

**MINISTRY OF FINANCE OF THE RUSSIAN FEDERATION  
(MINFIN OF RUSSIA)**

**ORDER**

May 25, 2015

No. 80n

Moscow

**On approval of the Terms of the  
issue and circulation of the  
federal index-linked bonds**

Pursuant to the Article 9 of the Federal law No. 136-FZ “On the particularities of issue and circulation of the federal and municipal bonds” dated 29 July 1998 (Law Corpus of the Russian Federation, 1998, No. 31, Article 3814; 2007, No. 18, Article 2117; 2012, No. 25, Article 3269) and the Order of the Government of the Russian Federation No. 458 dated 15 May 1995 «On approval of the General terms of issue and circulation of the bonds of federal debts» (Law Corpus of the Russian Federation, 1995, No. 21, Article 1967; 1998, No. 27, Article 3193; 1999, No. 11, Article 1296; 2004, No. 35, Article 3639; 2010, No. 45, Article 5859; 2012, No. 40, Article 5450) I hereby **o r d e r**:

1. To approve the attached Terms of issue and circulation of the index-linked bonds of federal debt.
2. The Department of Public Debt and Sovereign Financial Assets shall:
  - ensure the issuance of the index-linked bonds of federal debt (the “Bonds”) in an amount not exceeding the upper limit of domestic state debt of the Russian Federation established by the Federal law “On the federal budget for the next year and for the planned period”;
  - ensure the formation of the global certificates of the Bonds;
  - register the debt issuances at the State debt book of the Russian Federation and maintain it upon the Bonds considering the attached Terms.
3. I will personally supervise the fulfillment of this order.

Minister

A.G. Siluanov

**Terms of the Issuance and Circulation  
of the Index-Linked Bonds of Domestic State Bonded Debt  
of the Russian Federation**

1. These Terms establish the procedure of issuance and circulation of bonds of domestic state debt in form of bonds with the nominal value adjusted for the consumer price index of the Russian Federation (the “Bonds”), in accordance with the General Terms of the Issuance and Circulation of Bonds of Federal Debt approved by the Resolution of the Government of the Russian Federation No. 458 «On Approval of the Issuance and Placement of Bonds of Federal Debt» dated 15 May 1995.

2. The issuer of the bonds shall be the Ministry of Finance of the Russian Federation (the “Issuer”).

3. The Bonds shall be registered, with coupon, medium-term (from one year to five years maturity) and long-term (from five years to 30 years maturity) public securities and shall entitle their holders to receive the nominal value calculated on the day of the Bond’s redemption pursuant to these Terms and the interest amount in the form of interest being accrued on the nominal value of the Bond calculated on the day of the coupon payment pursuant to these Terms.

4. The Bonds shall be issued in the form of separate issues within the terms determined by the Issuer. Each issue shall have a state registration number.

The Bonds with the same volume of rights and the same redemption date shall have the same state registration number.

5. The nominal value of the Bond shall be denominated in the currency of the Russian Federation and shall be 1 000 (one thousand) roubles on the Issue date.

The nominal value of the Bond on the any day following the Issue date and till the Bonds’ maturity date shall be calculated according to the formula:

$$N_i = N_{base} \times I_i , \tag{1}$$

where

$$I_i = \frac{INDEX_i}{INDEX_{base}}, \quad (2)$$

where

$$INDEX_i = Ref\_CPI_{M(i)-4} + (Ref\_CPI_{M(i)-3} - Ref\_CPI_{M(i)-4}) \times \frac{n-1}{d(i)}, \quad (3)$$

where

$i$  is the calendar date;

$INDEX_i$  is the Russian Federation's consumer goods and services price index in relation to the average prices in 2000 calculated according to the formula (3) on the date  $i$  rounded to the five decimals according to the mathematical rounding-off rules;

$INDEX_{base}$  is the Russian Federation's consumer goods and services price index in relation to the average prices in 2000 calculated on the Bonds' issue date rounded to the five decimals according to the mathematical rounding-off rules. The index value is calculated according to the formula (3) where the date  $i$  is the Issue date;

$n$  is the ordinal number of the calendar date  $i$  in the respective month (the "Settlement month");

$N_{base}$  is the nominal value of the Bonds on the Issue date.  $N_{base} = 1000$  roubles;

$N_i$  is the nominal value of the Bonds on the date  $i$  calculated up to kopecks according to the mathematical rounding-off rules on the each date of the Settlement month;

$M(i)$  is the ordinal number of the Settlement month for the date  $i$ ;

$M(i) - 3$  is the ordinal number of the month within three months before the Settlement month date  $i$ . If the date  $i$  falls on January, February or March, then the values as of October, November and December of the preceding year respectively shall be used;

$M(i) - 4$  is the ordinal number of the month within four months before the Settlement month date  $i$ . If the date  $i$  falls on January, February, March or April, then

the values as of September, October, November and December of the preceding year respectively shall be used;

$Ref\_CPI_{M(i)-k}$  is the Russian Federation's consumer goods and services price index in relation to average prices in 2000 in the month  $(M(i) - k)$ , published by the federal executive body responsible for developing the state policy and regulation in the field of the official statistical recognition, the formation of the official statistical information on the social, economic, demographic, ecological and other communal processes in the Russian Federation( the "Authorized body");

$I_i$  is the Bond's nominal value discount index on the date  $i$ . The value  $I_i$  is rounded to the five decimals according to the mathematical rounding-off rules. The Bond's nominal value discount index as of the Issue date is «1,00000»;

$d(i)$  is the number of days in the Settlement month of the day  $i$ .

If there is no value  $Ref\_CPI_{M(i)-k}$  published by the Authorized body two working days before the Settlement month, then the  $Ref\_CPI_{M(i)-k}$  is calculated according to the formula:

$$Ref\_CPI_{M(i)-k} = Ref\_CPI_{M(i)-k-1} \times \frac{Ref\_CPI_{M(i)-k-1}}{Ref\_CPI_{M(i)-k-2}} . \quad (4)$$

The nominal value of the Bond as of the Redemption date shall not be less than the Bond's nominal value as of the Issue date and shall be calculated according to the formula:

$$N = \max\{N_T; 1000\}, \quad (5)$$

where  $N_T$  is the Bond's nominal value calculated as of the Bonds redemption date according to the formula (1).

The Issuer shall publish the information on the nominal value of the Bond and on the Bond's nominal value discount index on the Ministry of Finance of the Russian Federation official web site as of the every date of the Settlement month within two working days before it begins.

6. The Bonds shall be offered on the auctions or through the private offering.

7. The Issuer shall make a decision on each particular issue of the Bonds (the “Decision on Bond Issue”).

The Decision on Bond Issue shall be made by the Issuer in the form of an order of the Ministry of Finance of the Russian Federation and shall contain the terms of issuance in accordance with the Article 11 of the Federal law No. 136-FZ dated 29 July 1998 “On the specifics of Issuance and Circulation of State and Municipal bonds”.

The restrictions on the potential holders might be imposed for every single issue. Terms of each particular issue of the Bonds are fixed in a Global certificate.

8. The interest rate shall be fixed for every single Bonds issue.

9. The interest amount shall be calculated for each coupon period according to the formula:

$$CF_m = \frac{CPN \times N_{im} \times D_m}{365}, \quad (6)$$

where

$m$  is the ordinal number of the coupon or a coupon period. The coupon payment dates are fixed in the Global certificate of the respective issue;

$CPN$  is the interest rate, % per annum;

$N_{im}$  is the nominal value of a Bond as of the date of the  $m$  coupon repayment calculated according to the formula (1);

$D_m$  – is the number of days in the  $m$  coupon period.

The interest amount shall be rounded up to kopecks according to the rules of mathematical running-off and shall be disclosed by the Issuer together with the information on the Bond’s nominal value for the respective month when the coupon will be paid.

10. The accumulated interest amount shall be calculated for each date  $i$  of the Settlement month according to the formula:

$$AI_{im} = N_i \times CPN \times \frac{i - t_m}{365}, \quad (7)$$

where  $t_m$  is the first date of the current coupon period.

The interest rate for the first coupon shall be calculated from the day following the Issue date till the last day of the first coupon period. The interest for the other coupons shall be counted from the day following the ending day of the preceding coupon period till the ending day of the current coupon period (the redemption date). The amount of the accumulated interest amount shall be rounded up to kopecks according to the rules of the mathematical running-off.

11. The General agent for the issuance, buy back and exchange of the Bonds shall be the Bank of Russia.

12. The coupon payments and the redemptions of the Bonds shall be made by the depository by the order of the Issuer at the expense of the federal budget.

13. Rights registration of the Bonds shall be implemented according to the legislation of the Russian Federation.

14. By the order of the Issuer the Bank of Russia shall make an additional sale of the Bonds.

The Issuer might buy back the Bonds prior to the maturity date and reoffer them according to the fiscal legislation of the Russian Federation. The buy-back is carried out by the Bank of Russia by the order of the Issuer at the expense of the federal budget.

15. The terms of the each issue, formulated by the Issuer according to the point 7 of these Terms, shall be published within two working days before the Issue date.

16. The taxation of the Bonds shall be carried out according to the legislation of the Russian Federation.