

ANNEX CYPRUS

(EFFECTIVE AS OF 18 NOVEMBER 2019)

(VERSION 1)

MTS Cyprus is a segment of the MTS Cash Domestic Market Multilateral Trading Facility operated by MTS S.p.A.



1. General Provisions

1.1 Definitions

1. The MTS Cash Domestic Market Rules apply. In addition the following definitions are also applicable to MTS Cyprus:

“PDMOPDMO”	means the Public Debt Management Office, Ministry of Finance, Republic of Cyprus;
“Primary Dealer”	means an official Primary Dealer as nominated by PDMO;
“Cyprus Banking Holidays”	means Official Cyprus holidays;
“Cyprus regulator”	means Cyprus Securities and Exchange Commission or any other competent Authority depending on the legislation used for the issuance of Government securities;

1.2 Market Rules

1. The MTS Cash Domestic Market Rules apply.

2. Financial Instruments

2.1 Financial Instruments

1. All Government Bonds issued by the Republic of Cyprus through the PDMO, which meet the following eligibility criteria, shall be automatically selected as Financial Instruments:
 - a) Republic’s International Government Bonds
1. MTS, after consultation with the Cyprus Market Committee, may, at any time, in order to maintain a fair and orderly trading , choose to make available for trading additional Financial Instruments.
2. The MTS Cash Domestic Market Rules paragraph 2.1.3 apply adding the notification to the PDMO of any relevant suspension.

2.2 Minimum Lots

1. The Minimum Quote Size, Minimum Single Side Quote Size, Minimum Trading Size, and the Minimum Increment Quantity for each Financial Instrument can be found in the Regulatory Specifications.

3. Participants

3.1 Participant admission criteria

1. The MTS Cash Domestic Market Rules apply.
2. In derogation to the requirements indicated in the MTS Cash Domestic Market Rules, the prospective Participant must have concluded a contract with PDMO on the primary dealership of Republic's International Government Bond.

3.2 Admission procedures

1. In addition to what is provided in paragraph 1 and 2 of Article 3.2 of the MTS Cash Domestic Market Rules, paragraph 3 shall be amended as follows:
The only category of Participant's in MTS Cyprus is: Market Maker

3.3 Participant on-going undertakings

1. The MTS Cash Domestic Market Rules apply.

3.4 Resignation of Participants

1. The General Domestic MTS Market Rules apply.

3.5 Suspension of Participant from trading

1. The MTS Cash Domestic Market Rules apply, with the exception that the first sentence of the Article 3.5 of the MTS Cash Domestic Market Rules will be applied with the following amendment to be included in line one after "MTS" and before "determines":
"MTS, where feasible under the circumstances, in consultation with PDMO, among other things:"

3.6 Exclusion of Participant from trading

1. The MTS Cash Domestic Market Rules apply.

3.7 Regional Market Committees

1. Any decisions made by the Committee must not contravene any regulatory requirements of Consob or any other applicable laws, or technical requirements of the System.
2. For the purpose of this Article, all decisions taken by MTS pursuant to the MTS Cash Domestic Market Rules are made upon prior consultation, where feasible under the circumstances, with the Committee and PDMO.
3. Members of the Committee shall be representatives of PDMO, MTS, the Primary Dealers. MTS shall appoint the Committee following consultation with PDMO. MTS shall not remove any Committee member without prior consultation with PDMO. The Committee shall have such power and authority (including as to the establishment of committees of MTS Cyprus and the delegation of power and authority to such committees) as MTS may determine following consultation with PDMO.
4. MTS at all times shall have the authority to overrule any decision or action taken by PDMO or the Committee with respect to commercial, technological or regulatory matters notwithstanding the operation of these Rules or the Committee, with prior information to the Committee and PDMO.

4. Trading

4.1 General systems operations

1. The MTS Cash Domestic Market Rules apply, but a new paragraph 4.1.6 shall be added with the following text: "MTS when determining the Trading Days for a calendar year shall previously consult with PDMO and the Committee."

4.2 Types of Trade

1. The MTS Cash Domestic Market Rules apply.

4.3 Market trading hours

1. Instead of the General Domestic MTS Market Rules the following Trading Hours shall be applicable:
 - a) Trading days: as defined by the TARGET calendar
 - b) The Trading Hours (CET/CEST) of the System are: (descriptions of the phases are the same as in the General Domestic Market Rules)

“Pre-Market phase”:	8.15 a.m. – 8.45 a.m.
“Offer phase”:	8.45 a.m. – 9.00 a.m.
“Open Market phase”:	9.00 a.m. – 5.00 p.m.
“Closed Market phase”:	5.00 p.m. – 8.15 a.m.

4.4 Quotes and Orders

1. The MTS Cash Domestic Market Rules apply.

4.5 Contracts

1. The MTS Cash Domestic Market Rules apply.

4.6 Conclusion and registration of Trades

1. The MTS Cash Domestic Market Rules apply.

4.7 Mid-Price crossing

1. The MTS Cash Domestic Market Rules apply.

4.8 Trade Registration Facility

1. The MTS Cash Domestic Market Rules apply.

4.9 Cancellation of Trades

1. The MTS Cash Domestic Market Rules apply.

4.10 Market Making Agreements

1. In order to comply with applicable regulations, the following provisions of the MTS Cash Domestic Market Rules shall apply:
 - i) from 4.11.1 to 4.11.7 and 4.11.9;
 - ii) Article 4.11.8 will be amended in the second sentence as follows: “...where the Market Maker in question fails to honour its Quoting Commitments for three (3) additional consecutive months, MTS shall have the right, in consultation with PDMO, to initiate the disciplinary procedure as per Section 7 here below.” In addition, the last sentence of Article 4.11.8 shall not apply.

2. In addition to the above Participants undertake to MTS, on each Trading Day, to make Quotes on the Market, for at least 4 hours within the Trading Hours determined in Article 4.3 above:
 - a) in relation to each of the Financial Instruments assigned to it from time to time by MTS pursuant to these Rules and to do so in compliance with the following table (Quotation/Spread Obligations):

Maturity bucket	Minimum Quote size (face value EUR), providing the difference between the sizes on the bid and the offer is no more than 50%	Maximum Bid-Ask Spread
0 – 2 years	€ 1 million	40
>2 – 5 years	€ 1 million	60
>5 – 10 years	€ 1 million	75
>10 years	€ 1 million	125

The Bid-Ask Spread Is expressed in ticks where 1 tick represents 0.01% of the par value of the Financial Instrument.

4.11 Law governing Trades

1. The MTS Cash Domestic Market Rules apply.

5. Clearing and settlement of Trades

5.1 Clearing and Settlement of Trades

1. The MTS Cash Domestic Market Rules apply, with the following addition on article 5, paragraph 1:
Settlement institutions may be updated also upon recommendation of the Committee

6. Provision of data and information

6.1 Provision of data to Participants

1. The MTS Cash Domestic Market Rules apply, with the following modifications:
 - a) Article 6.1.1(c) becomes: Price, quantity, and time of the last concluded Trade, except for Trades concluded via the Trade Registration functionality.

6.2 Provision of data to Authorities

1. The MTS Cash Domestic Market Rules apply, with the addition of Participants agreeing to MTS providing information to the PDMO, if and when requested, in accordance with the applicable procedure.

6.3 Provision of data to debt management offices

1. The MTS Cash Domestic Market Rules apply, with the addition of participants agreeing to MTS providing information to the PDMO, if and when requested.

6.4 Provision of data to the public

1. The MTS Cash Domestic Market Rules apply

6.5 Amendments and communications

1. The MTS Cash Domestic Market Rules apply amended by providing for the prior consultation with the Committee for changes to this Annex.

7. Supervision and Sanctions

7.1 Supervision of regular conduct

1. The MTS Cash Domestic Market Rules apply

7.2 Disciplinary measures

1. The MTS Cash Domestic Market Rules apply with the following amendments:
 - a) On the issues involved in Article 7.2.1 of the MTS Cash Domestic Market Rules, MTS takes decisions in consultation with PDMO.

7.3 Procedure for verifying violations

1. The MTS Cash Domestic Market Rules apply

7.4 Review of measures

1. The MTS Cash Domestic Market Rules apply.

7.5 Appeals Board

1. The MTS Cash Domestic Market Rules apply.

7.6 Board of Arbitration

1. The MTS Cash Domestic Market Rules apply.

8. Final Provisions

81. Final Provisions

1. The MTS Cash Domestic Market Rules apply



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