

## AMENDMENTS TO MTS CASH DOMESTIC AND EBM MTF MARKET RULES

### MID-PRICE CROSSING FUNCTIONALITY

The amendments described below shall enter into force on **18<sup>th</sup> December, 2019**.

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#### **Mid-Price crossing functionality**

The Market Rules of MTS Cash Domestic and EBM MTF are amended by introducing an additional calculation method of the Mid-Price when the Mid-Price crossing function is active on the MTF.

Currently the execution price in the Mid-Price order book is the bid-ask spread of each financial instrument present in the first level of depth of the MTS order book. The amendment foresees that the Market will calculate the Mid-Price using the quotes published on BondVision Europe MTF or BondVision UK MTF (BV Mid), Cash Segment as an alternative method to the order book Mid-Price.

BV Mid is a price which reflect more closely participants' internal mid prices, as opposed to the order book Mid-Price, which in times of high volatility might temporarily be misaligned to participants' mid. It has to be noticed that the functionality is available for Orders having size above the Large in Scale threshold for liquid instruments or, for illiquid instruments, with size above the Minimum Mid-Price Execution Size specified in the MTS' Regulatory Specification, hence it benefits of a specific pre-trade transparency waiver.

The calculation method applied will be set in the *Regulatory Specifications*.

*The updated texts of the Rules will be published on MTS' website ([www.mtsmarkets.com](http://www.mtsmarkets.com))*

*The changes of the Rules are shown below.*

## 4. Trading

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### 4.7. Mid-Price crossing

1. Where the functionality is active in the Segment, Participants ~~can are able to~~ submit Orders to the Mid-Price ~~calculated order book. The Market will calculate~~ in real time a ~~Mid-Price for each relevant Financial Instrument~~ using:

i) the prevailing Bid-Ask Spread ~~of each relevant Financial Instrument~~ present in the Market, where certain conditions, as determined by MTS, are satisfied, these may include:

- a. an appropriate level of market depth; and
- b. a Bid-Ask Spread is available in a certain Financial Instrument;

**or**

ii) **the quotes published on BondVision Europe MTF or BondVision UK MTF (cd. BondVision mid-price).**

**The Regulatory Specifications indicate the Instrument Classes where the functionality is active, and the calculation method applied to each Financial Instrument or to each Instrument Class.**

2. Mid-Price Orders will be subject to a Minimum Mid-Price Execution Size, which is set by MTS and set out in the Regulatory Specifications. The Minimum Mid-Price Execution Size is set to at least the same level of the relevant pre-trade Large in Scale threshold for those Financial Instruments that are defined as Liquid from time to time by ESMA. For Financial Instruments which are defined as Illiquid from time to time by ESMA, the Minimum Mid-Price Execution Size will be set out in the Regulatory Specifications.

3. Participants may enter Mid-Price Orders with a higher execution size than the Minimum Mid-Price Execution Size, but not of a lower size.

4. MTS will monitor all updates to ESMA Large in Scale thresholds and Liquidity status and update its Financial Instrument database accordingly.

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## 6. Provision of data and information

### 6.1 Provision of data to Participants

1. For each Financial Instrument, MTS makes available on the trading screen to each Participant, as close to real time as reasonably possible, where applicable, the following information:

- a. all the Quotes which the relevant Participant has inputted in the Market, with Price and quantity;
- b. Price and quantity of the aggregated five best sell and buy Quotes **and prices for the purposes of article 4.7;**
- c. Price, quantity, and time of the last concluded Trade;
- d. the current status of all the Quotes entered by the relevant Participant and the list of all the Trades it has executed.

## EBM MTF Market Rules

### 4. General Systems Operations

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#### 4.7. Mid-Price crossing

1. Where the functionality is active in the Segment, Participants **can are able to** submit Orders to the Mid-Price **calculated order book. The Market will calculate** in real time **a Mid-Price for each relevant Financial Instrument** using:

- i) the prevailing Bid-Ask Spread **of each relevant Financial Instrument** present in the Market, where certain conditions, as determined by MTS, are satisfied, these may include:

- a. an appropriate level of market depth; and
- b. a Bid-Ask Spread is available in a certain Financial Instrument;

**or**

- ii) **the quotes published on BondVision Europe MTF or BondVision UK MTF (cd. BondVision mid-price).**

**The Regulatory Specifications indicate the Instrument Classes where the functionality is active, and the calculation method applied to each Financial Instrument or to each Instrument Class.**

2. Mid-Price Orders will be subject to a Minimum Mid-Price Execution Size, which is set by MTS and set out in the Regulatory Specifications. The Minimum Mid-Price Execution Size is set to at least the same level of the relevant pre-trade Large in Scale threshold for those Financial Instruments that are defined as Liquid from time to time by ESMA. For Financial Instruments which are defined as Illiquid from time to time by ESMA, the Minimum Mid-Price Execution Size will be set out in the Regulatory Specifications.
3. Participants may enter Mid-Price Orders with a higher execution size than the Minimum Mid-Price Execution Size, but not of a lower size.

4. MTS will monitor all updates to ESMA Large in Scale thresholds and Liquidity status and update its Financial Instrument database accordingly.

[omissis]

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## **6. Provision of Data and Information to Participants**

### **6.1 Provision of data and information to Participants**

1. For each Financial Instrument, MTS makes available on the trading screen to each Participant, as close to real time as reasonably possible, the following information:
  - a. all the Quotes which the relevant Participant has inputted in the Market, with Price and quantity;
  - b. Price and quantity of the aggregated five best sell and buy Quotes **and prices for the purposes of article 4.7;**
  - c. Price, quantity, and time of the last concluded Trade;
  - d. the current status of all the Quotes entered by the relevant Participant and the list of all the Trades it has executed.