Crypto exchange fees are charged according to the rates set by the crypto exchange.

64. After registering a transaction, the clearing participant is obliged to transfer additional funds to the secondary account of the RCP to fully cover the obligations under the transaction within the time frame determined by the agreement. This amount is blocked by the RCP until the seller's obligations are fully fulfilled.

65. The register of paid transactions serves as the basis for the transfer of crypto-assets by the seller.

66. Based on the results, information on the transfer of crypto-assets by the clearing participant - the seller - is immediately provided to the RCP. The funds of the seller and buyer for this transaction remain blocked until confirmation of the receipt of crypto-assets at the address of the crypto-wallet of the clearing member - the buyer.

#### § 6. The procedure for ensuring the execution of concluded crypto-exchange transactions

67. Closing of a concluded transaction is carried out in the following cases:

- proper fulfillment of obligations under the transaction by the clearing participants - the seller and the buyer;
- failure of the clearing participants - the seller and the buyer - to fulfill their obligations under the transaction even after payment of a fine;
- mutual agreement of the clearing participants - the seller and the buyer - to close the transaction with or without payment of a fine;
- presence of a decision of the arbitration commission;
- absence of claims from clearing participants - seller and buyer - within the period established by the agreement, without penalty.

68. If, after the expiration of the period stipulated by the terms of the agreement, the clearing participant does not fulfill the obligations under the transaction, the RCP:

• cancels the contract for non-payment by the buyer of the payment stipulated by the contract;

• cancels the agreement by decision of the arbitration commission for non-transfer of crypto-assets;

• credits to the account of the clearing participant - the seller or the buyer - a fine in the amount of the deposit for failure to fulfill contractual obligations.

#### § 7. Termination of clearing services

69. RCP terminates servicing the clearing participant and closes his virtual account in the following cases:

- termination of the contract in the manner prescribed by law;
- liquidation of a clearing participant;
- by decision of the court or other authorized bodies.

70. The crypto-exchange ensures the transfer of funds through the RCP, the transfer of crypto-assets accounted for by the trading participant to a bank account, to the address of the crypto-wallet of the trading participant, respectively, at the request of such participant in the manner and period determined by the agreement for participation in crypto trading -assets.

If a suspicious transaction related to crypto-assets is detected, the transfer of funds and the transfer of crypto-assets are carried out after the crypto-exchange takes measures to prevent the laundering of proceeds from crime, the financing of terrorist activities and the financing of the proliferation of weapons of mass destruction.

## **Chapter 7. Final provision**

71. Persons guilty of violating the requirements of these Rules will be held liable in the manner prescribed by law.

## **INFORMATION**

### **posted on the website of a crypto exchange**

1. General information about the crypto exchange (management, history of creation, etc.).
2. General conditions for the sale of crypto-assets, the content of which complies with the requirements established by the authorized body.
3. Local act on the procedure for managing conflicts of interest arising in the activities of a crypto exchange.
4. Information about what actions the client has the right to take if he does not agree with the actions (inaction) of the crypto exchange (including the client's right to go to court and the opportunity to offer to resolve the dispute through mediation).
5. Information required to indicate in advertising the activities of a crypto exchange in the case and to the extent provided for by law.
6. Information on trading crypto assets:
  - a) about the time of trading in crypto-assets, the quotation list;

b) about the prices at which transactions with crypto assets were previously made on the electronic platform of the crypto exchange (about historical quotes). These prices are indicated for at least three years preceding the date of their placement (disclosure), and if less than three years have passed since the start of the crypto exchange's activities, then for the entire period of its activity;

c) on the participation of a crypto-exchange in trading in crypto-assets and measures taken by the crypto-exchange to resolve conflicts of interest arising in connection with such participation;

d) crypto-assets admitted to trading in crypto-assets owned by a crypto-exchange, its employees, founder (participant) or the last beneficial owner must be announced in cases where:

- the number of crypto-assets of the crypto-exchange, its employee, founders (participants) or the last beneficial owner in the aggregate is five or more percent of the total number of crypto-assets on the crypto-exchange;
- The crypto-exchange, its employee, property, founder (participant) or the last beneficial owner act as the customer for the creation of crypto-assets in their own interests and (or) issued crypto-assets.

7. Information about the name, location, email address and telephone number of the organization providing services for storing (depositing) reports, in accordance with the Rules for trading crypto assets on a crypto exchange.