

MTS WEMATCH INTERDEALER SWAPS MARKET

UK MTF

Market Rules

EFFECTIVE FEBRUARY 27TH, 2023

MTS WeMatch Interdealer Swaps Market UK MTF is a Multilateral Trading Facility organised and managed by EuroMTS Limited



SECTION I

GENERAL PROVISIONS

1 Definitions

In this Market Rules the following expressions have the following meanings:

“Application Form”	means MTS’s application form completed by a Dealer to enable it to use the Market.
“Dealer”	means a firm authorised by MTS to trade on the Market.
“Derivatives Contracts”	means derivative contracts that may be traded by Dealers on the Market, including for example interest rates swaps and overnight index swaps denominated in Euro and other currencies and overnight index swaps which may reference to a number of reference indices, such as EURIBOR and €STR.
“Group”	in relation to an entity, shall mean that entity’s ‘group undertakings’.
“Gadget”	means a package transaction consisting of Euro interest rate swaps dated from spot to specified outright maturity dealt with a government bond futures contract hedge of corresponding size.
“Instrument Class”	means a set of Derivative Contracts grouped according to certain criteria, as determined by MTS.
“Major Market Incident”	or “MMI” has the meaning ascribed to it in Article 17.
“Market Rules or Rules”	means these rules and regulations of the Market as may be made, amended or replaced from time to time by MTS in accordance with the Membership Documentation.
“Membership Documentation”	means the legal agreement between MTS and each Dealer relating to the provision of the Services, as defined therein. The Membership Documentation is composed by the Application Form, the Terms and Conditions and the relevant Schedules, as well as by any document included by reference.
“Minimum Tradable Quantity”	is the minimum tradable quantity for which Orders submitted in respect of a Derivative Contract, such quantity as determined from time to time by MTS and communicated to the Dealers through the Regulatory Specifications.
“MTS”	means EuroMTS Limited, an investment firm authorised to operate multilateral trading facilities with its

	registered office in 110 Cannon Street, EC4N 6EU London, United Kingdom.
“Order”	means the price, notional volume, maturity and/or other trading information in relation to a Derivative Contract transmitted via the Market and processed by the Market in accordance with these Rules.
“Package Transactions”	means a transaction involving two or more simultaneous and contingent component Trades.
“Regulatory Specifications”	a section of MTS’ website (available at http://www.mtsmarkets.com/resources/marketrules) where parameters and other relevant information are included and referenced herein;
“Technical Specifications”	means a series of technical documents, including the ‘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 Dealer, as amended and integrated from time to time by MTS, describing the functionalities and operations of the relevant Market.
“Trade”	means the matching of two Orders on the Market.
“Trading Day”	means a day on which the market is open.
“Trading Hours”	means the hours of the Trading Day during which the Market is open.

1. Market Rules

1. The object of these Market Rules is to regulate the organisation and operation of the Market by establishing the relevant terms and procedures. In particular; a) the terms and procedures for admission, exclusion and suspension of Derivative Contracts from trading; b) the terms and procedures for admission, exclusion and suspension of Dealers from trading; c) the terms and procedures for conduct of trading and the operation of the associated services; and d) the procedures for publication and circulation of information. These Rules, as updated from time to time, are available on the MTS website www.mtsmarkets.com/Documents/Market-Rules.
2. The relationship between MTS and the Dealers concerning participation in trading on the Market shall be governed by the Membership Documentation (which includes the Application Form, the General Terms and Conditions and all the relevant Schedules, including these Market Rules). MTS can amend the Rules in accordance with the provision of the General Terms and Conditions, as published from time to time on the MTS website <http://mtsmarkets.com/Documents/General-Terms-and-Conditions>.

3. Dealers 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 attached to the General Terms and Conditions.
4. References herein to an Article shall mean an Article of these Rules. 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.
5. These Rules shall be governed by and construed in all respects in accordance with the laws of England.

SECTION II

MEMBERSHIP

2 Dealers admission criteria

1. The following entities are eligible to become Dealers:
 - a) Credit Institutions and investment firms authorised in the UK;
 - b) Credit Institutions and investment firms authorised outside the UK, and which, in the sole opinion of MTS, imposes an adequate supervisory/investor protection regime sufficient to allow them to access an MTF like MTS WeMatch Interdealer Swaps Market.
2. To be a Dealer on the Market, an institution referred to in Article 3.1 must:
 - c) undertake to comply with any provisions issued by the competent authority;
 - d) be of sufficient good repute;
 - e) have sufficient resources and continue to maintain relevant operations and settlement capability in order to complete and settle any Trade concluded on the Market;
 - f) effect or procure timely clearing and settlement of each of its Trades on the Market in accordance with the terms and conditions of settlement of the relevant Derivative Contract;
 - g) have in place a valid licence with the relevant licensor for the specific product in the event that a licence is required to trade certain Derivative Contracts;
 - h) it is a fit and proper person to be a Dealer, including, without prejudice to the generality thereof: (a) that it has an adequate organisation to be a Dealer b) its trading staff shall (i) know rules and operating procedures of the Market, and the trading functionalities available, and (ii) have adequate professional qualifications; c) 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;

- i) it has appointed a contact person for the trading activity who knows in depth these Rules and the applicable laws;
- j) be authorised to deal in investments as a principal or deal on own account without any regulatory limitations other than standard limitations; the Dealer shall maintain all necessary regulatory authorizations, approvals and consents for trading on the Market. Trading in a capacity other than "on own account" is allowed upon MTS prior written consent based also on additional documentation and information that MTS will require.
- k) be able to evidence that every individual or user ID transacting on the Market is authorised by the Dealer to trade on behalf of the Dealer and has been assigned adequate risk limits;
- l) only use the data and information supplied to or derived from the Market for trading on the Market;
- m) 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;
- n) promptly pay all relevant fees in connection with the Market;
- o) have in place adequate systems and controls arrangements as requested by MTS that include an appropriate policy of use of the kill functionality;
- p) ensure that the software used to access the Market has undergone the appropriate conformance testing with MTS;
- q) hold a valid ISO 17442 legal entity identifier code; and
- r) For each Trade, the Dealer must have a clearing account with the relevant CCP or with a Clearing Member of such CCP.

3 Admission procedure

1. To become a Dealer 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 Consob regulations and MTS operational requirements. MTS shall reject the application if it jeopardises the proper functioning or orderly trading of the Market and/or its electronic Markets and/or if filed for purposes different from trading on the Market. The decision to reject an application shall be motivated.

4 Resignation of Dealers

1. Any Dealer may resign from membership in the Market by giving no less than 3 months notice in writing to MTS specifying the date on which the Dealer wishes to terminate its access. Resignation from the Market shall have no effect on the rights and obligations of the resigning Dealer in respect of Trades concluded on the Market prior to the effective date of such resignation. Membership Documentation includes additional relevant provisions on termination.

5 Dealer suspension from trading

1. Without prejudice to the provisions under Section VII on Supervision and Penalties, if, in relation to a particular Dealer, 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 Dealer with immediate effect. A Dealer which is suspended shall not be permitted to input 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 Dealer ceases to meet one or more of the eligibility criteria applicable for entry on the relevant list of Dealers and when MTS is not satisfied that continued access would be consistent with its rules and procedures for fair and orderly trading. This decision shall be motivated.
 - b) where Dealer 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;
 - c) a request for suspension is received from a clearing or settlement agent through which the Dealer clears or settles and to which the Dealer has given authority to make such request;
 - d) where a Participant:
 - 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 its dissolution;
 - v. Participant takes or is subject to any action similar to that specified in points (i) to (iv) above in any jurisdiction.
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 functioning as well as in cases of special urgency when there are reasonable grounds to believe that a Dealer has committed

serious infractions, MTS may order, as a precautionary measure, the immediate suspension from trading of the Dealer involved. The period of precautionary suspension shall be determined by MTS and included in its decision.

4. Any suspension of a Dealer, or lifting of a suspension, shall be notified by MTS to all other Dealers by such means as MTS considers appropriate.
5. Suspension from a list of Dealers shall have no effect on the rights and obligations of the Dealer in respect of Trades concluded on the Market prior to the effectiveness of such suspension.

6 Dealer exclusion from trading

1. Without prejudice to the provisions under Section VII on Supervision and Penalties, MTS may exclude a Dealer from trading with immediate effect if MTS shall determine that any of the following circumstances apply:
 - a) suspension from trading or from the relevant list of Dealers for a period of 2 months; and
 - b) a resolution of MTS that such Dealer be deleted from the relevant list of Dealers e.g. if it is insolvent following the commencement of any insolvency procedures in accordance with the laws applicable to the Dealer.
2. Any deletion from a list of a Dealer shall be notified by MTS to all other Dealers by such means as MTS considers appropriate.
3. Deletion from a list of Dealers shall have no effect on the rights and obligations of the Dealer in respect of Trades concluded on the Market prior to the effective date of such deletion.

7 Undertakings of Dealers

1. Each Dealer represents, warrants and undertakes to MTS, and to all other Dealers, that for the whole period in which it is a Dealer on the Market, up to and including any period during which there is any outstanding Trade, of which the Dealer is a Party awaiting settlement by it on the Market:
 - a) the admission requirements listed in Article 3 above shall be maintained on an on-going basis;
 - b) it will trade on the market only on a; 'dealing on own account', capacity and will not act for a third party and will not enter into Trades on the Market other than for proper trading purposes;
 - c) it will comply with the Rules and with the established Market operating procedures, including but not limited to, safeguarding passwords assigned to it by MTS and maintain any other security credentials in accordance with the established operating procedures to prevent any unauthorised access to the

Market and access the Market only via software and connectivity systems approved in writing by MTS;

- d) it will notify MTS in writing, via the Membership Portal, no later than three months prior to any change in the Dealer's regulatory status that will either trigger or remove the obligation on MTS under Article 26(5) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 to perform transaction reporting in relation to the Dealers' Trades on the Market;
- e) It will at all times comply with any relevant laws and regulations applicable to Dealers in relation to their activity on the Market, including those on market abuse, as amended from time to time and as applicable in the relevant jurisdiction including the Commission Delegated Regulation (EU) 2017/589 of July 2016, supplementing Directive 2014/65/EU of the European Parliament and the Council with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading;
- f) It will act with fairness, honesty, due skill, care and diligence and will refrain from any act that may jeopardise the proper functioning of the Market or undermine the integrity of trading on it;
- g) It will be responsible for the acts and omissions of its employees and agents and it will ensure that those registered to conduct its trading activities on the Market are duly authorized, competent and appropriately trained; any behaviour of the traders in violation of these Rules shall be considered as being performed by the Dealer;
- h) it will deal with MTS in an open and co-operative manner, including (i) to notify MTS via the Membership Portal, without delay, of any material change to the information supplied in its application to MTS (e.g. changes to the Legal Entity Identifier (LEI)), (ii) to notify MTS immediately in case of a breach of any of the undertakings in this Article, (iii) to pay all fees payable to MTS no later than the due date, (iv) to notify MTS, without delay, of any interruption to trading due to a software or hardware malfunction, or an interruption in connectivity and in such an event, the affected Dealer shall suspend all its Orders where it reasonably believes it is exposed to a market risk as a result of the system malfunction or technical problem and (v) to respect and accept the outcome of checks by MTS;
- i) If requested by MTS, it will demonstrate at least once a year, its continuing satisfaction of the conditions for admission referred to in Article 3, MTS may require the presentation of any data, information or documents useful to this purpose, including certifications from auditing companies;
- j) it will maintain a trading relationship with a relevant clearing and settlement institutions either directly or via an agent in relation to the Derivative Contracts available for trading on the Market;
- k) It will always effect or procure timely settlement of each of its Trades;
- l) It will keep confidential and it will not to disclose in any way, any information or data supplied to or derived from the Market (except in relation to a particular Dealer, information relating to Orders input by such Dealer) 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. Dealers must confirm that they have successfully tested each algorithm within the MTS designated system and upon request by MTS, Dealers 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) It will provide 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 and Trade.
- o) For each Order placed, cancelled or varied it shall populate all necessary Order message fields in a complete and accurate manner, including but not limited to information related to the identification of the relevant parties in the Technical Specifications.
- p) It shall have appropriate controls in place to ensure that all relevant message fields are accurately populated. Acceptance of a message by MTS does not provide or imply that MTS considers this requirement has been met. In the event a Dealer discovers one or more fields are inaccurately populated the Dealer must report this to MTS immediately and provide the correct information.
- q) 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 25(2) and Article 26(5) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014. In particular, the Dealer 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 in the Technical Specifications;
- r) it shall 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.

SECTION III

DERIVATIVE CONTRACTS

8 Derivative Contracts admitted to trading

1. The full list of the Derivative Contracts available for trading and their specifications is published on the trading platform. The list of the Derivative Contracts is available on the Market. MTS will use reasonable endeavours to inform Dealers of any change of the category of Derivative Contracts available on the Market by electronic communications.
2. MTS may make available for trading:
 - a) single Derivatives contracts; and/or
 - b) Package Transactions combining different Derivatives Contracts;

MTS, upon request by the competent authority, shall from time to time suspend or remove from the Market any Derivative Contracts. Additionally, for the purpose of maintaining orderly and fair market conditions, MTS shall, from time to time, have the right to suspend or remove from the Market; any Derivative Contracts. Suspension or removal of Derivative Contracts can also be due to an 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.

SECTION IV

TRADING

9 General Market operations

1. MTS shall adopt all acts reasonably necessary for the proper functioning of the Market.
2. MTS shall determine operational features of the trading protocol of the Market and may change the format from time to time.
3. MTS shall monitor the operation of the Market and apply its policies in terms of risk controls, including orders' throttling and pre-trade controls. MTS may at any time, for the purpose of maintaining orderly and fair markets (not exhaustive):
 - a) suspend the operation of all or part of the Market, including of single Derivative Contracts or categories of the same, suspend Dealers 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 the entire Market, in case of serious technical malfunction or other exceptional circumstances as determined by MTS.
4. MTS will use reasonable endeavours to inform the Dealers thereof by electronic communications.

10 Opening Hours and Days of the Market

1. Trading Days on the Market are defined by the TARGET calendar. The calendar is available on the MTS website.
2. The Trading Hours of the Market are the following:
08:30 – 18:30: Live Market, during which Orders may be submitted, modified and cancelled and Trades executed.
Outside of these hours the blotter can be retrieved by participants but no Trades can be executed.
3. All times stated above are CET.
4. MTS, at any time, may change the Trading Hours in its sole discretion. MTS will use reasonable endeavours to inform the Dealers thereof by electronic communications.

11 Minimum Tradable Quantity

1. Dealers will only be permitted to enter Orders on the Market equal, or in excess of, the Minimum Tradable Quantity. A Dealer shall not be able to submit Orders with a trading notional volume of less than the Minimum Tradable Quantity for the relevant Derivative Contract. MTS shall provide the Dealers with five Trading Days' notice of any change in the Minimum Tradable Quantities.

12 Trades and Orders

1. Trades can be executed in the Order Book.
2. The Market supports the following order types for Derivatives Contracts:
 - (a) Orders
3. Orders will match as much available quantity as possible at the limit price, or at a better price upon entry to the Order Book. Any remaining quantity will rest in the Order Book, subject to the Minimum Tradable Size.
4. Orders are submitted with an expiration time, after which they automatically expire. Dealers may edit, cancel or suspend their Orders. Dealers can choose to re-activate their expired Orders.
5. Where bid and offer Orders are available in the Order Book, a Dealer with the best bid or best offer Order has the ability to send a "meet in the middle" order which can be traded by any Dealer.

6. When a Trade is matched, the counterparties shall review and confirm the Trade details. The counterparties may also request an increase in the traded quantity. Where both counterparties request an increase in the traded quantity, the smaller increase will be added to the traded quantity.
7. All trading activity on the System shall be anonymous pre-trade and the counterparties to a Trade shall only be revealed to each other at the point of Trade matching.

SECTION V

TRADES

13 Conclusion and registration of Trades

1. Once a Trade has been concluded on the Market, an obligation shall automatically exist between the Market Dealers to the Trade (and irrespective of any Trade confirmations being sent by MTS or any other third party). The Market Dealers shall be obliged to settle such Trade in accordance with the terms agreed between the relevant Market Dealers and where applicable the relevant clearing institutions.
2. The Dealers hereby accept and acknowledge that they are solely responsible for their own assessment of the fitness, capacity, creditworthiness and conduct of any other Dealer. If and when needed, Dealers shall also be responsible for ensuring that the relevant ISDA documentation is in place with any counterparty to a Trade. MTS shall not be liable or responsible for any failure, delay in performance, default or breach of their obligations pursuant to any Trade. Accordingly, settlement, credit and market risks relating to any Trade shall be borne entirely by the Dealer.

14 Clearing and Settlement of Trades

1. Once a Trade has been concluded on the Market, the Dealers shall be responsible for clearing and settling of the Trade.
2. Each Trade shall be cleared through the CCP indicated in the Regulatory Specifications. MTS shall submit the Trades to the relevant clearing institution via MarkitWire as soon as technologically possible, after the execution of the Trade. Dealers must ensure that they auto-affirm the Trades in MarkitWire to enable automatic submission to the relevant Clearing House.
3. For each Trade, the Dealer must have a clearing account with the relevant CCP or with a Clearing Member of such CCP. Where a Trade is not accepted for clearing by the relevant clearing institution, it shall be void ab initio, unless such non-acceptance is due to a technical or clerical problem. Where a Trade is not accepted for clearing by the relevant clearing institution due to a technical or clerical problem, the Dealers shall provide their consent to MTS to resubmit the Trade to the clearing institution.

4. In the event that any component of a Package Transaction fails to clear or is not accepted by the exchange, MTS reserves the right to cancel the Package Transaction as a whole

15 Cancellation of Trades

1. Cancellation of erroneous Trades shall be carried out by MTS on the basis of request to be sent via email to MTS at **mts.cancellations@euronext.com** as soon as possible and in any case prior to the closing of the Market.
2. Participant shall make sure that only properly authorised employees send the relevant request to MTS and therefore MTS shall not be liable for actioning any non-authorised cancellation requests.
3. MTS will in all cases attempt to arbitrate between Dealers and reach a bilateral agreement for any Trade cancellation request.
4. MTS, as soon as possible, will notify the non-requesting Dealer (the "NRP") to the Trade that it is under review and request that the NRP agrees to a cancellation of such Trade. If the NRP agrees to such cancellation, then such Trade will be deemed cancelled immediately on receipt of email confirmation of the same from the NRP.

Major Market Incidents (MMI)

"MMI" means any circumstance relating to the technical functioning of the Market as MTS, in its sole discretion, shall determine to be a major market incident.

MTS may consider the following factors in deciding whether an MMI has occurred:

- (a) the Market is inaccessible (or 'down') during scheduled Trading Hours;
- (b) the technical service level on the Market is such that a material number of Dealers cannot safely trade without being exposed to significant market risks);
- (c) the security or integrity of the Market is compromised, or at imminent risk,
- (d) MTS is unable to see or control the Market using its standard tools.

The period of an MMI shall commence from such time as MTS in its sole discretion shall determine as the first impact on the System, of the MMI in question, until such time as MTS determines that the System has been restored to its normal state. Upon the occurrence of an MMI, MTS shall endeavour to notify all Dealers as soon as practicable via the Market or by email if the Market is unavailable, and will notify all Dealers via the Market once the MMI is no longer in effect.

In the even of an MMI, MTS may cancel such Trades that MTS has, in its sole discretion, determined are affected by the MMI. Without prejudice to such discretion, MTS may determine that: (a) Trades executed outside of the period of the MMI are affected by the market malfunctioning, and (b) Trades executed during the period of the MMI period have

remained unaffected by such MMI. MTS may, but is not obliged to, consult with Dealers, who may have potentially Affected Trades.

MTS will inform the relevant Dealers, so far as practicable, and in any case within the close of the relevant Trading Day, of any cancelled Trade.

SECTION VI

PROVISION OF DATA AND INFORMATION

16 Provision of data to the public

1. For each Derivative Contract, MTS shall make available to the public, as close to real time as possible and on a reasonable commercial and non-discriminatory basis, at least the following information:
 - a) The best five levels of bid and ask prices, aggregated quantity and number of orders at each price level (including for the “meet in the middle” functionality);
 - b) Price, quantity and time of each concluded Trade.

The above information shall be made available to the public free of charge 15 minutes after publication.

2. Information relating to a Package Transaction will be made available with respect to each component as close to real-time as is technically possible, having regard to the need to allocate prices to particular financial instruments and shall include the package transaction flag or the exchange for physicals transaction flag.
3. MTS nevertheless reserves the right to request waivers from pre-trade transparency, deferrals for post-trade transparency or exemptions from pre-trade and post-trade transparency from the FCA. MTS shall duly notify Dealers before any such waivers, deferrals or exemptions are put into effect.
4. MTS, upon request by the FCA, shall suspend the publication of certain data on any specific Derivatives Contract.

17 Provision of data to Dealers

1. For each Derivative Contract, MTS shall make available to each Dealer, as close to real time as reasonably possible, the details of all its own Orders and Trades to which they are a counterparty.
2. MTS shall make available the list of pre-defined Derivatives Contracts that are available to trade. Dealers have the ability to define other Derivatives Contracts.

18 Provision of information to the authorities

1. MTS shall supply to the competent authority; data and information on the activities carried out by Dealers on the Market and all other data, information, acts or documents as so requested by the competent authority, or required for MTS to comply with its obligations thereto.

SECTION VII

SUPERVISION AND SANCTIONS

19 Supervision of regular conduct of trading

1. MTS shall supervise the conduct of trading through a specific monitoring department and shall verify the compliance with these Rules. In addition, MTS shall adopt any measure that is required or appropriate to ensure the smooth operation of the Market.
2. MTS shall perform, inter alia, the following activities:
 - a) verification of compliance with the undertakings referred to in Article 3.3;
 - b) verify the proper updating of the databases, the procedures and whatever else is necessary to ensure fair and orderly trading;
 - c) monitor the functioning of the technical infrastructure and promptly inform the Dealers with regard to any action that may affect the functioning of the Market;
 - d) for the purpose of verifying the compliance of the Dealers with the operations requirements, MTS may conduct audits at the Dealer's premises or at the premises of third parties entrusted by the Dealers with the management of outsourced services;
 - e) request the Dealers to provide, also on a periodical basis, relevant data, news and information, as well as to handle documents.
3. Without prejudice to any measures required in connection with the operation of the market or to any provision of these Market Rules or of Applicable Laws, MTS shall keep confidential all information acquired in the course of its Market monitoring activities. MTS shall promptly inform the relevant Authority of the adoption of any of the above mentioned measures. In accordance with Applicable Laws, when requested by a competent authority, MTS will disclose or report the data and information requested.
4. In the course of operating on the Market, each Dealer will provide certain trade and transaction data (collectively, the "Dealer Data") to MTS. Each Dealer agrees that MTS is entitled to use, distribute and/or compile the Dealer Data with that of other Dealers, provided that such data does not directly or indirectly identify; (i) the Dealer as the source of such data or (ii) the Dealer's trading strategy (the "Data"). All intellectual property rights in the Data shall belong to and vest solely with MTS, and the Dealer agrees that MTS shall be entitled to dispose, use, licence or sell the Data as it determines in its sole discretion. Each Dealer further agrees that MTS may disclose Dealer Data to any third party as MTS determines is necessary to facilitate the management and usage of the Market.

20 Disciplinary measures

1. A Dealer failing to comply with the obligations deriving directly or indirectly from the application of these Rules or otherwise failing to comply with the operational

procedures, shall be subject to the disciplinary measures set out below, taking into account the nature and the severity of the violation and any previous breaches by such Dealer:

- a) a written censure;
 - b) suspension from trading;
 - c) exclusion from the relevant list of Dealers
 - d) a fine of between GBP £10,000 and GBP £500,000.
2. MTS shall apply the disciplinary measure(s) in a non-discriminatory fashion.
 3. In order to adopt the measures referred to in the paragraph 1, MTS shall take the following criteria into account:
 - a) the actual and potential impact on the Market and the external importance of the breach;
 - b) the size, duration and nature of the breach;
 - c) how MTS became aware of the violation;
 - d) the benefits accrued by the Dealer from the breach;
 - e) the Dealers' reaction to MTS' requests and its actual and previous behaviour;
 - f) magnitude of fraud and negligence;
 - g) functioning of system used for internal control and prevention of violations;
 - h) numbers and magnitude of breaches previously committed by the same Dealer;
 - i) size of the Dealer and of the group it belongs to; and
 - j) whether various provisions are breached or the same provision is breached more than once.
 4. The use to which fines are put shall be established on a general basis by MTS in an ad hoc Board of Directors' resolution communicated to the relevant authorities.
 5. A party which has been excluded from trading may be re-admitted to trading, subject to the filing of a new Application Form.
 6. Where a measure of suspension or exclusion from trading is adopted, from the time such measure takes effect, the market intermediary to which it is applied shall only be permitted, under the surveillance of MTS, to close out any positions still open and carry out any related transactions that are necessary to protect customers' interests, if any.

21 Procedure for verifying violations

1. In order to apply the measures referred to in Article 19.1 above, the procedure described in this article shall be initiated within one year of the presumed violation or of the later date on which MTS learned of the presumed violation. In the latter

case the procedure described in this article may not be initiated after three years have elapsed from the date of the presumed violation.

2. For the purpose of applying the measure referred to in Article 19.1, MTS sends the relevant Dealer a letter:
 - a) containing a description of the alleged breach;
 - b) setting a time limit of not less than 15 days within which a written brief may be submitted and possibly a request for a hearing in which to discuss the topic.
3. The letter referred to in paragraph 2 may indicate the measure MTS intends to apply.
4. In such case, if the time limit referred to in paragraph 2(b) expires without the Dealer having submitted a written brief or requested a hearing, MTS shall apply the measure indicated in the letter.
5. If the Dealer requests a hearing in which to discuss the issue or if MTS considers such a hearing to be necessary, MTS shall establish the date for the hearing and inform the Dealer accordingly. The market intermediary shall be represented in the meeting either by its legal representative or by a person appointed for the purpose, being allowed to be assisted by a lawyer of its choice. If the Dealer fails to attend the hearing without due cause, MTS shall proceed on the basis of the evidence collected up to that time. At the end of the hearing, at the request of the interested party, MTS may set a new time limit of not less than 10 days for the submission of another written brief.
6. On the basis of the evidence collected as part of the procedure referred to in the preceding paragraphs, MTS shall decide within 45 days of the hearing or the subsequent expiry of the time limit for the submission of another written brief as provided for in paragraph 4, or if no such hearing is requested or scheduled by MTS, within 45 days of the expiry of the time limit set pursuant to paragraph 2(b).
7. Decisions adopted pursuant to the preceding paragraph shall be promptly communicated to the relevant party giving the reasons for the decision. If one of the measures referred to in Article 19.1 is applied, the costs of the procedure and in particular those in relation to the examination of the written briefs submitted and the hearings requested, including MTS internal costs, shall be charged to the Dealer.

22 Review of measures

1. The Dealer may ask for the review of the measures applied pursuant to Article 19.1 within 15 days of the communication of the relevant measure by means petition to the Appeals Board established pursuant to Article 22 below.
2. Applications of the measures referred to in Article 19.1 shall be made public via MTS Client Service Notices after 15 days have elapsed from the communication of the measure to the interested party, without the question being referred to the Appeals Board, or where it has been so referred, after 10 days have elapsed from the communication of the Appeals Board's decision to the parties.

3. At the request of the Dealer or of the relevant authority, the complete text of the measure shall be made public.

23 Appeals Board

1. The Appeals Board shall be composed of three standing members and two substitute members appointed by the Board of Directors of MTS, which shall also appoint one of the members to be the chairman. The seat of the Appeals Board shall be at MTS.
2. The members of the Appeals Board shall be chosen from among independent persons of proven expertise in matters concerning financial markets.
3. The appointment shall be for three years and may be renewed. Where one of the members vacates the position before the termination of the appointment, the Board of Directors of MTS shall appoint a substitute; such appointment shall last until the termination of the appointments of the other members of the Appeals Board.
4. The decisions of the Appeals Board shall be adopted in accordance with law allowing debate within 30 days of the date of the petition for review and shall be promptly notified to the parties. The language of the proceedings shall be the English language.
5. In agreement with the other members of the Appeals Board, the chairman may assign a question to a single member of the Appeals Board.
6. The decisions of the Appeals Board shall not be binding on the parties and where one of the parties initiates arbitration, they shall not be binding on the arbitrators, who shall have the broadest prerogatives and powers to re-examine the entire dispute without any preclusion.
7. The fees of the members of the Appeals Board shall be borne by the losing party.

24 Arbitration

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.
2. 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.

SECTION VIII

FINAL PROVISIONS

25 Liability

1. MTS reserves the right to terminate the Market at any time. MTS shall have no liability (save for a refund of the pro-rata part of any pre-paid fees) to any Dealer in respect of any suspension or termination of the Market.
2. The liability of MTS and of the Dealer respectively, is regulated by the Membership Documentation.

26 Disputes and governing law

1. All Trades executed on the Markets shall be governed by English law and any disputes in connection thereto shall be subject to the exclusive jurisdiction of English Courts except, in both cases, whether the parties have otherwise agreed in advance in accordance with English law. Any choice of foreign law or any foreign competent forum shall be however ineffective to the extent it may cause, either directly or indirectly, the inapplicability of these Regulations or of the General Terms and Conditions.

27 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> .
2. The communication of such amendments will also follow the provision of the General Terms and Conditions.
3. MTS from time to time will communicate to the Dealers information necessary for their trading activity on Market in accordance with the relevant provision of the General Terms and Conditions.



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