

RULEBOOK OF VAMOS OTF

Organised Trading Facility for Equity Derivatives and other Derivatives

4 November 2024

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TITLE I - GENERAL PROVISIONS

Section 1. Purpose and Definitions

1. This Rulebook sets out the terms and conditions which shall apply to the participation in, and trading on, VAMOS OTF (the “**System**”) by the Participants and to the operation of the System by KEY CAPITAL PARTNERS, AGENCIA DE VALORES, S.A. (in such capacity, the “**System Operator**”), an investment firm duly licensed under Spanish law to this effect.
2. In this Rulebook, the following terms and expressions shall have the meaning set out below:
 - 2.1 “**Applicable Laws**” means:
 - Law 6/2023, of March 17, on Securities Markets and Investment Services (“**Law 6/2023**”).
 - Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MiFID-2**”).
 - Commission Delegated Regulation (EU) 2017/567 of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions (“**CDR 2017/567**”).
 - Regulation (EU) 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“**MiFIR**”).
 - Commission Delegated Regulation (EU) 2017/572 of 2 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the specification of the offering of pre-and post-trade data and the level of disaggregation of data (“**CDR 2017/572**”).
 - Commission Delegated Regulation (EU) 2017/580 of 24 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the maintenance of relevant data relating to orders in financial instruments (“**CDR 2017/580**”).

- Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives (“**CDR 2017/583**”).
 - Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“**MAR**”).
 - Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (“**EMIR**”).
 - Any other legal and regulatory instruments implementing, developing, supplementing or superseding the foregoing, in each case, as amended, modified or superseded from time to time.
- 2.2 “**Arbitration Law**” means Law 60/2003, of 23 December, on Arbitration (as amended, modified or superseded from time to time).
- 2.3 “**Authorised Representative**” means any natural persons representing a Participant, as may be notified to the System Operator in writing in accordance with the relevant Internal Regulations. For the avoidance of doubt, any Participant may appoint more than one (1) Authorised Representatives.
- 2.4 “**Board**” means the board of directors (*consejo de administración*) of the System Operator.
- 2.5 “**CCP**” has the meaning ascribed to this term under EMIR.
- 2.6 “**Cleared Transaction**” has the meaning ascribed to this term in Section 23.2 (a) of this Rulebook.
- 2.7 “**CNMV**” means the *Comisión Nacional del Mercado de Valores*.
- 2.8 “**Contracts**” has the meaning ascribed to this term in Section 8.1 of this Rulebook.
- 2.9 “**Eligibility Criteria**” has the meaning ascribed to this term in Section 24.1 of this Rulebook.
- 2.10 “**Eligible CCP**” has the meaning ascribed to this term in Section 24.2 (a) of this Rulebook.
- 2.11 “**ESMA**” means the European Securities and Markets Authority.
- 2.12 “**Executive Committee**” has the meaning ascribed to this term in Section 4 of this Rulebook.

- 2.13 “**General Manager**” has the meaning ascribed to this term in Section 5 of this Rulebook.
- 2.14 “**Infringement**” has the meaning ascribed to this term in Section 29.1 of this Rulebook.
- 2.15 “**Insolvency Event**” has the meaning ascribed to this term in Section 24.4 (b) (iii) of this Rulebook.
- 2.16 “**Internal Regulations**” means, jointly, this Rulebook and any Circulars and Operational Instructions.
- 2.17 “**ISIN Code**” means the ISO 6166 International Securities Identifying Number code for the financial instrument.
- 2.18 “**Major Sanction**” has the meaning ascribed to this term in Section 29.3 of this Rulebook.
- 2.19 “**Minor Sanctions**” has the meaning ascribed to this term in Section 29.3, 2nd para. of this Rulebook.
- 2.20 “**Module**” and “**Sub-Module**” have the meaning ascribed to these terms in Section 8.3 of this Rulebook.
- 2.21 “**Order**” means any valid instruction to buy or sell a financial instrument submitted to the System by any Participant in accordance with the Internal Regulations.
- 2.22 “**Order Record**” has the meaning ascribed to this term in Section 11.1 of this Rulebook.
- 2.23 “**Participant**” shall mean any entity satisfying the Eligibility Criteria and admitted as such by the System Operator in accordance with Article 53 of MiFID II).
- 2.24 “**Platform**” means the digital platform owned and managed by the System Operator, whose purpose is to conduct trading sessions among Participants on a periodical basis to concentrate liquidity in connection with certain financial instruments determined by the System Operator (provided that the concept of the Platform includes the data, the software, the source and object code, the interface, as well as, in accordance with Article 96.1 of the Spanish Copyright Act (Royal Decree 1/1996 of 12 April), any preparatory and technical documentation and any user manual of or related to the Platform).
- 2.25 “**Quotes**” means any valid non-actionable bid and offer instructions with prices and volumes, submitted to the System by any Participant in accordance with the Internal Regulations.
- 2.26 “**Regulatory Authority**” means any authorities that regulate the business and operations of the System Operator or the Participant (as appropriate), including, without limitation, the European Securities and Markets Authority, the CNMV and the European Central Bank.

- 2.27 “**Technical Requirements**” has the meaning ascribed to this term in Section 15.1 of this Rulebook.
- 2.28 “**Trading Incident**” has the meaning ascribed to this term in Section 17 of this Rulebook.
- 2.29 “**Trading Rules**” has the meaning ascribed to this term in Section 12.3 of this Rulebook.
- 2.30 “**Transactions**” means any agreement arranged or executed in the System in respect to a Contract.
- 2.31 “**Union**” means the European Union.

Section 2. Legal status and applicable laws and rules

1. The System is an organised trading facility (OTF) (“*sistema organizado de contratación*” or SOC) established and operated pursuant to the Applicable Laws for the purposes of the trading by certain eligible counterparties (“*contrapartidas elegibles*”) (as defined in Article 196 of Law 6/2023) in derivative contracts (the “**Contracts**”), as further provided for in this Rulebook.

2. The organisation, functioning and operation of the System shall be governed by the Applicable Laws and the Internal Regulations approved by the governing and management bodies of the System.

The Internal Regulations will be published in the public area of the website of the System Operator.

3. Subject to compliance with any Applicable Laws to that effect, the System Operator shall be entitled to amend the Rulebook or any other Internal Regulations at any time and at its sole discretion in each case, by serving a notice to the Participants including a description of the change (the “**Change Notice**”), provided that any material amendments to the Internal Regulations shall require the prior authorisation of the CNMV in accordance with Applicable Laws.

4. Any changes to the Internal Regulations that are required as a result of a change in law or in any Regulatory Authority's interpretation criteria or a requirement from a Regulatory Authority shall take immediate effect upon reception of the Change Notice by the Participants, unless otherwise stated by the System Operator in the Change Notice.

Any other changes to the Internal Regulations will be subject to the relevant Change Notice having been delivered to the Participants at least fifteen (15) days prior to the effectiveness date specified therein, provided that any changes to the System Fees (as defined in Section 3.2.(c) below) shall be communicated to the Participants at least three (3) months before to the effective application thereof.

5. The General Manager shall be entitled, but not required, to notify to the Participants all or some of the criteria that the System Operator will consider when applying any Internal Regulations, provided that any such notice (a “**Notice**”) shall not be binding on the System Operator.

The System Operator shall, upon request, provide CNMV with details of the criteria it shall consider when applying Internal Regulations.

TITLE II - ORGANISATION OF THE SYSTEM: GOVERNING BODIES

Section 3. The Board of Directors of the System Operator

1. The Board is the body entrusted with the general direction and management of the System, including the overall and strategic decision-making on the design, control and monitoring of the operation of the System.
2. The Board shall be responsible, *inter alia*, for:
 - (a) the general administration, organisation and management of the System;
 - (b) the approval of the Rulebook and any amendments thereto (subject to, where required pursuant to the Applicable Laws, authorisation by the CNMV);
 - (c) the admission of applicants to the System and the suspension and exclusion of Participants from the System;
 - (d) the appointment and removal of the non-ex officio members of the Executive Committee; and
 - (e) the imposition to Participants of any Major Sanctions.

Section 4. The Executive Committee

1. The Executive Committee is the body responsible for the day-to-day management of the System.

The Executive Committee shall be comprised by the CEO of the System Operator, the General Manager, the Chief Operation Officer of the System Operator (*Responsable de Operaciones*) and, at the discretion of the Board, up to three (3) other members appointed by the Board among the employees of the System Operator.
2. The Executive Committee shall be responsible, *inter alia*, for:
 - (a) the day-to-day management of the System;
 - (b) the approval of any Circulars for the purpose of implementing, developing or supplementing this Rulebook;
 - (c) the proposal to the Board of any amendments to this Rulebook;
 - (d) the appointment and removal of the General Manager of the System;
 - (e) the appointment and removal of the non-ex officio members of the Supervision Committee;
 - (f) the appointment and removal of the non-ex officio members of the Arbitration Committee;
 - (g) the determination of the Contracts admitted to trading in the System;

- (h) the approval of the fees and any other costs charged by the System to Participants (the “**System Fees**”);
- (i) the removal of any Contract from trading in the System in accordance with Section 10 below; and
- (j) the exercise of any other powers which are not expressly vested on other bodies of the System in this Rulebook.

For the avoidance of doubt, in carrying out its duties the Executive Committee will consult, as appropriate, with the Supervision Committee.

Section 5. The General Manager

1. The General Manager shall be appointed (and removed) by the Executive Committee and shall be responsible for the day-to-day operation of the System and the implementation of the resolutions and policies approved by the Board and the Executive Committee.
2. The General Manager shall be responsible, *inter alia*, for:
 - (a) the organisation and co-ordination of all operational functions, services and activities of the System, including the determination of the technical means required for the proper functioning of the System (including, where applicable, outsourcings, whether related to cloud computing or not);
 - (b) the management of all activities directly linked to the day-to-day operation of the System, including in particular, the trading activities;
 - (c) the day-to-day management and supervision of key third-party supplier relationships (including outsourcing activities, whether related to cloud computing or not) required for the operation of the System;
 - (d) the day-to-day management of the relationship with Participants;
 - (e) the approval of any Operational Instructions required for the purposes of implementing, developing and/or supplementing any Circulars approved by the Executive Committee;
 - (f) the proposal to the Executive Committee of any amendments to the Circulars and/or the Rulebook; and
 - (g) acting as Chairman of the Supervision Committee.

Section 6. The Supervision Committee

1. The Supervision Committee is the body responsible for the monitoring and supervision of the functioning of the System and, in particular, for compliance of the System's trading activities with all Applicable Laws and Internal Regulations.

The Supervision Committee shall be comprised by the General Manager, the Head of the Compliance & Risk Management Unit of the System Operator (*Responsable de la Unidad Cumplimiento y Gestión de Riesgos*) and, at the discretion of the Executive Committee, up to 2 (two) other members appointed by the Executive Committee among the employees of the System Operator.

2. The Supervision Committee shall be responsible, *inter alia*, for:
 - (a) ensuring compliance of Internal Regulations with Applicable Laws;
 - (b) ensuring compliance by Participants with Internal Regulations;
 - (c) monitoring and supervising the trading activities of Participants on the System, including in relation to compliance with MAR and any other Applicable Laws;
 - (d) verifying that Participants make a proper use of the technical means provided to them by the System;
 - (e) monitoring and supervising the third-party supplier relationships (including outsourcing activities, whether related to cloud computing or not) and, upon request, advise/assist the Executive Committee or the General Manager in the termination thereof;
 - (f) the settlement of any Trading Incidents;
 - (g) managing communication and interaction with the CNMV and other relevant public bodies;
 - (h) advising the Board, the Executive Committee and the General Manager in respect of the approval or amendment of any Circulars and Operational Instructions;
 - (i) the suspension of any Contract from trading in the System in accordance with Section 18 below;
 - (j) the suspension of the trading in the System in accordance with Section 19 below;
 - (k) the imposition to Participants of any Minor Sanctions;
 - (l) the proposal to the Board of the imposition to Participants of any Major Sanctions; and
 - (m) liaising with and requesting clarifications or information from Participants for the purposes of exercising the abovementioned supervisory powers.

3. The Supervision Committee may, at its own discretion, fully or partially outsource tasks linked to the above responsibilities to the System Operator's internal control functions (including when these have been delegated to third-party providers).

Section 7. The Arbitration Committee

1. The Arbitration Committee is the body responsible for hearing and settling any disputes which may arise among Participants in connection with its participation and trading in the System in accordance with Section 32 below.
2. The Arbitration Committee shall be comprised by the General Manager, the Head of the Compliance & Risk Management Unit of the System Operator (*Responsable de la Unidad Cumplimiento y Gestión de Riesgos*) and, at the discretion of the Executive Committee, up to two (2) other members with adequate knowledge, skills and experience in relation to trading venues and the System's activities, appointed by the Board among the employees of the System Operator or otherwise.

TITLE III - CONTRACTS ADMITTED TO TRADING

Section 8. Contracts admitted to trading in the System

1. In order for a Contract to be admitted to trading in the System, it must be a derivative contract as defined in MiFIR (*i.e.*, a financial instrument as set out in points (4) to (10) of Section C of Annex I of MiFID2)
2. The System Operator shall determine the Contracts admitted to trading in the System for each trading session and shall publish a list of those Contracts in the Platform.

The System Operator shall ensure it complies with all Applicable Laws prior to admitting a Contract to trading in the System.

3. Contracts admitted to trading in the System may be grouped by the System Operator into two or more modules (each a “**Module**”) that may, in turn, be split into two or more sub-modules each (a “**Sub-Module**”).

Section 9. Admission of Contracts to trading

The admission to trading in the System of any Contract and the determination of the specifications thereof shall be approved by the Executive Committee or by the General Manager.

Contracts admitted to trading in the System shall be identified by means of their relevant ISIN Codes, provided that such identification may be supplemented by means of other codes customarily used in their respective markets.

Section 10. Removal of Contracts from trading

1. The Board may at any time remove a Contract from trading in the System:
 - (a) where the relevant Contract no longer complies with Internal Regulations;
 - (b) where the relevant Contract relates or is referenced to another financial instrument that has been removed from trading in the relevant trading venue; and
 - (c) if so directed by the CNMV in the exercise of its powers to remove any financial instrument from trading in any trading venue under Article 234.3 (l) of Law 6/2023,

provided that the Board shall not exercise its powers under sub-paragraphs (a) to (c) above where the relevant removal would be likely to cause significant damage to the interest of investors or the orderly functioning of the System.

Section 11. Order Record

1. The System Operator shall keep at the disposal of the CNMV, for at least five (5) years, records with relevant data relating to all Quotes and Orders in Contracts which are advertised through the System (“**Order Record**”).

The Order Record shall contain all relevant data required under CDR 2017/580.

The System Operator shall keep the Order Record for, at least, the five years following the date on which the System ceases to provide its services and shall make it available to the CNMV upon request.

2. The System Operator shall report to CNMV details of transactions in Contracts traded on its System which are executed therethrough by a firm which is not subject to MiFIR.

TITLE IV - TRADING

CHAPTER I TRADING RULES

Section 12. General Provisions

1. Trading in the System shall comply with all relevant Applicable Laws, without prejudice to those specific issues arising from the particular features of the Contracts.
2. The System employs a hybrid trading platform (as provided under Article 2.2 (a) of CDR 2016/824), which runs a trading system pertaining to the “*any other trading system*” type (as defined in row 7 of the table included under Annex I of CDR 2017/583).
3. Algorithmic trading in the System is not permitted.
4. The System Operator shall set out, by means of Circular, (i) the rules and procedures for the fair and orderly trading in the System, and (ii) the criteria for the efficient arrangement or, as applicable, execution of Transactions (together, the “**Trading Rules**”).
5. Participants shall only be able to participate in the System in their own account. The provision of direct electronic access to the System by Participants is prohibited.
6. Save as set out in this Rulebook, or as required by Applicable Laws, all Transactions effected through the System by an Authorised Representative shall be binding on its relevant Participant.

Section 13. Market Making Schemes

1. As the Contracts are not traded in the System through a continuous auction order book trading system, the System is not required to have in place a market making scheme (as referred to in Article 48(2)(b) of MiFID-2 (a “*market making scheme*”)) pursuant to Article 5 of CRD 2017/578.
2. The System Operator does not purport to have any voluntary market making scheme in place (without prejudice to the obligation of the Participants set out in Section 26.(n) below).

Section 14. Matched Principal Trading

The System Operator shall never engage in matched principal trading (“*interposición de la cuenta propia sin riesgo*”) as defined in Article 75.2 of Law 6/2023 or any other type of dealing or own account (“*negociación por cuenta propia*”).

Section 15. Technical Requirements

1. The System Operator shall set out the technical conditions to access the System (“**Technical Requirements**”).

2. Participants shall be required to comply with the Technical Requirements at all times and, therefore, to employ adequate systems and resources for the purposes of accessing the System, submitting Quotes and Orders and arranging for the clearing and settlement of Transactions.
3. The System Operator shall regularly monitor each Participant's level of compliance with the Technical Requirements.

Section 16. Exercise of Discretion

1. In accordance with Applicable Laws, the execution of Orders in the System shall be carried out on a discretionary basis.
2. In accordance with Applicable Laws, the System Operator shall be able to exercise discretion only:
 - (a) when deciding to place or retract an Order on the System; or
 - (b) when deciding not to match a specific Participant's Order with other Orders available in the System at a given point in time, provided such discretion is in compliance with specific instructions received from the applicable Participant and with its obligations in accordance with Articles 218 *et seq.* of Law 6/2023 (implementing Article 27 of MiFID-2).
3. Accordingly, the System Operator reserves the right to decide if, when and how much of two or more Orders it wants to match within the System. In certain circumstances, therefore, it may be appropriate for the System Operator to exercise this discretion in a way that results in an Order being withdrawn from the System to be executed on a third-party trading venue, including, but not limited to:
 - (a) where there are multiple variations of the same Contract traded on multiple venues, the System Operator may use its discretion to formalise the Transaction on another venue where it is known that there is a matching interest; and
 - (b) where there are other external factors affecting the execution of a Transaction, the System Operator may withdraw an Order from the System in order to facilitate an interaction on another trading venue.
4. Moreover, the System Operator has the discretion on how to handle any Orders and may discretionarily decide to:
 - (i) reject any Quote which it believes to be likely to alter the proper functioning of the System and/or its integrity and transparency;
 - (ii) reject any pre-matched Transaction which it believes to be likely to alter the proper functioning of the System;
 - (iii) cancel any Transaction and/or its integrity and transparency which it believes to be likely to alter the proper functioning of the System and/or its integrity and transparency;

- (iv) where there are multiple variations of the same Contract traded on multiple venues, to formalise a Transaction on another venue where it is known that there is a matching interest; and
- (v) where there are other external factors affecting the execution of a Transaction, the System Operator may withdraw an Order from the System in order to facilitate an interaction on another trading venue.

Section 17. Trading Incidents

1. Any Trading Incidents shall be dealt with and settled by the Supervision Committee.

“**Trading Incident**” means any disputes that may arise between Participants in connection with any Orders and/or Transactions.

2. Upon becoming aware, or being notified, of the occurrence of a Trading Incident, the Supervision Committee shall:
 - (a) review all information relating to the relevant Orders and/or Transactions, including all data on the relevant Participants' Orders, the Order matching process and the confirmations issued by the System Operator; and
 - (b) hear the allegations of the relevant Participants.
3. Where applicable, the Supervision Committee shall be entitled to confirm, cancel or seek to transfer the relevant Transaction to other Participants in order to ensure orderly trading and the smooth operation of the System.

CHAPTER II SUSPENSION AND INTERRUPTION OF TRADING

Section 18. Suspension of specific Contracts from trading

1. The Supervision Committee (and, in the case of urgency, the General Manager) may at suspend temporarily the trading of any Contract in the course of any trading session:
 - (a) where, in its discretion and acting reasonably, it considers such action necessary to maintain the integrity of the System or the fair and orderly trading on the System (including without limitation where there is a significant price movement in a given Contract on the System or a related trading venue during a short period of time);
 - (b) where the relevant Contract relates or is referenced to another financial instrument that has been suspended from trading in the relevant trading venue; and
 - (c) if so directed by the CNMV in the exercise of its powers to remove any financial instrument from trading under Article 234.3.(l) of Law 6/2023,

provided that the Supervision Committee (or, applicable, the General Manager) shall not exercise its powers under sub-paragraphs (a) to (c) above, where the relevant suspension would be likely to cause significant damage to the interest of investors or the orderly functioning of the System.

2. If trading in a Contract is suspended pursuant to paragraph 1 of this Section, no new Quotes or Orders may be entered in respect of such Contract for the duration of the suspension.
3. The System Operator shall make public its decision on the suspension of any Contract from trading (and of the lifting of such suspension) and communicate the relevant decisions to the CNMV as soon as reasonably practicable.
4. The System Operator shall, as soon as practicable, lift the suspension of trading in whole or in respect of one or more Contracts where, in its opinion and acting reasonably, the reason for such suspension has ceased to exist.

Section 19. Suspension of trading

1. The Supervision Committee (and, in the case of urgency, the General Manager) may, at any time, suspend the trading of all Contracts in the System due to a technical or otherwise reason which, in its discretion and acting reasonably, can make impossible or have a material adverse effect on the proper functioning of the System.

If trading in the System is so suspended, no new Quotes or Orders may be entered in respect of any Contracts for the duration of the suspension and all Orders which are not matched prior to the time of suspension shall be cancelled.

The Supervision Committee (or, as applicable the General Manager) shall, as soon as practicable, lift the suspension of trading in the System where, in its opinion and acting reasonably, the technical reason for such suspension has ceased to exist.

2. The System Operator shall make public its decision on the suspension of trading in the System (and of the lifting of such suspension) and communicate the relevant decisions to the CNMV as soon as reasonably practicable.

CHAPTER III TRANSPARENCY

Section 20. Pre-Trade Transparency Information

1. The System Operator shall comply with all obligations applying to it (if any) which may arise from section 2 of Article 8a of MiFIR and any other relevant Applicable Laws, in particular, CDR 2017/583, CDR 2017/567 and CDR 2017/572.

Section 21. Post-trade Transparency Information

1. The System Operator shall comply with all obligations applying to it (if any) which may arise from Article 10 of MiFIR and any other relevant Applicable Laws, in particular, CDR 2017/583.

Section 22. Other Relevant Transparency Obligations

1. As all Participants qualify as eligible counterparties (as defined in Article 196 of Law 6/2023), and, therefore, they possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur, the System Operator shall not be under an obligation to provide Participants with information on the nature, characteristics and risks linked to the Contracts traded in the System.
2. Participants shall be duly informed of all Transactions they have arranged or executed in the System and shall be provided with the information necessary to arrange for the clearing and settlement of such Transactions.

TITLE V - CLEARING AND SETTLEMENT

Section 23. Clearing and Settlement of Transactions

1. The System Operator has not entered into any agreement with any CCP, clearing houses or settlement systems providing clearing and/or settlement services in respect of Transactions related to any Contracts.

The System does not take part in the clearing and/or settlement of any Transactions.

2. Solely Participants are responsible for the clearing and/or settlement of Transactions and for ensuring that they have the technological and operational arrangements and infrastructure in place to ensure the efficient and timely clearing or settlement of Transactions and shall be responsible for the clearing or settlement of such Transactions, provided that:
 - (a) in the case of Cleared Transactions, the relevant Participants shall have access to an Eligible CCP in which the relevant Transactions can be cleared either directly as clearing members or indirectly through a contractual arrangement with a clearing member of that Eligible CCP.

For these purposes:

“**Cleared Transaction**” means a “*cleared derivative*” within the meaning of Article 29(2) of MiFIR; and

“**Eligible CCP**” means a CCP authorised in the Union pursuant to Article 14 of EMIR or a third country CCP recognised by ESMA pursuant to Article 25 of EMIR; and

- (b) otherwise, the Transactions shall be settled by the relevant Participants on a bilateral basis.

Notwithstanding the above, the System Operator may provide, by means of the approval of the relevant Operational Instruction, specific requirements for the clearing of Transactions executed by any Participant which is incorporated in a jurisdiction outside the European Union, where it is so required or convenient for the purposes of the System complying with any applicable laws or regulations of such jurisdiction.

3. Participants shall also inform the System Operator of any major issue affecting clearing or settlement of Transactions effected through the System (including without limitation: (i) failure of clearing or settlement systems either at the Participant's or a third-party's account; and (ii) action taken by settlement or clearing agents to restrict or limit the clearing or settlement of Transactions by the Participant).
4. Upon request by the System Operator, Participants shall:
 - (a) confirm and provide evidence to demonstrate that a Transaction (or range of Transactions) has been cleared or settled (including, as appropriate, the date and time of clearing or settlement of the Transaction); and

- (b) provide it with information about the clearing or settlement performance of Transactions effected through the System.

TITLE VI – PARTICIPANTS

Section 24. Admission, Suspension and Termination of Participants

1. **Eligibility Criteria:** an application for admission to become a Participant on the System will only be considered if the applicant meets the following requirements (the “Eligibility Criteria”):
 - (a) the applicant is an investment firm or a credit institution (as defined in MiFID-2), whether authorised in an EU Member State or any third country;
 - (b) the applicant has all licences, authorisations and approvals required under Applicable Laws and its country's laws applying to it in order for the applicant to become a Participant in the System and to exercise the rights and comply with the obligations arising from its participation in the System; and
 - (c) the applicant:
 - (i) is of sufficient good repute;
 - (ii) has a sufficient level of trading ability, competence and experience;
 - (iii) has in place such organisational and operational arrangements as may be required in order for the applicant to be able to comply with the obligations arising from its participation in the System; and
 - (iv) has the technical and personal means required to be able to trade on the System and comply with the obligations arising from its participation in the System.
2. **Admission procedures:** the System Operator will determine the application proceeding in respect of any potential Participants by means of a Circular, which may include any additional Eligibility Criteria, provided that access to the condition of Participant will also be assessed and granted by the System Operator on a non-discriminatory basis.
3. **Suspension of participation:** participation in the System of any Participant may be temporarily suspended:
 - (a) by the Board as a Major Sanction in respect of an Infringement in accordance with Section 29.2 (b) of this Rulebook; or
 - (b) by the Supervision Committee, on an interim basis, where a Participant has been put under investigation because of a reasonable suspicion that the Participant has committed an Infringement and in accordance with Section 29.1 of this Rulebook.
4. **Termination of participation:** participation in the System of any Participant shall be terminated upon:
 - (a) the resignation of the Participant.

A Participant may resign its participation and cease to be a Participant by giving thirty (30) calendar days' prior notice in writing to the System Operator (or such shorter period as may be required to comply with any Applicable Laws), provided that the System Operator may, at its absolute discretion, waive some or all of the notice period;

- (b) the exclusion of the Participant from the System.

The Board may exclude any Participant from participating in the System.

- (i) as a Major Sanction in respect of an Infringement in accordance with Section 29.2(c) of this Rulebook;
- (ii) where a Participant has ceased to meet the Eligibility Criteria;
- (iii) upon the occurrence of an Insolvency Event in respect of the Participant.

“Insolvency Event” means a Participant that:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights (including any preventive restructuring framework and/or recovery and resolution proceedings), or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (e) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

- (f) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
 - (g) causes or is subject to any event with respect to its which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g) above.
 - (c) if so directed by the CNMV.
5. **Effects of Suspension or Termination:** upon the suspension or termination of the participation of any Participant:
- (a) the System Operator shall be entitled to take all measures necessary to prevent the relevant Participant from entering into new Transactions on the System;
 - (b) the Participant (and, failing it, the System Operator) shall ensure that any unmatched Orders which may result in the entering into Transactions by such Participant have been cancelled; and
 - (c) the Participant shall continue to be liable to perform those Transactions entered into by it prior to the suspension or termination, as the case may be, of its participation.
6. **Notice to CNMV:** The System Operator will communicate to the CNMV the admission and the suspension or termination of participation of any Participant.

Section 25. Participants' Rights

Without prejudice to any other rights set out in this Rulebook, each Participant shall be entitled, on an equal basis, to the following general rights:

- (a) having general access to the services provided by the System, including, in particular, the right to submit Quotes and Orders and entering into Transactions on the System for their own account in accordance with the Trading Rules;
- (b) being provided by the System Operator with any information required for it to be able to trade in the System; and
- (c) submit complaints to the System Operator in relation to any Trading Incidents.

Section 26. Participants' Obligations

Without prejudice to any other obligations set out in this Rulebook, each Participant shall comply with the following general obligations:

- (a) complying with Internal Regulations and any Applicable Laws applying to its participation in the System;
- (b) complying with any decisions taken by the System Operator in accordance with Internal Regulations;
- (c) satisfying at all times the Eligibility Criteria;
- (d) submitting Quotes and Orders and entering into Transactions in the System in strict compliance with the System's Trading Rules and, to this effect:
 - (i) having adequate systems and controls intended to minimise the risk of error in relation to any Quotes and Orders submitted to the System (including cancellations and modifications thereto); and
 - (ii) ensure that its staff is adequately trained to use the System;
- (e) being responsible for all Quotes, Orders and actions taken on the Participant's user account by the relevant Authorised Representatives or any other officer, employee or agent of the Participant who possesses a valid access permission that would allow such person to submit a Quote or an Order or take any other action through the System (with the exceptions set out in this Rulebook);
- (f) complying with its obligations under the Transactions arranged or executed in the System;
- (g) not, in respect of any of its business on the System:
 - (i) committing any act or engaging in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price of, any Contract; or
 - (ii) doing or engaging in any act or course of conduct which harms or is likely to harm the integrity or stability of the System (including without limitation trading in a disruptive manner); and
 - (iii) doing or engaging in any act or course of conduct which otherwise infringes or is likely to infringe any Applicable Laws (including, in particular, MAR).
- (h) maintaining and keeping records of all Quotes, Orders and Transactions entered into on the System for a minimum of 5 years;
- (i) informing the System Operator, as soon as reasonably practicable, upon becoming aware of the occurrence of any of the following events:
 - (i) it or any of its Authorised Representatives is unable to comply with this Rulebook;
 - (ii) the occurrence of any Insolvency Event relating to the Participant;
 - (iii) a material breach of Internal Regulations; or

- (iv) its ceasing to meet any of the Eligibility Criteria;
- (j) providing all reasonable assistance to the System Operator (including without limitation providing information or access to systems, personnel and premises) as may be required to enable the System Operator to carry out its obligations under Internal Regulations or any Applicable Laws;
- (k) providing the System Operator, as soon as reasonably practicable, with all information required by it in the exercise of its functions and powers under Internal Regulations, including, without limitation, the information required for the purposes of the System Operator being able to comply with all legal regulatory obligations arising under any Applicable Laws;
- (l) ensuring that it in place has the technological and operational arrangements and infrastructure to ensure the efficient and timely clearing or settlement of Transactions arranged or executed in the System and be responsible for the clearing or settlement of such Transactions;
- (m) submitting any disputes and/or claims against other Participants arising from, or in connection with, its trading and participation in the System to the decision of the Arbitration Committee and duly comply with any decision thereof; and
- (n) providing firm Quotes in respect of the minimum number of Contracts and in the manner determined by the System Operator, at its discretion, from time to time.

TITLE VI - SUPERVISION OF THE SYSTEM

Section 27. General Provisions

1. The System Operator shall:
 - (a) establish and maintain effective arrangements and procedures for the regular monitoring of compliance by its Participants with its Internal Regulations; and
 - (b) monitor the Quotes and orders sent, including cancellations and the transactions undertaken by Participants in the System, in order to identify Infringements, disorderly trading conditions, conducts that may indicate behaviour that is prohibited under MAR or system disruptions in relation to a Contract and deploy the resource necessary to ensure that such monitoring is effective.
2. For the purposes of preserving the integrity of the market and ensuring its transparency, the System Operator shall hereby be vested with appropriate supervisory and disciplinary powers in relation to all activities linked to the functioning of the System, as well as compliance with and enforcement of Internal Regulations.

The System Operator shall exercise and enforce these powers on a continuous basis and shall be entitled to take the measures necessary to ensure orderly trading and the smooth operation of the System.

3. For these purposes, the System Operator shall:
 - (a) approve and apply appropriate Internal Regulations, which shall include adequate oversight, monitoring and disciplinary procedures;
 - (b) establish and maintain effective arrangements, systems and procedures for the regular monitoring of compliance by Participants with Internal Regulations, taking into account the System's nature and specific features;
 - (c) effectively monitor the Quotes and Orders sent (including cancellations) and the transactions arranged or executed by Participants under the System, in order to identify Infringements of Internal Regulations, disorderly trading conditions, system disruptions and /or any conduct that may constitute a prohibited behaviour under MAR; and
 - (d) exercise its disciplinary authority in relation to infringements of Internal Regulations and/or Applicable Laws.

The System Operator shall immediately inform CNMV of any significant infringement of its Internal Regulations, disorderly trading condition, system disruption or conduct that may indicate prohibited behaviours under MAR.

Section 28. Monitoring and supervision

1. The Supervision Committee, in conjunction with the General Manager is the body responsible for the monitoring and supervision of the proper functioning of the System.
2. As provided for under Section 6 of this Rulebook, the Supervision Committee shall be generally responsible for:
 - (a) ensuring compliance by Participants with Internal Regulations and Applicable Laws;
 - (b) identifying, addressing and, where necessary, disclosing any potential adverse consequences for the operation of the System or Participants of any conflict of interests between the interests of the System or the System Operator and the sound functioning of the System;
 - (c) the oversight of the overall trading activity carried out within the System, so as to ensure orderly trading and its smooth operation;
 - (d) monitoring and examining the Participants' trading activity within the System for the purposes of identifying any conduct which may constitute a prohibited behaviour under MAR; and
 - (e) taking the necessary disciplinary actions vis à vis any Participant in breach of the Internal Regulations, in accordance with and subject to such Internal Regulations.

When acting in exercise of any of the abovementioned supervisory and disciplinary powers, the Supervision Committee may request Participants to provide it with any relevant information, documentation or clarifications deemed appropriate.

3. In particular and without prejudice to the powers set out in Sections 18 and 19 above, the Supervision Committee (and, in the case of urgency, the General Manager), may take any of the following decisions for the purposes of ensuring orderly trading and the smooth operation of the System:
 - (a) postpone or delay the commencement of trading for the entire System; and
 - (b) extend or shorten the trading hours.

Section 29. Sanctions

1. The Supervision Committee (and, in the case of urgency, the General Manager) may suspend or restrict a Participant's (or some or all of the Participant's Authorised Representatives') activities in the System on an interim basis when a matter is under investigation, provided that such suspension or restriction shall only be put in place where there is a reasonable suspicion that the Participant has committed an Infringement which may affect the orderly functioning of the System, or where its suspension may be reasonably required to prevent, mitigate or remedy any infringement of any Applicable Laws.

“**Infringement**” means the occurrence of any of the following events:

- (a) failure by any Participant to comply with any of its obligations under Internal Regulations;
 - (b) failure by a Participant to comply its obligations in relation to its participation in the System arising from any Applicable Laws (including, without limitation, MAR);
 - (c) failure by the Participant and/or any of its affiliates to comply with its obligations arising from its participation or membership in any other trading venue or clearing and/or settlement systems; and
 - (d) any other event specified by the System Operator to be an Infringement in any Circular.
2. The System Operator may, in its absolute discretion, impose one or more of the following sanctions to a Participant (or to some or all of such Participant’s Authorised Representatives, as it may consider appropriate) by reason of any Infringement:
- (a) a written warning requiring the Participant to cease the conduct, take appropriate remedial measures (if possible) and to desist from a repetition of the conduct constituting the Infringement;
 - (b) temporary suspension in respect of some or all of the Modules; and
 - (c) termination of participation in respect of some or all of the Modules.
3. The temporary suspension and the termination of participation (the “**Major Sanctions**”) can only be imposed by the Board.

Any other of the abovementioned sanctions (the “**Minor Sanctions**”) can be imposed by either the Board or the Supervision Committee.

All sanctions shall be immediately notified to the CNMV and, in the events of those Minor Sanctions imposed by the Supervision Committee, to the Board.

Section 30. Co-operation with Regulatory Authorities

The System Operator will, in such capacity, comply with all obligations arising from any Applicable Laws. In particular, the System Operator:

- (a) shall duly comply with any reporting obligations to the CNMV and any other Regulatory Authorities.

In particular, the System operator will:

- (i) inform the CNMV of significant Infringements of its rules or disorderly trading conditions or conduct that may indicate behaviour that is prohibited under MAR or system disruptions in relation to a Contract; and

- (ii) supply without undue delay the information referred to in sub-paragraph (a) to the authority competent for the investigation and prosecution of market abuse and to provide full assistance to the latter in investigating and prosecuting market abuse occurring on or through its systems.
- (b) shall assist the CNMV or any other Regulatory Authorities in any investigation conducted in relation to trading in the System.

TITLE VII - GOVERNING LAW AND DISPUTE RESOLUTION

Section 31. Governing law

The provisions in this Rulebook and any other Internal Regulations shall be construed and applied in accordance with the laws of Spain.

Section 32. Disputes among Participants

1. Any disputes and/or claims among Participants arising from, or in connection with, their trading and participation in the System shall be finally settled by arbitration in law (*arbitraje en derecho*) administered by the Arbitration Committee in accordance with the Arbitration Law (as amended or replaced from time to time). Unless the parties agree otherwise, the language of the arbitration shall be English. The place of arbitration shall be Madrid (Spain).
2. Any decision by the Arbitration Committee will be final and binding on the relevant Participants and shall be duly complied by them.
3. Without prejudice to the rights of Participants to a due process (*derechos de defensa y alegación*) and to the principle of equal treatment of Participants, the Arbitration Committee shall be entitled to determine, whether generally or on a case-case basis, the steps and length of the arbitration procedure and the evidences admissible for these purposes.
4. The Arbitration Committee shall issue its decision within three months following the receipt of the writ requesting it to hear and settle the relevant dispute (unless such deadline is expressly extended by the Arbitration Committee in light of the circumstances of the relevant case).

Section 33. Disputes between Participants and the System Operator

1. Should any Participant wish to file a claim against the System Operator, it shall submit it in writing to the System Operator, describing in detail its claim and the facts on which it is based.

The System Operator shall provide a response in writing to the relevant Participant within thirty (30) calendar days.

Should the System Operator fail to provide a written response within the abovementioned deadline or should the Participant disagree with the System Operator's response, the Participant will be entitled to commence arbitration proceedings within the following thirty (30) calendar days in accordance with the provisions below.

2. Any disputes between the System Operator and a Participant that may arise under this Rulebook or the Internal Regulations shall be finally settled by means of arbitration in law (*arbitraje en derecho*) conducted in accordance with the Arbitration Law (as amended or replaced from time to time) and the following rules:

- (a) a single arbitrator shall be appointed by mutual agreement between the parties;
 - (b) should the parties fail to reach an agreement on the appointment of a sole arbitrator within fifteen (15) calendar days, each of the parties shall designate an arbitrator, and these arbitrators shall in turn designate a third arbitrator, who shall act as Chairman of the arbitration court, provided that should any of the parties fail to designate an arbitrator within the following fifteen (15) calendar days, the arbitrator designated by the other party shall be deemed to have been accepted by both parties as single arbitrator;
 - (c) should any arbitrator fail to accept his/her appointing in writing within fifteen (15) days, he/she shall be deemed not to accept the appointment and the party having designated it should designate a new arbitrator within the following fifteen (15) calendar days;
 - (d) the arbitrator(s) should issue its/their award within the three months following its/their acceptance of its/their appointment;
 - (e) the place of arbitration shall be Madrid (Spain) and, unless the parties agree otherwise, the language of the arbitration shall be English; and
 - (f) the parties shall bear their own expenses, and the fees and expenses of the arbitrator(s) shall be distributed by halves, unless otherwise provided by the relevant award.
3. Any disputes which cannot be lawfully settled by arbitration in accordance with the Arbitration Law shall be finally settled by the courts of the city of Madrid (which shall have exclusive jurisdiction for these purposes).
