

BONDVISION UK MTF

(Cash Bond Segment and GCM
Segment)

Market Rules

EFFECTIVE AS OF 1 JANUARY 2021

VERSION 11/12/2020

BondVision UK is a Multilateral Trading Facility organised by EuroMTS Limited



1. General Provisions

1.1 Definitions

1. In these Market Rules the following expressions have the following meanings:

“Agent Member”	means an entity recognized as such by the relevant Clearing House;
“Applicable Laws”	means all applicable laws, regulations, regulatory requirements (including any guidance, orders or other directions of a regulatory authority), Market rules and / or Market conventions;
“Capital”	means Tier 1 regulatory capital or the equivalent, as defined under the Capital adequacy regime of the Participant’s home state regulator;
“Cash Bond Segment”	means one of the two segments in which this market is divided and where Financial Instruments are available for purchase and sale;
“CCP”	means the central counterparty services selected by MTS;
“Click to Trade”	means a functionality of the Market, rather than the RFQ functionality, allowing an End User to send an Executable Order to a single Dealer
“Credit Institution”	means a firm which has permission under Part 4A of FSMA to carry on the regulated activity of accepting deposits;
“Dealer”	means a Participant authorised by MTS to trade on the Market through Quotes;
“Dealer Page”	means a functionality allowing Dealers to stream bilaterally Subject Quotes to selected End Users;
“Executable Order”	means an actionable indication of interest sent by an End User to a Dealer within the Click to Trade functionality of the Market;
“Executable Quote”	means an actionable indication of interest sent by a Dealer to an End User within the Request for Quote functionality of the Market;

“Execution Phase”	within the RFQ functionality it means the time period following the Quote Collection Phase up to the point where a Trade is executed or the RFQ elapses
“End User”	means a participant authorised to make quote requests and Executable Orders;
“Fair Market Value”	has the meaning ascribed to it in Article 4.8 and 4.9 of these Rules;
“FCA”	means the Financial Conduct Authority in the United Kingdom and any successor thereto;
“Financial Instrument”	means the securities, issued or in the process of being issued, which are available for trading by Participants on the Market, as specified within these Market Rules; these include government bonds, corporate bonds, including structured bonds and atypical securities, and other securities, if any, if specified within these Market Rules;
“FSMA”	means the Financial Services and Markets Act 2000;
“GCM segment”	means one of the two segments in which this market is divided and where Repo Contracts are available for trading;
“Group”	in relation to an entity, means that entity’s ‘group undertakings’ (such term taking the meaning ascribed to it in section 1161 of the UK Companies Act 2006);
“Indicative Quote”	means a non-actionable indication of interest sent by a Dealer to an End User within the Quote Collection Phase;
“Investment Firm”	means a firm which has permission under Part 4A of FSMA to carry on a regulated activity which is an investment service or activity;
“Inventory Quote”	means a non-actionable indication of interest sent by a specific Dealer to a specific End User within the Click to Trade functionality;
“Large in Scale”	means the threshold set in accordance with UK MiFIR;
“Liquid”	means a Financial Instrument classified as having a liquid market, as defined in UK MiFIR;

“Financial Instrument”	means the securities, issued or in the process of being issued, which are available for trading by Participants on the Market, as specified within these Market Rules; these include government bonds, corporate bonds, including structured bonds and atypical securities, and other securities, if any, if specified within these Market Rules;
“Market Rules”	means these Market Rules as may be made, amended or replaced from time to time by MTS
“Market”	means the electronic platform organised as a multilateral trading facility managed by EuroMTS Limited known as BondVision UK
“Membership Documentation”	means the legal agreement between MTS and each Participant relating to the provision of the Services, as defined in the General Terms and Conditions available on MTS website http://www.mtsmarkets.com/resources/Market-Rules . The Membership Documentation is composed by the Application Form, the General Terms and Conditions and the relevant Schedules, including these Market Rules and the Fee Schedule, as well as by any document included by reference;
“MiFID”	means the Markets in Financial Instruments Directive 2014/65/EU
“Minimum Trading Size”	means the minimum quoting and trading quantity for Quotes and Orders as determined by MTS;
“MTS”	means EuroMTS Limited, an FCA regulated investment firm, with registered office in 110 Cannon Street, London EC4N 6EU, United Kingdom;
“Order”	means the acceptance, whether whole or partial, of a Quote, transmitted via the Market and processed immediately by the Market; an Order can be an Executable Order or a Request for Quote;
“Participant”	means all participants accepted by MTS to participate in any of the segments of the Market;

“Price”	in respect of the sale of a Financial Instrument traded on the Market means the amount representing the percentage of the nominal amount of the Financial Instrument payable in respect of such sale which may also be expressed by reference to yields unless explicitly stated otherwise;
“Primary Dealer”	means a firm that is allowed by a debt management office to buy government securities directly from the relevant government body also with the intention of reselling them. Debt management offices generally maintain a list of primary dealers. As an example in the following countries Primary Dealers are known as: “Specialisti” in Italy, “Specialiste des Valeurs du Tresor” (SVT) in France, “Bietergruppe Bundesemissionen” in Germany, “Operadores Especializados em Valores do Tesouro (OEVT)” in Portugal, “Mediadores del Mercado de Deuda Publica” in Spain, and “GEMMs” in the United Kingdom;
“Quote”	means the double-sided or single-sided offer to buy or sell a Financial Instrument or Repo Contract via the Market with specification of the quantity and the Price quoted and the security that is intended to trade; a Quote can only be made by a Dealer or Quote Provider; in the Cash Bond Segment Quotes can be either Indicative, Inventory or Executable
“Quote Collection Phase”	Within the RFQ functionality means the time period between a request for quote from an End User and either the initiation of the Execution Phase or the conclusion of the RFQ (by means of expiration or cancellation by End User or MTS);
“Quote Provider”	means a Participant authorised by MTS to trade on the Market through Orders and/ or Quotes on the GCM Segment, subject to the obligations and commitments established under these Market Rules;
“Quote Requester”	means a participant authorised to initiate quote requests and use Trade Registration facility on the GCM Segment;
“Rate”	means the interest rate proposed within an Order or Quote submitted by a Participant or agreed between two Participants in a Trade;
“Regulatory specifications”	means a section of MTS website available at http://www.mtsmarkets.com/resources/markets-rules where parameters and other relevant information are included and referenced herein;

“Repo Contract”	means a repurchase agreement in which the seller of a transferrable security(s) agrees to repurchase from the buyer on an agreed date in the future at a price agreed on Trade Day the fungible transferrable security(s), subject to their availability for trading by Participants on the Market as specified within these Market Rules;
“Request for Quote or RFQ”	means a request addressed by an End User / Quote Requester to at least one Dealer / Quote Provider in the Financial Instrument/s or Repo Contract of choice respectively;
“Size Specific to the Instrument” or “SSTI”	means the threshold set in accordance UK MiFIR
“Technical Specification”	means a series of technical documents, including the so called Technical Bulletin, or any one thereof, published on a web based portal (known as MTS Technology Portal), whose access codes are made available to the Participant, as amended and integrated from time to time by MTS, describing the functionalities and operations of the relevant Market;
“Trade”	shall mean the matching of an executable Quote and an Executable Order or the acceptance by an End User or Quote Requester of a firm Quote displayed by a Dealer or Quote Provider following a Request for Quote or the acceptance of a Trade Registration by both counterparties;
“Trade Registration”	shall mean the protocol used for the registration of Trades bilaterally negotiated outside of the Market but in accordance with these Rules.
“Trading Day”	means a day on which Financial Instruments or Repo Contracts may be traded on the Market;
“Trading Hours”	means the hours of the Trading Day during which Financial Instruments or Repo Contracts may be traded on the Market.
“TriParty Repo”	means a transaction for which post-trade processing - collateral selection, payment and settlement, custody and management during the life of the transaction - is outsourced by the participants to a Trade to a third-party agent;

“TriParty Basket”	means a basket of transferrable securities acceptable to the two Participants to a TriParty Repo transaction.
“UK MiFIR”	means the Markets in Financial Instruments Regulation No. 600/2014 as applied in the UK

1.2 Market Rules

The objective of these Rules is to regulate the organisation and operation of the Market, which is a multilateral trading facility (“MTF”), by establishing the relevant terms and procedures. In particular a) the terms and procedures for admission, exclusion and suspension of Financial Instruments from trading; b) the terms and procedures for admission, exclusion and suspension of Participants from trading, c) the terms and procedures for conduct of trading and the operation of the associated services, d) the procedures for publication and circulation of information, and e) the procedures for supervision and relevant sanctions. These Rules, as updated from time to time, are available on MTS website <http://www.mtsmarkets.com/resources/market-rules>.

2. The relationship between MTS and the Participants concerning participation in trading on the Market shall be governed by the Membership Documentation, which the Participant knows, understands and accepts, having examined them on the MTS website at <http://www.mtsmarkets.com/resources/membership-general-terms-and-conditions> and having had the opportunity to discuss them with MTS. Additionally, the Participants shall examine the technical documentation, available to all Participants in a password protected environment, currently known as the Technical Portal.
3. Participants are required, when applicable, to pay fees for the services provided in accordance with the amounts, intervals and time limits established by MTS on the basis of transparent, non-discriminatory criteria and indicated in the Fee Schedule which forms part of the Membership Documentation.
4. References herein to an Article shall mean an Article of these Market Rules.
5. These Market Rules shall be governed by and construed in all respects in accordance with the laws of England and Wales. Where UK legislative or regulatory references are used in these Rules, this should be read as referring to the law or regulation in force from time to time. References to any EU regulation as applied in the UK means a reference to the relevant regulation as it is applied in the UK pursuant to the European Union (Withdrawal) Act 2018 following the UK’s departure from the EU.
6. The Market is divided in two separate segments, the Cash Bond Segment and the GCM Segment, these Rules, unless otherwise specified, shall apply to both segments.

2. Financial Instruments

2.1 Financial Instruments

1. MTS may make available for trading on the Cash Bond Segment the following Financial Instruments provided that they comply with the criteria indicated in point 2 below:
 - a) Government Securities, meaning Financial Instruments issued by governments in their local currency;
 - b) Sovereign Securities, meaning Financial Instruments issued by governments in a currency other than their local currency;
 - c) Quasi Government Securities, meaning Financial Instruments issued by a Quasi Government Enterprise;
 - d) Covered bonds, meaning Financial Instruments collateralised with mortgages and/or public sector loans, issued by banks;
 - e) Corporate bonds.

2. Financial Instruments shall:
 - a) be listed or admitted to trading on a trading venue in the UK or EEA;
 - b) have the principal amount outstanding as indicated in the relevant reference data available on the Market for each specific Financial Instrument;
 - c) be denominated in Sterling, Euro and/or in any other currencies as determined by MTS;
 - d) be registered with the relevant central securities depository, eligible for settlement and freely transferable;
 - e) have one of the following types of coupon: fixed coupon bearing, zero coupon bonds, and variable coupon; and
 - f) with the exception of Government Securities, satisfy additional internal EuroMTS requirements in terms of anti-money laundering provisions and availability of enough information to investors.

Financial Instruments that do not comply with the above parameters can nevertheless be made available for trading on the Market by MTS at its own discretion. MTS can also apply additional criteria if deemed useful. Financial Instruments that at any time do not comply any-longer with the parameters indicated here above shall be suspended unless MTS, in its discretion, determines that they shall remain available for trading.

3. The full list of the Financial Instruments is available, as updated from time to time, on the trading platform. MTS will use reasonable endeavours to inform Participants of any change of the category of Financial Instruments available on the Market by electronic communications. MTS shall endeavour to periodically review the Financial Instruments available on the Market.

4. On the GCM Segment MTS may permit Participants to trade Repo Contracts on the following transferrable securities as collateral:
 - a) The categories of Financial Instruments indicated in 2.1.1 above, negotiated either i) as individual ISINs; or ii) as part of a General Collateral Basket; and
 - b) Any other transferrable securities traded as Tri-Party Baskets.

The GCM Segment will allow Participants to trade the Repo Contracts indicated in 4.2.4 below.

5. MTS, upon request by the Competent Authority, shall suspend or remove from the Market any Financial Instruments. Additionally for the purpose of maintaining orderly and fair market conditions, MTS shall have the right to suspend or remove from the Market any Financial Instruments. Suspension or removal of Financial Instruments can also be based on the request of one or more Participants or due to extended lack of trading or as a result of the implementation of Circuit Breakers required in accordance with Art. 48(5) of MiFID II and of the ESMA Guidelines (Calibration of circuit breakers and publication of trading halts under MiFID II) in order to maintain an orderly market. **MTS indicates the criteria for the implementation of Circuit Breakers in the Regulatory Specifications.**

2.2 Minimum Lots

1. The Minimum Trading Size for each Financial Instrument shall be determined by MTS and made available in the relevant reference data on the Market. Where feasible, MTS shall endeavour to communicate any changes in advance.

3. Participants

3.1 Participant admission criteria

1. The following institutions may be admitted to trading on the Market:
 - a) Credit Institutions;
 - b) Investment Firms; and
 - c) any other institution which is of sufficiently good repute; has sufficient level of trading ability, competence and experience; has adequate organisational arrangements; has sufficient resources for the role they are to perform; and adequate settlement arrangements and, where applicable, clearing arrangements.
2. To become a Participant, an applicant must satisfy MTS that it complies with the following requirements:
 - a) it has the appropriate regulatory authorisation to trade Financial Instruments on the Market (without prejudice to the generality of the foregoing, such authorisation

- includes dealing in investments as a principal, or on own account, or as agent without any regulatory limitations other than standard limitations);
- b) Firms under article 3.1(c) above, shall undertake to comply with the relevant sections of the FCA Handbook, including Market Conduct (as amended from time to time). They shall also comply with the fit and proper and organisational requirements and shall maintain adequate systems, procedures and controls for trading activity. MTS reserves the right to verify such compliance on the basis of specific requests of information and documentation;
 - c) it shall be able to effect or procure timely settlement of each of its Trades on the Market in accordance with the terms and conditions of settlement of the relevant Financial Instrument; the reliability of the settlement procedures can be periodically verified by MTS;
 - d) its trading staff shall (i) know rules and operating procedures of the Market, and the trading functionalities available, and (ii) have adequate professional qualifications; its compliance function shall (i) have a good knowledge of these Rules and of the rules governing the functioning of the Market and (ii) provide adequate support to its trading structure in their operation; and
 - e) it will have in place adequate systems and controls arrangements as requested by MTS that include an appropriate policy of use of the kill functionality;
 - f) the software used to access the Market has undergone the appropriate conformance testing with MTS; and
 - g) it holds a valid ISO 17442 legal entity identifier code.
3. A Participant in the Cash Bond Segment can either be a Dealer or an End User. A Participant in the GCM Segment can be either Quote Requester or a Quote Provider. A Participant shall indicate the roles it intends to take up within the Application Form.
4. To become a Dealer a Participant shall file an application with MTS and, with reference to the Financial Instruments mentioned below, it shall satisfy MTS that it complies with the following additional requirements:
- a) For Government Securities and Sovereign Securities (with the exception of those Government Securities denominated in US Dollars):
 - i) The Participant must be recognised as market makers or the equivalent in at least one of the Dealer to Dealer markets managed by EuroMTS Limited, MTS S.p.A., MTS France S.a.s. or MTS Associated Markets S.A.; or
 - ii) The Participant is recognised as a Primary Dealer or equivalent thereof in the United Kingdom or at least one of the Member States of the European Economic Area.

The admission criteria referred to points (I) and (II) above, pertaining to the status of market maker or Primary Dealer within the Participant's Group, are considered satisfied subject to MTS obtaining consent from the Primary Dealer or market maker that the Participant can rely on this recognition.

- b) For Government Securities denominated in US Dollars):
 - i) The Participant must be recognised as Primary Dealer in government securities by the Federal Reserve Bank of New York; or
 - ii) Based on MTS evaluation the Participant is able to carry out effectively the activity of Dealer in this type of Financial Instruments.

3.2 Admission procedures

1. To become a Participant to the Market, MTS shall receive from the applicant a complete application, with all relevant attachments, in the form to be provided by MTS. In examining the application MTS reserve the right to ask the applicant for additional information and documentation if deemed appropriate. Once MTS considers the application to be complete, MTS will reply to the applicant in writing (via email) within 10 working days.
2. MTS will only accept an application for membership based on its own evaluation of the applicant meeting the general objective criteria provided in these Rules, the applicable FCA regulations and MTS operational requirements. MTS will have sole discretion, in assessing whether or not an application will be accepted. No application will be accepted if, in the opinion of MTS, it jeopardises the proper functioning or orderly trading of the Market and/or it would adversely affect the reputation of MTS or the Market and/or if filed for purposes different from trading on the Market.

3.3 participant on-going undertakings

1. Each Participant shall represent, warrant and undertake to MTS that for the whole period in which it is a Participant on the Market and for the following period until there is any outstanding Trade entered by it on the Market:
 - a) The same admission requirements indicated in Section 3.1 above shall also constitute on-going obligations of the Participant.
 - b) To comply with the Rules and with the established operating procedures for the Market, including safeguarding passwords assigned to the Participant by MTS and other security credentials in accordance with the established operating procedures and not to allow unauthorised access to the Market;
 - c) To have and maintain in its home state all necessary regulatory authorisations, approvals and consents for trading on the Market;
 - d) To comply with all the relevant laws and regulations applicable from time to time to Participants for their activity on the Market, including those on market abuse, as amended from time to time and as applicable in the relevant jurisdiction;
 - e) To notify MTS in writing no later than three months prior to any change in the Participant's regulatory status that will either trigger or remove the obligation on

MTS under Article 26(5) of UK MiFIR to perform transaction reporting in relation to the Participants' Trades on the Market;

- f) To act with fairness, honesty, due skill, care and diligence and to refrain from any act that may jeopardise the proper functioning of the Market or undermine the integrity of trading on it;
- g) To be responsible for the acts and omissions of its employees and agents and ensure those assigned to its trading activities on the Market are competent and appropriately trained;
- h) To deal with MTS in an open and co-operative manner, including (i) to notify MTS, without delay, of any material change to the information supplied in its application to MTS (including of the relevant Legal Entity Identifier), (ii) to ensure continuing fulfilment of the conditions referred to in Article 3.1, (iii) to notify MTS immediately in case of a breach of any of the undertakings in Article 3.3, (iv) to pay not later than the due date all fees payable to MTS, (v) to notify MTS, without delay, of any interruption in trading due to a software or hardware failure, or an interruption in connectivity and in such an event it shall suspend all its Quotes if it believes it is exposed to a market risk due to a system malfunction or other technical problems, and (vi) to respect and accept the outcome of checks by MTS referred to in Section 7.0 of these Rules;
- i) If requested by MTS, to demonstrate at least once a year, their continuing satisfaction of the conditions for admission referred to in Article 3.1. MTS may require the presentation of any data, information or documents useful to this purpose, including certifications from auditing companies;
- j) To continue belonging to a relevant settlement institutions either directly or via an agent in relation to the Financial Instruments available for trading on the Market;
- k) To always effect or procure timely settlement of each of its Trades;
- l) To keep confidential and not to disclose in any way any information or data supplied to or derived from the Market (except in relation to a particular Participant, information relating to Quotes input by such Participant) save as may be required by a regulatory body or court having jurisdiction over it, or to its Group which have entered into a confidentiality agreement with MTS in a form approved by MTS;
- m) It will certify that each algorithm it deploys has been tested to avoid contributing to or causing disorderly trading conditions prior to the deployment or to a substantial update of a trading algorithm or trading strategy. Participants must confirm that they have successfully tested each algorithm within the MTS designated system ("management profile tool") and upon request by MTS, Participants must provide satisfactory evidence of the successful certification of the testing activities carried out and explain the means used for testing. Additionally it has to ensure that the software used to access the Market has undergone the appropriate conformance testing with MTS when a) it introduces a new release or version or otherwise modifies any software previously conformed and/or b) it is requested by MTS.
- n) To provide to MTS, in the manner prescribed within the relevant Technical Specifications, all the data and information required by the Applicable Laws,

including specific information required for each Order, Trade or transaction and those required for algorithmic trading.

- o) Where applicable, it undertakes to collaborate in a cooperative and prompt manner with MTS in any request of data or clarification required by MTS in order for MTS to comply with Article 26(5) of UK MiFIR. In particular, the Participant undertakes full responsibility on the accuracy of the information provided both in terms of content and formatting that will be used by MTS to comply with the transaction reporting requirements in accordance with the above mentioned legislation and with the Technical Specifications. In particular and without limiting the generality of the foregoing, the Participant shall i) declare if it is an Investment Firm or not and keep this information updated at any time; ii) declare if they intend to limit their trading activity to dealing on own account only and to keep this information up-to-date at any time, iii) provide MTS with all the information required by the applicable law for MTS to comply with its reporting obligations (including accurate identification data of the clients of the Participant); and d) abide to MTS instructions on timing and means for the provision of such information. In addition to any other remedy available, failure to comply with the above will entitle MTS to also immediately suspend the Participant from accessing the Market.
 - p) For each Quote and Order placed, cancelled or varied it shall populate all necessary message fields in a complete and accurate manner, including but not limited to information related to the identification of the relevant parties (including their underlying clients where applicable) and their relevant trading capacity.
 - q) To have appropriate controls in place to ensure that each message field is accurately populated, including using the correct short code where relevant. Acceptance of a message by MTS does not provide or imply that MTS considers this requirement has been met. In the event a Participant discovers one or more fields are inaccurately populated, including population of one or more fields with an incorrect short code, the Participant must report this to MTS immediately and provide the correct information for every single Quote, Order and update thereto.
 - r) If it uses short codes, to complete the associated long codes through the MTS designated system ("management profile tool") as soon as is practical but before associating such short code to a Quote;
 - s) To only use the data and information supplied to or derived from the Market for trading on the Market; further it shall ensure that no data or information supplied by or derived from the Market is allowed or technically able to be redistributed, internally or externally, save with the specific consent of MTS.
2. Dealers shall additionally undertake:
- a) To endeavour, but not be obliged, to respond to a Request for Quote. However if they respond to a Request for Quote they must do it by displaying firm Quotes;
 - b) To endeavour to maintain competitive Price conditions and to always carry out trades in line with the general conditions of the Market and the movements in the prices of Financial Instruments that are the subject of Request for Quote;
 - c) To deal in investments as principal.

3.4 Resignation of Participants

1. Any Participant may resign from membership in the Market by giving not less than 3 months notice in writing to MTS specifying the date on which the Participant wishes to terminate its access. Resignation from the Market shall have no effect on the rights and obligations of the resigning Participant in respect of Trades concluded on the Market prior to the effective date of such resignation. Membership Documentation includes additional relevant provisions on termination.

3.5 Participant suspension from trading

1. Without prejudice to the provisions under Section 7.0, if, in relation to a particular Participant, MTS shall determine that any of the following circumstances apply, or that there are reasonable grounds for presuming that any of the following circumstances apply, it shall suspend that Participant with immediate effect. A Participant which is suspended shall not be permitted to input Quotes or Orders on the Market. MTS may lift a suspension if it is satisfied the circumstances which gave rise to it no longer apply.
2. The said circumstances are:
 - a) the Participant ceases to meet one or more of the eligibility criteria applicable for entry on the relevant list of Participants;
 - b) MTS has resolved that the Participant be suspended from the relevant list of Participants;
 - c) where Participant has been suspended from activity or from trading by the competent authorities, or such competent authority has instructed MTS to suspend its trading on the Market;
 - d) a request for suspension is received from a clearing or settlement agent through which the Participant clears or settles and to which the Participant has given authority to make such request;
 - e) where a Participant takes or is subject to any of the following actions:
 - i) makes a UK voluntary arrangement with its creditors or becomes subject to an administration order;
 - ii) has a receiver appointed over any of its property or assets, or an encumbrancer takes possession;
 - iii) proceedings are initiated against it under any applicable liquidation, bankruptcy, insolvency, composition or other similar laws;
 - iv) an order is made or a resolution is passed for its winding-up or the dissolution;
 - v) a Participant takes or is subject to any action similar to that specified in points (i) to (iv) above in any jurisdiction.
 - f) When MTS is not satisfied that continued access would be consistent with its rules and procedures for fair and orderly trading.

3. Notwithstanding paragraphs 1 and 2 above, in all cases in which it shall prove necessary in order to safeguard the Market and its correct and reliable functioning as well as in cases of special urgency when there are reasonable grounds to believe that a Participant has committed serious infractions or is in a state of suspected insolvency, MTS may order, as a precautionary measure, the immediate suspension from trading of the Participant involved. The period of precautionary suspension shall be determined by MTS and included in its decision.
4. Any suspension of a Participant, or lifting of a suspension, shall be notified by MTS to all other Participants by such means as MTS considers appropriate.
5. Suspension from a list of Participants shall have no effect on the rights and obligations of the Participant in respect of Trades concluded on the Market prior to the effectiveness of such suspension.
6. In the case of Participants designated as Dealers, MTS may suspend and/or revoke the relevant authorisation to act as a Dealer by providing justification thereof.

3.6 Participant exclusion from trading

1. Without prejudice to the provisions under Section 7.0, if in relation to a particular Participant, MTS shall determine that any of the following circumstances apply, it may delete that Participant from the relevant list of Participants with immediate effect.
2. The said circumstances are:
suspension from trading or from the relevant list of Participants for a period of 2 months; and a resolution of MTS that such Participant be deleted from the relevant list of Participants.
3. MTS shall, at its discretion, determine if to notify all Participants of any deletion from a list of a Participants by such means as MTS considers appropriate.
4. Deletion from a list of Participants shall have no effect on the rights and obligations of the Participant in respect of Trades concluded on the Market prior to the effective date of such deletion.

4. Trading

4.1 General systems operations

1. MTS shall adopt all acts necessary for the proper functioning of the Market.
2. MTS shall determine the operational features of the trading protocol of the Market and may change it from time to time.

3. MTS may, in its sole discretion and for the purpose of maintaining orderly and fair markets (the following list is not intended to be exhaustive):
 - a) at any time suspend the operation of all or part of the Market, including of single Financial Instruments or categories of the same, suspend Participants and/or cancel Trades, if it determines that normal Market conditions do not apply;
 - b) postpone the start of trading for part of or for the entire Market or extend the Trading Hours for the purpose of improving the functioning of the Market;
 - c) temporarily suspend trading of part of or of the entire Market, in case of serious technical malfunction or other exceptional circumstances as determined by MTS in its sole discretion;
 - d) monitor the operation of the Market and apply its policies in terms of risk controls, including orders' throttling and pre-trade controls.
4. MTS will use reasonable endeavours to inform the Participants of the events above by electronic communications.
5. MTS shall have no liability whatsoever to any Participant or to any other person for loss (including any consequential, indirect or unforeseeable loss, including without limitation, loss of profit), damage, injury, or delay, whether direct or indirect, arising from any breakdown, suspension of all or part of the Market or termination of the Market, or (in the absence of wilful misconduct on its part) with respect to any action taken or omitted to be taken in connection with providing or not providing the services contemplated by these Rules.
6. In the event that a Participant fails to comply with the obligations of safeguarding passwords or other security credentials or it allows unauthorised access to the Market, all liabilities, damages and costs resulting from such breach shall be for the sole account of such Participant. It will also indemnify any other Participant, MTS or the service providers for any liabilities, damages and costs they may suffer due to such failure or unauthorized access.

4.2 Trade types

1. In the Cash Bond Segment, the Financial Instruments referred to in Article 2.1 may be traded on the Market using the following contract types:
 - a) Sale or purchase with standard (spot) or bespoke value date.
2. In the Cash Bond Segment, the contracts in 4.2.1 may be traded through the following functionalities:
 - a) Request for Quote (RFQ);
 - b) Click to Trade; and
 - c) Trade Registration.

3. In the GCM Segment, with reference to Financial Instruments referred to in Article 2.1.4.(a) the following Repo Contracts are available:
 - a) Repo contracts in the form of "classic repo". "Classic repo" is technically one single transaction. In case of a coupon payment falling within the repo duration, the relevant amount will be transferred automatically from the spot buyer to the spot seller of the transferrable security;
 - b) Repo contracts in the form of "buy sell back". "Buy sell back" is technically comprised of two separate transactions, a spot purchase and a spot sale of the transferrable security. In case of a coupon payment falling within the repo duration, the relevant amount will be transferred to the spot seller of the transferrable security through an adjustment in the counter-value paid at the expiration of the repo trade.
4. In the GCM Segment, with reference to Financial Instruments referred to in Article 2.1.4.(b) (i.e. Tri-Party Basket) only Classic Repo is available.
5. Repo Contracts may be executed with the maturities permitted by the Market.
6. In the GCM Segment, the Repo Contracts mentioned in 4.2.3 and 4.2.4 may be traded through the following functionalities:
 - a) Request for Quote (RFQ).
 - b) Trade Registration.

4.3 Market trading hours

1. In the Cash Bond Segment, the Market operates in accordance with the following trading Market hours (Central European Time):

7.30-8.00 " Pre-Market phase "	during which Quotes may be submitted, modified and cancelled. Each Participant has only access to its own Quotes.
8.00-18.45 " Open Market phase "	during which all Market operations may be conducted.
18.45 " Closed Market phase "	No Trades can be executed but blotter and statistics are available for download.
18:45 – 18:50 " Split Definition Only "	In this phase it is only possible to allocate Trades to End Users

2. In the GCM Segment, the Market operates in accordance with the following trading Market hours (Central European Time):

6.30 – 7.45 “Pre-Market phase”	during which Quotes may be submitted, modified and cancelled. Each Dealer has only access to its own Quotes.
7.45 - 18.45 “Open Market phase”	during which all Market operations may be conducted. Different trading hours can be established by MTS with respect to different Categories of Financial Instruments and different Repo terms.
18.45 - 6.30 “Closed Market phase”	during which, for a limited time only, certain non trading activities may be performed. Different closing hours can be established by MTS with respect to different Categories of Financial Instruments and different Repo terms.

3. Trading days: every business day in accordance with the relevant trading calendar.
4. Trading shall take place continuously during the hours specified in this Article 4.3 above. However, different trading hours can be set for specific Financial Instruments.

4.4 Quotes and Orders in the Cash Bond Segment

1. There are two functionalities in the Cash Segment: RFQ and Click to Trade.
2. A Request for Quote is a request by an End User to at least one Dealer to quote a set of one or more Financial Instruments. A Trade is generated when the End User accepts an Executable Quote. Both counterparties know each other’s identity pre-trade.
3. In the RFQ functionality there are two different types of Quotes:
 - a) Indicative Quotes: a non –actionable Quote generated by a Dealer during the Quote Collection Phase;
 - b) Executable Quotes: an actionable Quote generated by a Dealer during the Execution Phase.
4. In the Click to Trade functionality there are the following types of Quote and Order:
 - a) Inventory Quotes: means a non-actionable indications of interest sent by a Dealer to a specific End User; and
 - b) Executable Order: means an actionable indication of interest sent by an End User to a specific Dealer.

5. Dealers may enter Quotes which shall contain at least the following information:
 - i) the Financial Instrument to be traded;
 - ii) the quantity (not mandatory for Inventory Quotes);
 - iii) the Price;
 - iv) the maximum time before which an Executable Quote will be suspended, unless it is updated;
 - v) the name of the Dealer.

6. At the close of each trading day, Quotes still displayed on the Market will be deleted automatically.
A request for a quote can be:
 - a) outright, when only one instrument is traded;
 - b) switch, if there are two instruments; the instrument can be the same; the two instruments have to be on opposite side to allow a switch;
 - c) butterfly, if there are three instruments; two instruments will have to be on opposite side to the third;
 - d) list, where each leg may be traded independently.

- 7. MTS indicates the maximum duration of each Request for Quote in the regulatory specification.**

8. MTS can define the different maximum number of Dealers and/or the total duration of a Request for Quote for specific types of Financial Instruments.

4.5 Quotes and Orders in the GCM Segment

1. Quotes Providers may enter Quotes into the Market in response to an RFQ originated by a Quote Requester. The Quote shall contain at least the following information:
 - i) the Repo Contract to be traded;
 - ii) the quantity;
 - iii) the repo rate;
 - iv) the name of the Quote Provider.

The Quote Requester can accept a Quote within the timeframe set by the Market. Within the same timeframe, but before acceptance, the Quote Provider can delete its quote.

2. Quote Providers may additionally publish Indicative Quotes to the Market to give an indication of interest to trade a Repo Contract. A Quote Requester cannot hit/lift an Indicative Quote, but may generate a RFQ from it;

3. At the close of each trading day, Quotes still displayed on the Market will be deleted automatically.
4. An RFQ is a request by a Quote Requester to at least one Quote Provider to quote one or more Repo Contracts. A Trade is generated when the Quote Requester accepts a firm Quote. Both counterparties know each other's identity pre-trade.
5. RFQ may be sent by a Quote Requester to the maximum number of Quote Providers as defined by MTS on the Market and the total duration of a Request for Quote shall be as determined by MTS on the Market. MTS can set a different maximum of Quote Providers and/or a different total duration of a Request for Quote for specific types of Repo Contract.
6. A Request for Quote can be:
 - a) outright, when only one Repo Contract is traded;
 - b) multi-leg (list) – the maximum number of Repo Contracts allowed is thirty. Each leg is considered autonomous and may be traded independently, but there must be no duplication of Repo Contracts.

4.6 Conclusion and registration of Trades on the Cash Bond Segment

1. The RFQ functionality is divided into 2 phases: a Quote Collection Phase and an Execution Phase.
 - a) Quoting Collection Phase:
 - i) The End User can launch an RFQ by requesting a Quote for a particular bond/s in a certain size up to the maximum number of Dealers, depending on the bond type. Dealers may respond to the RFQ with Indicative Quotes. Indicative Quotes will be automatically suspended if they are not updated by the Dealer within a certain timeframe.
 - ii) Only if and when the End User is satisfied with the quantity and quality of responses from one or more Dealers, the End User may decide to initiate the Execution Phase for the purpose of executing a Trade.
 - b) Execution Phase:
 - i) Dealers are then made aware on the System that their Indicative Quotes, and updates thereafter, have now become Executable Quotes. These Quotes are simultaneously made public as pre-trade information.
 - ii) In order to execute the Trade, the End User must subsequently accept their preferred Executable Quote. At the discretion of the End User this action may be automated or performed manually. The Trade will then be published as post-trade information. In the event that the Execution Phase is extended by the End User, an Executable Quote may enter into a suspended status. In this case, the Dealer will be required to refresh their Executable Quotes for a successful

confirmation of a trade. Should the End User choose not to execute a Trade, then MTS will close the Execution Phase after a predefined period of time.

2. In the Click to Trade functionality Dealers may send Inventory Quotes addressed and visible only to specific End Users. End Users may send an Executable Order to one of these Dealers, including a size within the range specified in the Dealer's Inventory Quote and for the price specified in the Dealer's Inventory Quote. This Executable Order is only executable by the specific Dealer and this information will be made public immediately as pre-trade information. The Dealer may accept the Executable Order of the End User within a defined period of time. If the Dealer accepts, the trade is concluded and is published immediately as post-trade information.
3. In the Trade Registration functionality, a directly negotiated trade is considered a Trade concluded on the Market, if the counterparties have agreed for such Trade to be concluded under these Rules and such trade is also reported to, and accepted by, MTS in its discretion. MTS might not accept a Trade Registration also in case it falls outside its relevant price and quantity parameters. The Trade Registration functionality can be used by Participants only when the pre-trade transparency obligations, provided by the Applicable Laws, do not apply for any reason, such as, for example, pre-trade transparency waivers having been granted by the competent authority. In this scenario, a Trade, reflecting the details of a directly negotiated trade, shall be deemed executed when the End User initiates an RFQ transaction, the Dealer replies to the request and the End User accepts it. MTS will only consider information entered into the Market by Participants, and not any details discussed or agreed outside the Market. Each of the Participants will know the identity of the other counterparty. Once accepted by both counterparties clause 5.1 (Clearing and Settlement in the Cash Bond Segment) below shall apply. It is recommended that a bilaterally negotiated Trade is reported by Participants to MTS within fifteen (15) minutes or the different timeframe that might be set by MTS from time to time. Participant must record the time of the verbal or written agreement of the terms of the directly negotiated Trade. This may be requested by MTS from time to time to evidence the timely submission of the directly negotiated Trades. Participants shall not pre-arrange transactions except in accordance with this Section.

4.7 Conclusion and registration of Trades on the GCM Segment

1. In GCM Segment, Trades shall be concluded when a Quote Requester, after presenting a Request for Quote, accepts the quantity and Price of a Quote entered by a Quote Provider:
 - a) A Quote Requester shall be free to accept the Quote they prefer;
 - b) each Quote Provider knows the number of other Quote Providers the same Request for Quote has been sent to.
2. In case of centrally cleared Trades, the execution of the Trade shall be subject a) to the acceptance of the Trade by the Agent Member, and b) to the registration of the

Trade by the CCP. In case the Trade is rejected by the Agent Member and/or not registered by the CCP, the Trade shall be considered null and void from the start.

3. In case of Trade Registration a Trade shall be deemed executed when the details of a pre-agreed trade are entered into the Market and accepted by both counterparties. Each of the Participants will know the identity of the other counterparty. Once accepted by both counterparties clause 5.2 (Clearing and Settlement in the GCM Segment) below shall apply.

4.8 Cancellation of Trades in the Cash Bond Segment

1. Cancellation of erroneous Trades shall be carried out by MTS on the basis of request to be sent via email to MTS at cancellations@mtsmarkets.com prior to the closing of the Market or immediately afterwards.
2. Participant shall make sure that only properly authorized employees send the relevant request to MTS and therefore MTS shall not be liable for actioning any non authorized cancellation requests
3. MTS shall promptly contact the counterparty as soon as the request of the cancellation is received.
 - a) If the counterparty promptly confirms its agreement to such cancellation request, the request shall be treated as a bilateral cancellation request and shall be executed by MTS. Bilateral cancellation can be executed up to the closing of the Market or immediately afterwards.
 - b) In the event that the other counterparty does not respond promptly or does not agree with the Trade cancellation request, in order to proceed with the cancellation MTS will ascertain whether a unilateral cancellation can be performed. The procedure for the unilateral cancellation can be started only if the cancellation request has been notified to MTS via email at the address indicated above within 5 minutes of the execution of the Trade.
4. In order to make unilateral cancellation possible, MTS shall verify that the value at which the Trade was executed is clearly inconsistent with the Fair Market Value of the subject Financial Instrument. To this end MTS shall:
 - i) ask five Dealers, other than the parties involved in the trade, via e-mail the Fair Market Value of the Financial Instrument at the time the Trade was executed;
 - ii) calculate the average of the prices confirmed by the five Dealers, excluding the two extremes, to establish the Fair Market Value.
5. Once the Fair Market Value has been established, MTS shall verify whether the Trade that is the subject of the cancellation request diverges from that value by at least the amounts contained in the following table:

Bucket maturity	Ticks discrepancy requested for unilateral cancellation (rounded to the nearest unit)
<= 6.5 years.	10 basis points, i.e. the BPV of the instrument*10
> 6.5 years	7 basis points, i.e. the BPV of the instrument*7

Example: DBR 4.25 04/07/18 - DE0001135358
 BPV = 8.71191 (on 19/01/2009)
 Ticks discrepancy: $7 \times 8.71191 = 60.98 = 61$ ticks

6. If the disputed Trade was concluded at a value that differs from the Fair Market Value in accordance with the criteria established, MTS shall give effect to the request for unilateral cancellation.
7. MTS shall inform the parties of its decision by telephone (with e-mail confirmation).

4.9 Cancellation of Trades in the GCM Segment

1. Cancellation of erroneous Trades shall be carried out by MTS on the basis of request to be sent via email to MTS at cancellations@mtsmarkets.com prior to the closing of the Market or immediately afterwards.
2. Participant shall make sure that only properly authorized employees send the relevant request to MTS and therefore MTS shall not be liable for actioning any non authorized cancellation requests
3. MTS shall promptly contact the counterparty as soon as the request of the cancellation is received.
 - a) If the counterparty promptly confirms its agreement to such cancellation request, the request shall be treated as a bilateral cancellation request and shall be executed by MTS. Bilateral cancellation can be executed up to the closing of the Market or immediately afterwards.
 - b) In the event that the other counterparty does not respond promptly or does not agree with the Trade cancellation request, in order to proceed with the cancellation MTS will ascertain whether a unilateral cancellation can be performed. The procedure for the unilateral cancellation can be started only if the cancellation request has been notified to MTS via email at the address indicated above within 5 minutes of the execution of the Trade.
4. In order to qualify for unilateral cancellation a Trade must be proved beyond doubt to deviate considerably from Fair Market Value of the repo contract and term in question. Fair Market Value is defined using the following steps:
 - Comparison with last Trade executed on the relevant interdealer repo market organised by MTS S.p.A. in the same repo contract/term in a size no less than €5m within the previous 30 minutes, regardless of the side (whether the last Trade was hit or lifted).

- If there are no qualifying Trades, MTS shall determine the Fair Market Value of the relevant repo contract and of the relevant repo term by requesting with no delay up to five (5) and in any case not less than three (3) dealers of the MTS S.p.A Repo market the inter-dealer quotations (bid and ask rate) for the relevant repo contract at the time of Trade execution on the relevant MTS S.p.A. interdealer repo market.
 - MTS will calculate average bid and ask rates from submitted rates. Fair Market Value will be taken as the average bid rate in the event of a repo seller requesting cancellation and the average ask rate in the event of a repo buyer requesting cancellation.
 - The five dealers consulted are chosen from the top ten dealers, ranked by volumes traded in the relevant Instrument Class in the previous calendar year on the MTS S.p.A. MTS Italy (Repo Segment), and exclude either party of the disputed transaction.
5. If after following the three steps above, due to Market volatility or the inability of the banks surveyed to provide a bid and ask, MTS is still unable to ascertain Fair Market Value then MTS will not be able to proceed with a unilateral cancellation.
6. Once Fair Market Value is ascertained, the alleged error Trade must be shown to deviate by the following amount to qualify for unilateral cancellation:
- a) Specific Trade, General Collateral Trade or Tri-party Trade, by over 50 basis points from the Fair Market Value
7. If after following all of the steps above the reported error Trade is proved to deviate significantly from Fair Market Value based on the criteria listed above, MTS will enforce the unilateral cancellation of the Trade.

MTS will inform the interested parties via telephone (with confirmation via e-mail) of its decision regarding the cancellation request within 60 minutes from the notification of the error Trade.

4.10 Law governing Trades

1. Subject to the provisions of these Market Rules, or market practices as such practices shall be determined by MTS, all Trades concluded on the Market shall be governed by the laws of England and Wales.

5. Clearing and Settlement of Trades

5.1 Clearing and Settlement of Trades on the Cash Bond Segment

1. Participants shall send to the settlement services, using the procedures established by the same, the data on the Trades they have concluded in good time for their settlement,

in accordance with the time limits agreed between the parties. Trade checking shall be performed by the Participants in accordance with their procedures and within the time limits that permit orderly settlement.

2. The settlement cycle will generally follow the market practices for each Financial Instrument unless both parties to a Trade agree to settle in accordance with a different settlement cycle (forward).

5.2 Clearing and Settlement of Trades on the GCM Segment

1. Trades can be either settled bilaterally or, subject to eligibility, centrally cleared.
2. In case of bilateral settlement, Participants shall have the following choices:
 - a) At the time of on-boarding each Participant shall indicate whether they wish to manually instruct their settlement service or whether they wish instructions to be automated by MTS. Participants can change this set up at any time by giving instructions to MTS.
 - i) If the Quote Requester has chosen to give instructions manually then both counterparties to a Trade shall send to the relevant settlement services, using the procedures established by the same settlement services, the data on the Trades they have concluded in good time for their settlement, in accordance with the time limits agreed between the relevant parties. Trade checking shall be performed by the Participants in accordance with their procedures and within the time limits that permit orderly settlement.
 - ii) If the Quote Requester has chosen automatic settlement then MTS will send the settlement instructions to the settlement service(s) chosen by both counterparties to the Trade as soon as trades are executed, in accordance with the mandate received. Trade checking shall be performed by Participants in accordance with their procedures and within the time limits that permit orderly settlement.
 - b) In case of centrally cleared Trades instructions will be automatically sent to the relevant CCP. The execution of the Trade shall be automatic, subject to the registration of the Trade by the CCP, in the case where the applicable CCP regulations provide that the novation of the relevant Trade shall take place upon the registration of the Trade by the CCP.

6. Provision of Data and Information

6.1 Provision of data to the public

1. Subject to paragraph 3 below, for the Cash Bond Segment, for each Financial Instrument, MTS makes available to the public, as close to real time as possible and on a reasonable commercial basis, at least the following information:

- a) Price, size and time of each Executable Quote;
- b) Price, size and time of the each concluded Trade.

For Executable Quotes that are above the relevant "size specific to the Financial Instrument" ("SSTI") but below the relevant "large in scale threshold" ("LIS"), or for a Package Order where all components are for a size equal to or above the pre-trade Size Specific to the Financial Instrument threshold, but below the pre-trade Large in Scale threshold, MTS shall publish, as close as real time as possible, simple average of prices of those Executable Quotes.

- 2. Subject to paragraph 3 below, for the Cash Bond Segment, for each Financial Instrument, MTS makes publicly available, delayed, the information mentioned in paragraph 1 above.
- 3. MTS, at its discretion, may, subject to regulatory approval, waive or defer the publication of certain data. Upon request by the FCA, MTS shall suspend the publication of certain data. In relation to pre-trade transparency obligations, Executable Quotes will be published unless one the following exceptions applies:
 - a) either a counterparty exemption or pre-trade transparency suspension is available;
 - b) the financial instrument is not liquid;
 - c) the RFQ is for a size equal to or above the pre-trade Large in Scale threshold;
 - d) the RFQ is a Package Order which has at least one component with a bond for which there is not a liquid market or for a size above the pre-trade Large in Scale threshold.

In relation to post-trade transparency obligations, should deferrals be granted and used by MTS, the relevant details will be described in the Regulatory Specifications.

- 4. MTS shall make available on its website, in accordance with the Applicable Laws, on at least a quarterly basis a report containing data relating to the quality of execution of transactions occurred on the Market during the relevant period. The report shall include details about the price, speed, cost and likelihood of execution for individual Financial Instruments.
- 5. For the GCM segment, MTS shall determine if and what type data, in an anonymous and aggregate format, can be distributed to the public.

6.2 Provision of data to Participants

- 1. For each Financial Instrument and Repo contract, MTS makes available to each Participant, as close to real time as reasonably possible, the following information:
 - a) To each Dealer / Quote Provider: its own Prices and quantities of all Quotes displayed in accordance with these Market Rules and, where applicable, details of the Trades in which they are a counterparty;
 - b) To each End User / Quote Requester: the current status of all Quotes displayed to them, and where applicable, details of the Trades they concluded.

2. MTS may delay publication of the information referred to in the preceding paragraph in the event of serious technical malfunctions that make it impossible to establish the correct data and the information to be published.
3. MTS shall make the following information available to Participants on specific pages of the Market:
 - a) a table with the ID codes of the Financial Instruments;
 - b) a table with the ID codes and descriptions of the participants.

6.3 Provision of data to Authorities

1. MTS shall supply to the FCA (or any successor thereto) or other competent authorities data and information on the Trades concluded and the activities carried out by Participants on the Market and all other data, information, acts or documents as and when so requested by the FCA or other competent authorities or required for MTS to comply with its obligations.

6.4 Provision of data to debt management offices

1. Provided that it is in compliance with applicable regulatory requirements, MTS may submit to the relevant debt management office, upon request, data and information related to:
 - a) the quoting activity on the Market; and
 - b) the activities carried out by Participants on the Market.

6.5 Amendments and communications

1. MTS can amend the Rules in accordance with the provision of the General Terms and Conditions, as published from time to time on MTS website <http://mtsmarkets.com/Documents/General-Terms-and-Conditions> . The communication of such amendments will also follow the provision of the General Terms and Conditions.
2. MTS from time to time will communicate to the Participants information necessary for their trading activity on Market in accordance with the relevant provision of the General Terms and Conditions.

7. Supervision and Sanctions

7.1. Monitoring the course of trading

1. MTS monitors the behaviour of Participants during the Trading Hours and verify compliance with the Market Rules and with the Applicable laws, including those on market abuse.
2. MTS may perform, amongst other things, the following activities:
 - a) verification of compliance with the undertakings referred to in Article 3.3;
 - b) monitoring of the Participant trading activity to ensure the operation of a fair and orderly Market, including for the purpose of verifying compliance with Applicable Laws on market abuse;
 - c) handling incorrect entries of Quotes and Orders into the Market;
 - d) performing technical checks with regard to anomalous trading on the Market;
3. MTS, in case of doubts, may promptly request clarification from the Participant, requiring them to provide all relevant data and information. Participant shall cooperate with such requests and supply information in the shortest time possible. Additionally, MTS may carry out audits at a Participant's premises, on giving due notice and in accordance with the procedures provided in the current General Terms and Conditions, for the sole purpose of checking their compliance with the Rules.
4. MTS shall keep confidential all information acquired in the course of its Market monitoring activities. In accordance with Applicable Laws, when requested by a competent authority, MTS will disclose or report the data and information requested. In its activity on the Market, each Participant will provide certain trade and transaction data (collectively, the "Participant Data") to MTS. Each Participant agrees that MTS is entitled to aggregate and/or compile the Participant Data with that of other Participants, provided that such aggregated data does not directly or indirectly identify the Participant as the source of such data or that of the Participant's trading strategy (the "Aggregated Data"). All intellectual property rights in the Aggregated Data shall belong to and vest solely with MTS, and the Participant agrees that MTS shall be entitled to dispose, use, licence or sell the Aggregated Data as it determines in its sole discretion. Each Participant further agrees that MTS may disclose Participant Data to any third party as MTS determines is necessary to facilitate the management and usage of the Market.

7.2 Breach of undertakings

1. When a Participant is in breach of one or more of the undertakings contained in Article 3.3 or where there are reasonable grounds for presuming that even one of the undertakings in Article 3.3 is no longer satisfied, MTS might apply to the Participant the following sanctions, depending on the nature and seriousness of the action and on the existence of any previous breaches by the same Participant:

- a) written censure;
- b) fine of between Euro 5,000 and Euro 100,000;
- c) suspension from trading;
- d) exclusion from the relevant list of Participants.

7.3 Procedure in respect to article 7.2

1. When MTS has reason to believe that a Participant has committed a breach of any provision of these Rules, MTS shall send to the Participant a written notice describing the presumed breach, asking for any relevant information. Email communications are acceptable for this purpose.
2. Within ten calendar days from the sending of the notice referred to in Article 7.3.1 above, the relevant Participant may file with MTS a memorandum and documents to explain their conduct and may ask for a meeting with representatives of MTS.
3. Once the above mentioned ten days have passed, MTS, having heard the Participant if the latter has so requested, and examined any memorandum and documents filed, shall adopt one of the sanctions referred to in Article 7.2 or shall decide to terminate the procedure. MTS shall impose sanctions using non-discriminatory criteria. If not provided otherwise in the decision, sanctions shall take effect on the date they are notified to the Participant. For the avoidance of doubt, sanctions issued by MTS shall not impact on measures, if any, adopted by the authorities for the purposes of ensuring the execution of Trades still open.
4. The decision pursuant to Article 7.3.3 above shall be communicated in writing to the Participant. The decision shall specify the means by which it shall be publicised. Publicity can be omitted when the sanction applied is that of written censure, which shall be private.
5. For the purpose of safeguarding the fair and orderly functioning of the Market as well as in cases of urgency, when there are reasonable grounds to believe that a Participant has committed serious breaches or is in the process of being declared insolvent, without prejudice to the provisions of this Section 7.0, if necessary MTS, at MTS sole discretion, may, as a precautionary measure, suspend with immediate effect the Participant from trading on the Market. The suspension should not ordinarily exceed twenty Trading Days. The suspension order referred to above shall cease to be effective upon the decision taken pursuant to Article 7.3.3 being communicated to the Participant.
6. If the sanction consists in the suspension of the Participant from trading, it shall be revoked by MTS when the reasons behind its issuance have ceased to exist. A Participant that has been excluded from the relevant list of Participants may, at the discretion of MTS, be re-admitted to the Market pursuant to a new application under Article 3.2, only after one year has elapsed from the date of notification of such exclusion.

8. Final Provisions

8.1 Liability

1. MTS reserves the right to close the operation of the Market at any time. In this event, MTS shall give the Participants such notice of termination in writing as is reasonably practicable in the circumstances. Nevertheless, MTS shall be entitled to close the Market immediately on written notice to Participants if MTS is not able to keep the Market open due to an event beyond MTS' reasonable control.
2. MTS shall have no liability (save for a refund of the pro-rata part of any prepaid fees) to any Participant in respect of any suspension, termination or closing of the Market.

8.2 Disputes

1. Any dispute or issue arising out of or in connection with the Membership Documentation, including any question regarding its existence, validity, termination, form, interpretation and the obligations deriving there under, including the participation to the Markets and the acts consequent thereto and the application and interpretation of the Rules, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this clause.
 - The number of arbitrators shall be three;
 - The seat, or legal place, of arbitration shall be London, United Kingdom;
 - The language to be used in the arbitral proceedings shall be English