

**THE ALTERNATIVE FIXED INCOME MARKET, MARF, REGULATING**

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## THE ALTERNATIVE FIXED INCOME MARKET, MARF, REGULATING

### TITLE I

#### GENERAL PROVISIONS

##### Article 1. Purpose and scope of application

1. The Alternative Fixed Income Market, MARF (Spain's alternative fixed-income market, hereinafter referred to as the "Market" or "MARF") is designed to enable businesses to raise financing on the capital markets by providing them with an organised exchange for the listing and trading of fixed-income marketable securities that are intended for qualified investors and issued by entities whose circumstances call for channels that are distinct from mainstream regulated securities markets.

2. This Rulebook set out the rules on the governing bodies, the functioning – including the conduct of participants – and the supervisory roles of the Market.

##### Article 2. Governing law

1. MARF is a multilateral trading facility. It is subject to prevailing Spanish and European law on securities markets.

2. The Market is governed by the general law, by this Rulebook, and by its own Circulars and Operating Instructions, which set out the rules that apply to Issuers, Registered Advisers, Market Members, Intermediaries (together, the "Market participants" or "participants") and the rest of individuals and entities concerned.

3. Any alteration to this Rulebook is subject to approval by the Comisión Nacional del Mercado de Valores ("CNMV", Spain's securities market regulator) in accordance with the law.

4. The Operating Company (Sociedad Rectora) may make rules that supplement this Rulebook by issuing Circulars. The provisions of Circulars may be implemented by related Operating Instructions. Any such rules will be published and then become mandatory for Market users.

5. Circulars must be notified to the CNMV.

##### Article 3. Governing bodies

1. The Market is operated and managed by Bolsas y Mercados Españoles Renta Fija, S.A.U., ("BME, Renta Fija" or the "Operating Company").

2. The Market has a Managing Director tasked with daily management of the Market and fulfilment of the general guidelines set by the Board of Directors of the Operating Company.

In addition, the Market has a Listings and Suspensions Committee, a Listings Department and a Supervision Department.

3. The Market's Operating Company is supervised by the CNMV. Such supervision extends to Market Members and Intermediaries insofar as they provide investment services.

## TITLE II

### GOVERNING BODIES AND ORGANISATIONAL STRUCTURE OF THE MARKET

#### Article 4. Board of Directors

1. The Board of Directors of the Operating Company is the body in charge of overseeing and managing the Market.

2. The following functions, inter alia, are entrusted to the Board of Directors:

- a) To oversee and manage the Market.
- b) To adopt the Market Rulebook and any later alterations to it.
- c) To issue Circulars to supplement and implement the Market Rulebook.
- d) To set Market fees.
- e) To sign the necessary agreements with central securities depositories and central counterparties and settlement systems which register, clear and settle the securities traded on the Market, to establish the terms and conditions under which such activities take place.
- f) To adopt procedures to settle any disputes and complaints that arise in the Market (between the Operating Company, Members, Issuers and other individuals and entities that interact with the Market).
- g) To establish the measures and procedures required to detect and rectify potential adverse effects on the Market's functioning or on its members caused by any conflict between the interests of the Market, its owners or the Operating Company and requirements for proper functioning of the Market.
- h) To adopt the rules of conduct applicable to the Market.
- i) To adopt the mechanisms and systems to identify and minimise significant risks that could affect the proper functioning of the Market and establish efficient measures to mitigate those risks.
- j) To adopt an annual budget.
- k) To appoint the members of the Listings and Suspensions Committee.
- l) To appoint the Managing Director of the Market.
- m) To appoint the Listings Director of the Market.

- n) To appoint the Supervision Director of the Market.

#### **Article 5. Managing Director**

1. The Managing Director is entrusted with the daily management of the Market and the fulfilment of the general guidelines established by the Board of Directors of the Operating Company.

2. The power to appoint or remove the Managing Director rests with the Board of Directors, and any appointment or removal must be notified to the CNMV.

3. The Managing Director shall:

- a) Organise and coordinate the services of the Market.
- b) Manage and supervise the Market's staff.
- c) Manage the economic regime of the Market.
- d) Coordinate the technical resources available for the proper functioning of the Market.
- e) Channel the relationships and initiatives of the Market with the entities and institutions concerned with its operation.
- f) Evaluate the procedures for the relationship between the Market and Issuers and Registered Advisers and prepare the appropriate proposals for improvement, reconsideration and expansion.
- g) Adopt the Operating Instructions required to further specify and apply Market Circulars.

#### **Article 6. Listings and Suspensions Committee**

1. The Listings and Suspensions Committee is the body in charge of examining securities listing applications and listing suspension proceedings, and supervising Registered Advisers and Market Members.

2. The Listings and Suspensions Committee shall:

- a) Decide on the listing, suspension or delisting of marketable securities in accordance with Market rules.
- b) Admit, suspend and expel Market Members and Intermediaries.
- c) Enter Registered Advisers in the Register and suspend or remove such entries.
- d) Examine proposals submitted to it by Issuers, Registered Advisers, Market Members and Intermediaries.
- e) Examine Market activity over time and submit to the Board of Directors any appropriate proposed improvements.

- f) Analyse and propose to the Board initiatives and services which could help satisfy the demands and requirements of Market Members, Intermediaries, Issuers, Registered Advisers and the rest of individuals and entities concerned.

3. The Listings and Suspensions Committee will be made up of the Chairman and Managing Director of the Operating Company, the Managing Director of Market and other members appointed by the Board of Directors of the Operating Company. The Committee will have at least three and no more than five members.

4. The Listings and Suspensions Committee may issue invitations to attend its meetings to executives and employees of the Operating Company and other companies of the BME Group and to third-party experts. Such invitees will attend as observers who may speak but have no vote.

5. The Listings and Suspensions Committee will be chaired by the Chairman of the Operating Company. One of the Committee members will act as Committee Secretary.

6. The Listings and Suspensions Committee shall be convened by its Chairman, on his/her own initiative, or at the request of the majority of its members. The Committee shall meet with the frequency required for the proper performance of its duties.

#### **Article 7. Listings Department**

1. The Listings Department will be led by a person of recognised ability and experience in the Market and formed by qualified staff with specific knowledge about the Market.

2. The Listings Department shall have the following responsibilities, among others:

- a) Examination, production and analysis of proposals for securities to be listed on the Market, for submission to the Listings and Suspensions Committee for approval.
- b) Application of procedures established in the Market to check compliance with the requirements applicable to securities while they are listed.
- c) Examination, analysis and coordination of applications for registration as a Registered Adviser, for submission to the Listings and Suspensions Committee for approval.
- d) Examination, production and analysis of applications for membership as a Market Member or Intermediary, for submission to the Listings and Suspensions Committee for approval.
- e) Analysis and referral to Managing Director of proposals and initiatives from the issuers of securities listed on the Market and from their Registered Advisers, Members or Intermediaries

#### **Article 8. Supervision Department**

1. The Supervision Department is in charge of inspection and supervision of compliance with the Rulebook and its implementing regulations by Issuers, Registered Advisers, Market Members, Intermediaries and other Market participants.



2. The Board of Directors shall appoint a Supervision Director, who shall see that Market participants comply with the duties and obligations imposed by this Rulebook and its implementing regulations, and that the MARF operates appropriately.
3. The Supervision Department, headed by the Supervision Director, must have the human and technical resources required to carry out the Market supervision duties set out below.
4. The Supervision Department shall perform the following duties:
  - i. As to supervision of Market Members and Intermediaries:
    - a) Check that they are at all times compliant with the requirements of Market Membership or of the status of Intermediary and with the duties and obligations imposed on them by this Rulebook and its implementing regulations.
    - b) Verify that trading on the Market is being carried out in accordance with the applicable rules.
    - c) Supervise and monitor compliance with Market rules.
    - d) Supervise orders issued, including cancellations and transactions undertaken by Members, with the aim of detecting any breach of Market rules, anomalies in trading conditions or indications of conduct prohibited by applicable law, or Market disruption in relation to a listed security.
    - e) Check that Market Members correctly use the technical resources made available to them.
    - f) Create and manage the procedures required for proper accreditation of staff designated by Market Members and Intermediaries to carry out their trades on the Market ("operators"), within the requirements for acquiring Membership or Intermediary status under Article 7(2)(d) of the Rulebook.
    - g) Adopt and implement measures to prevent Market Members and Intermediaries from engaging in behaviour constituting market abuse.
    - h) Temporarily interrupt or suspend the trading of marketable securities in the cases specified in the Securities Market Act, this Rulebook and their respective implementing regulations.
    - i) As a precaution, suspend the activity of operators, Market Members and Intermediaries in the cases set out in this Rulebook and its implementing regulations.
    - j) Revoke an operator's accreditation in the event of breach of Market rules or by reason of his/her no longer being connected with the Market Member or Intermediary who appointed him/her.
    - k) Publish information in relation to trading on the Market in accordance with applicable laws and regulations.

- i) Receive and report any other information that must be provided and made public in accordance with applicable laws and regulations.

ii. In connection with powers to impose sanctions:

- a) Impose on Registered Advisers, Market Members and Intermediaries the sanctions of a written caution and public disclosure.
- b) Submit to the Board of Directors a proposal that other sanctions be imposed under Article 41 of this Rulebook.

### TITLE III

#### MARKET PARTICIPANTS

##### CHAPTER I

#### ISSUERS AND REGISTERED ADVISERS

##### **Article 9. Issuers**

1. Issuers are entities whose securities are listed on the Market or that have filed with the Market a prospectus on securities to be listed, even if no securities have yet been issued on the basis of such prospectus.

2. Applications to have securities listed on the Market may be made by entities who have the legal capacity to do so in accordance with the laws and regulations then prevailing and with Article 23 of this Rulebook.

##### **Article 10. Rights and obligations of Issuers**

1. Issuers may:

- a) Apply to the Market to have their securities listed, provided that they are compliant with the relevant requirements under the respective Circular.
- b) Receive information on the behaviour of prices quoted for their listed securities.
- c) Make use of the operating systems and facilities that the Market makes available to them for the purposes of processing the listing of new issues and communication of public and relevant information.
- d) Apply for delisting of securities listed on MARF before final redemption, provided that legal requirements are satisfied.

2. Issuers must:

- a) Comply with the Market Rulebook and its implementing regulations.

- b) Designate a Registered Adviser affiliated with the Market for each of the issues to be listed on the Market for the purposes of compliance with relevant duties and obligations.
- c) Report to the Market all the information required under this Rulebook and its implementing regulations.
- d) Report relevant information on market abuse in accordance with applicable prevailing laws and regulations.
- e) Providing the Market with the information it requests in the exercise of its duties and powers.

#### **Article 11. Registered Advisers**

1. The status of Registered Adviser may be conferred on a corporation that:

- a) Has the necessary expertise to advise entities that intend to apply for listing of their securities, or already have securities listed on the Market, as to compliance with applicable laws and regulations.
- b) Have qualified staff with at least three years' experience in the matters advised on.
- c) Establish the necessary measures of separation between their activities as Registered Adviser and the remaining activities they perform in securities markets.
- d) Has not been disciplined by the CNMV for breach of its obligations as a MARF Registered Adviser.

2. To be eligible for designation as a Registered Adviser by an Issuer, corporation must be on record in the Register of Registered Advisers of the Market. In turn, to be registered, the entity must comply with the requirements referred to above in accordance with the relevant implementing Circular.

3. The Market shall notify the CNMV of registrations, deletions and modifications of its Registered Advisers.

#### **Article 12. Rights of Registered Advisers**

1. Registered Advisers may:

- a) Be designated as Registered Advisers by any Issuer.
- b) On behalf of Issuers, file papers relating to applications for listings, in accordance with the relevant requirements.
- c) Have access to the technical systems used by the Market to manage new listings and ensure compliance with the duties and obligations arising from securities maintenance in the Market.

- d) Submit to the relevant Market bodies suggestions or complaints about the functioning of the Market and/or the securities traded on it.

### **Article 13. Obligations of Registered Advisers**

1. Registered Advisers must assist Issuers in discharging the obligations attached to their role in the Market and shall see that Issuers comply with their reporting duties facing the Operating Company and investors. Specifically:

i. As a result of listing securities on the Market:

- a) Advise and support the Issuer as to the requirements it must satisfy for its securities to be listed on the Market in accordance with applicable laws and regulations. Such requirements include submission of the necessary documentation, including the listing document to be produced by the company and its representatives, which must contain the required details and the information required by Market rules, and must not mislead investors.
- b) Check that the Issuer is compliant with the listing requirements set out in Market rules.
- c) See that the information reported by the Issuer to the Market is compliant with regulatory requirements and does not omit any relevant facts or mislead investors. To fulfil this role, the Registered Adviser may, if agreed with the Issuer, provide assistance to the Issuer in drafting disclosures, or conduct an independent review of the text of such disclosures.
- d) Report to the Issuer any matter requiring attention that is detected in connection with (b) or (c) above, for consideration and rectification. If a matter requiring attention is not addressed and rectified, the Registered Adviser must report this to the Market.

ii. Once the securities are listed:

- a) Advise and support the Issuer in connection with its regulatory duties and obligations in the following respects:
  - i. information and documents to be submitted to the Market in compliance with the content and timing requirements under applicable laws and regulations.
  - ii. facts or events that might affect fulfilment of the Issuer's obligations as assumed when listing its securities on the Market; the most appropriate way to disclose such facts to the Market; and the options available to the Issuer to prevent or avoid breach of such obligations.
  - iii. exceptional situations that might arise in connection with share price performance, trading volumes and any other important circumstances which may occur during trading of the Issuer's securities.
  - iv. the information which the Issuer must submit to the Market on a scheduled or one-off basis, seeing that the regulatory requirements as to content and timing are fulfilled. For this purpose, the Registered Adviser may, if agreed with the

Issuer, provide assistance to the Issuer in drafting disclosures, or conduct an independent review of the text of such disclosures.

- b) Regularly hold meetings with the Issuer to identify exceptional situations that may arise in the evolution of price, trading volumes and other circumstances relevant to trading the company's securities, and disclose all such to the Market.
- c) Report to the Market any fact that might constitute a breach of any obligation under the law, or an obligation assumed by the Issuer in the course of its listing application, wherever such breach has not been cured by the Issuer.
- d) Manage, reply to and address queries and information requests from the Market to the Registered Adviser as to its duties and obligations.
- e) Check replies drafted by the Issuer in response to queries made by the Market as to the Issuer's state of affairs, business performance, extent of compliance with obligations, and any other information the Market believes to be relevant.

2. As a rule, for the performance of the duties and obligations referred to above, the Registered Adviser must sign the statements that the Market requires under its rules in a general sense on the occasion of the registration of the Registered Adviser or of regulatory changes applicable to its status.

3. Registered Advisers must enter into, with the Issuers that appoint them for providing their services, a written contract specifying at least the rights and obligations of each of the parties for the purposes of discharging the duties that the Registered Advisers and the Issuers each assume facing the Market.

## CHAPTER II

### MARKET MEMBERS AND INTERMEDIARIES

#### Article 14. Market Members

1. Entities are eligible for Market Member status when they meet the technical and personal eligibility standards required by the Market and also qualify as:

- a) Investment service companies authorised in Spain to execute orders on behalf of clients or trade on their proprietary account;
- b) credit institutions authorised in Spain;
- c) Investment service companies and credit institutions authorised in other member States of the European Union which are authorised to execute orders on behalf of clients or to trade on their proprietary account;
- d) Investment service companies and credit institutions authorised in a state that is not a member of the European Union, insofar as they meet applicable legal requirements to operate in Spain, and provided the authorisation granted by the competent authorities of their country of origin entitles them to execute orders on behalf of clients or to trade

on their proprietary account, and provided also the Spanish Securities Market Regulator (Comisión Nacional del Mercado de Valores, CNMV) has not refused or conditioned their access to the Market; and

- e) Public bodies and government agencies, acting through the Directorate General for the Treasury and Financial Policy, the General Treasury of the Social Security and the central bank of Spain (Banco de España).

2. Also eligible for Market Member status are any other entities which, in accordance with applicable law, and which the Board of Directors of the Operating Company believes to be suitable, possess sufficient expertise, competence and experience when it comes to trading, have a suitable organisational structure in place and have sufficient resources for the function they are to carry out.

3. The Market shall notify the CNMV of any Members which join, undergo changes or leave.

4. To qualify as a Market Member, interested entities should first state their desire to become one and then sign the relevant contract with the Market's Governing Company. Entities that acquire Member status shall be recorded in a register that the Market keeps.

#### **Article 15. Rights of Members**

1. Market Members are entitled to participate in the Market and carry out the trades on it that they are authorised to perform, in accordance with their specific status and on the basis of their trading capacity.

2. All Market Members have identical rights to receive information on Market activity and access the Market's various resources and use its services.

#### **Article 16. Obligations of Members**

1. Market Members must at all times meet the requirements set out in the Securities Market Act on the basis of their status and act in that Market in accordance with the rules contained in this Rulebook and any other provisions that apply to them.

2. At all events, Members are subject to the following obligations:

- a) Complying with this Rulebook, Circulars and other implementing rules that apply to the Market.
- b) Respecting rules of conduct in force in the Spanish Securities Market and the rules of conduct set by the Operating Company, especially any in relation to market abuse;
- c) Informing the Operating Company of any modifications or supervening circumstances that may affect the due compliance with their obligations as Members;
- d) Performing trades in accordance with the rules of the Market and paying the fees that, fixed in the general fee schedule, apply to the trading that they carry out on the Market, and any other financial obligations arising from their membership of the Market, even after ceasing to be, for any reason, a Market Member;

- e) Providing the technical and personal resources established in Circulars;
- f) Fulfilling and adapting to trading procedures established by the Market and settlement and registration procedures established by the central security depositories in which any Market transactions are settled in relation to the securities listed for trading on it;
- g) Using the technical resources at their disposal in accordance with the rules and principles established by the governing bodies of the Market;
- h) Complying with the decisions taken by the Market Operating Company;
- i) Informing the Market of any incidents that arise in relation to the settlement of transactions undertaken and that they or their settling entities have reported to the settlement system in question;
- j) Assume responsibility for executing the orders that they or the Intermediaries, acting on their behalf, have issued on the Market;
- k) Submitting any disputes they may have with the Market in accordance with the rules on settling disputes and complaints established in this Rulebook and implementing rules; and
- l) Providing the Market with the information it requests to perform their responsibilities and duties.

#### **Article 17. Intermediaries**

1. Market Members can act using their own resources or accessing those provided by the Intermediaries. Intermediaries are entities that can issue orders in the Market's trading facilities on behalf of Market Members and, provided they are authorised to provide professional investment services to third parties, in relation to financial instruments in accordance with legislation in force.

2. Any entities that, in compliance with the Market's technical and personal requirements, fulfil any of the conditions envisaged herein to acquire Member status, are eligible to acquire Intermediary status.

3. To qualify as an Intermediary, interested entities should first state their desire to become one and then sign the relevant contract with the Market's Operating Company. Entities that acquire Intermediary status shall be recorded in a register that the Market keeps.

#### **Article 18. Rights of Intermediaries**

1. Intermediaries are entitled to participate in the Market and place orders on behalf of Market Members.

2. Intermediaries have identical rights to receive information on Market activity and access the Market's various resources and use its services.

#### **Article 19. Obligations of Intermediaries**

1. Intermediaries must at all times meet the requirements set out in the Securities Market Act

on the basis of their operating capacity and act in that Market in accordance with the rules contained in this Rulebook and any other provisions that apply to them.

2. At all events, Intermediaries are subject to the following obligations:

- a) Complying with this Rulebook, Circulars and other implementing rules that apply to the Market;
- b) Respecting rules of conduct in force in the Spanish Securities Market and the rules of conduct set by the Operating Company, especially any in relation to market abuse;
- c) Informing the Governing Company of any modifications or supervening circumstances that may affect the due compliance with their obligations as Intermediaries;
- d) Placing orders in accordance with the rules of the Market and paying the fees that, fixed in the general fee schedule, apply to them, and any other financial obligations arising from their Intermediary status, even after ceasing to be, for any reason, an Intermediary;
- e) Providing the technical and personal resources established in Circulars;
- f) Complying with and adapting to the trading procedures established by the Market;
- g) Using the technical resources at their disposal in accordance with the rules and principles established by the governing bodies of the Market;
- h) Complying with the decisions taken by the Market bodies;
- i) Subjecting any disputes with the Market to the rules on settling disputes established in this Rulebook and implementing rules; and
- j) Providing the Market with the information it requests to perform their responsibilities and duties.

#### **Article 20. Acquisition and loss of Member or Intermediary status**

1. Market Member and Intermediary applications shall be approved by the Operating Company. To qualify as such, interested entities must first send an application to the Operating Company stating their desire to become a Market Member or Intermediary in accordance with their operating capacity, and then sign the relevant contract with the Operating Company.

2. The information and documentation required under the relevant Circular must be attached to this contract, and in any case proof that the entity in question qualifies as any of the entities specified in section 14 of this Rulebook must be enclosed at all times.

3. In the aforementioned contract, the Member must specify the entity that will be responsible for settling the transactions undertaken in the Market (the Member must have signed the necessary settlement contract with the aforementioned entity).

4. If the applicant requesting Member status holds the status of settlement participant in a central securities depository system in which transactions in relation to securities listed for trading in the Market are settled, it must state this in the aforementioned contract.

5. The reasons for rejection of Member or Intermediary status must be set out in writing, stating



why the applicant has not provided proof of being able to comply with the obligations established in this Rulebook and implementing rules.

6. Member or Intermediary status can be lost:

- a) By resignation: Members or Intermediaries that wish to resign as such must expressly state this wish in an application sent to the Operating Company;
- b) Declaration of default, in the terms established herein;
- c) Due to supervening situations affecting Member and Intermediary status; or
- d) Due to the repeated failure of the technical resources that the Member or Intermediary uses to trade on the Market, and the repeated incorrect use by the Member or Intermediary of the technical resources that the Market places at their disposal for said trading and to receive any information required.

7. The following shall be deemed to be supervening situations affecting Member or Intermediary status:

- a) Loss, arising from the application of the pertinent administrative procedure by the relevant supervisory authority, of the status that was originally granted to the Member or Intermediary.
- b) The initiation of insolvency proceedings, or the intervention of the Member or Intermediary; the adoption of a universal measure by a legal or administrative authority, which entails the settlement or streamlining of the Member or Intermediary or a branch of its activities or its parent company; or the implementation of other decisions or situations, the effect or significance of which is similar to the above.

8. The Operating Company will keep an up-to-date list of Members and Intermediaries on its website.

#### **Article 21. Minimum content of agreement between the Market and its Members and Intermediaries**

1. The contents of the contract between the Market and Market Members or Intermediaries must be approved through a Circular and include the following at least:

- a) The Member and Intermediary's right to act as such in the Market, in accordance with this Rulebook, the Circulars and the Operating Instructions;
- b) Awareness and acceptance of the Rulebook, Circulars and Operating Instructions, in relation to the Market's own regulations, as well as their application where not expressly set out in the agreement;
- c) The obligation to report, immediately and in writing, to the Market any material amendment to its articles of association, its nature or legal structure or its financial position and, especially, any circumstances affecting the conditions to be Member or Intermediary;
- d) The acceptance of trading and settlement procedures established by the Market for the securities listed for trading on it;
- e) The availability of the technical resources needed to use the Market's trading facilities, maintaining the operational and technical relationships that are necessary

- with the facilities for the settlement and registration of the trades executed on the Market and for securities listed for trading on it;
- f) Acceptance of the supervisory functions performed by the Market, accepting and adopting the procedures the Market agrees and implements for that purpose, abiding by the decisions that the Market makes in such procedures; and
  - g) Referral to arbitration in accordance with this Rulebook.

## TITLE IV

### LISTING, REPORTING, SUSPENSION, INTERRUPTION AND DELISTING OF SECURITIES

#### Article 22. Marketable securities on the Market

1. Applications may be made for listings on the Market for:
  - a) Fixed-income securities, such as promissory notes, bonds and debentures or other securities that recognise or create debt.
  - b) Participation securities, other than shares or marketable securities equivalent to shares.
  - c) Securities issued by securitisation funds.
2. The following are requirements of listing: the securities must be compliant with the requirements of this Rulebook, Market Circulars and Operating Instructions, and must not be traded or listed on any of the markets or multilateral trading facilities managed by companies of the Bolsas y Mercados Españoles Group.
3. Securities traded on the Market will be signified by electronic book entries. This will not require any change in their initial form, and, therefore, will be independent of the fact that in accordance with the respective laws and regulations of origin they might take the form of certificates or dematerialised securities.

#### Article 23. Listing of marketable securities on the Market

1. A listing of securities on the Market may be requested by the Issuer, by Market Members or by a third party.
2. If the application for listing is made by the Issuer, the Issuer must appoint a Registered Adviser registered with the Market.
3. Resolutions to list securities on the Market will be adopted by the Listings and Suspensions Committee and notified to the CNMV.

#### Article 24. Register of supporting documents for listed securities

1. The Market will keep a register containing the documents providing legally valid evidence in

respect of each Issuer, each issue, and the listed securities within each issue. The register will contain the documents for the identification for legal purposes of each Issuer and the specific documents describing the nature, economic and financial characteristics and holders' rights and obligations in respect of the securities and issues entered in the register.

2. Issuers are under an obligation to report to the Market any change to listed issues, in accordance with the procedure and requirements prescribed in a Circular issued by the Board of Directors of the Operating Company of the Market.

#### **Article 25. Documents required for the listing of securities on the Market**

1. The documentation required for listing securities on the Market will be specified in a Circular. Any entity desiring to become an Issuer must submit to the Market or properly explain at least the following:

- a) The incorporation, continuing existence and non-dissolution of the Issuer;
- b) if the Issuer is under a duty to release financial statements, those statements: under the International Financial Reporting Standards (IFRS), or the national accounting standards of the European Economic Area or US GAAP. Such statements must have been properly audited, on the terms and subject to the exceptions set out in this connection in the relevant Circular;
- c) an informational document on the listing, which must include a description of the type and nature of the Issuer's activities;
- d) if requested by the Issuer or investors involved in the issue, a credit risk assessment or solvency report issued by an entity registered and certified by ESMA.

2. The Board of Directors of the Operating Company may, if warranted by experience or circumstances, require that on the occasion of its listing on the Market an issue of securities be supported by an assessment report produced by a reputable independent expert, as to price, profitability or interest rate. In addition, having regard to trading frequency and volume, the Board may prescribe a schedule of assessments that may be required on the above matters in respect of issues listed on the Market.

3. The prospectus and the financial statements submitted by the Issuer will be made available to the public through the Market's media of communication.

#### **Article 26. Reporting by Issuers**

1. An Issuer is under a duty to disclose to the Market, for publication and broadcast, any relevant information, defined as any disclosure required by applicable prevailing laws and regulations.

2. As to securities that are already listed, the Market will publish the information reported by Issuers by means of its own media of communication or through use of other media allowing access to such information. For these purposes, the Market shall develop the procedures and methods for the disclosure of the relevant information forming the subject matter of this article.

3. For these purposes, the Market shall keep a public information register on Issuers and their marketable securities, whether such information is submitted by the Issuers themselves or

comes from other qualified sources.

4. In accordance with prevailing laws and regulations, any liability arising from the production of the disclosures referred to in this article rests with the Issuer and its directors. The Market will not run any check or verification on such information ex ante or ex post publication or communication to the parties concerned.

#### **Article 27. Suspension of trading**

1. Without prejudice to any decision of the CNMV in this respect, the Listings and Suspensions Committee or, in emergencies, the Supervision Department, may on a temporary basis suspend trading in marketable securities that are no longer compliant with Market rules, unless such decision might seriously harm the interests of investors or the orderly functioning of the market. Under all circumstances, this decision shall be reported immediately to the CNMV and made public. Likewise, the lifting of the suspension must be reported immediately to the CNMV, and made public.

2. Moreover, the Listings and Suspensions Committee or, in emergencies, the Supervision Department, may suspend trading in securities listed on the Market if such securities have been suspended on other regulated markets or multilateral trading facilities on which they are listed or admitted to trading and the circumstances of the time warrant such suspension.

3. In addition, the Listings and Suspensions Committee will suspend the trading of securities listed for trading on the Market when ordered by the CNMV.

4. Trading in the securities may also be suspended if requested by the Issuer.

#### **Article 28. Interruption of trading**

In cases of emergency and for technical reasons, the Supervisory Department may interrupt the trading of marketable securities, immediately reporting this decision to the Listings and Suspensions Committee and the CNMV.

#### **Article 29. Delisting of marketable securities**

1. Without prejudice to any decisions that the CNMV may adopt in this regard, securities may be delisted from the Market if the Listings and Suspensions Committee decides to do so for one of the following reasons:

- a) At the request of the Issuer, if relevant regulatory requirements are satisfied.
- b) The Issuer fails to comply with the conditions required of it to qualify as an issuer of securities on the Market.
- c) Failure by the Issuer to comply with the requirements or conditions for listing of its marketable securities.
- d) Serious and repeated breach of the obligations of the Issuer.
- e) The Issuer is in liquidation under the Spanish Insolvency Act (*Ley Concursal*) or at the stage of winding-up under the Spanish Companies Act (*Ley de Sociedades de Capital*).

2. Furthermore, the Board of Directors of the Operating Company may delist securities from the Market if they are delisted from other regulated markets or multilateral trading facilities and if warranted by the circumstances.
3. If the request to delist securities originates with the Issuer, the Issuer must submit a written request signed by a person having sufficient authority and clearly stating:
  - a) The company details of the Issuer.
  - b) The details of the issue to be delisted.
  - c) The intended date of delisting.
4. This written notice must be supported by documents proving that the holders of securities have consented to the delisting request.
5. En aquellos casos en los que la Comité de Incorporaciones y Suspensiones del Mercado acuerde la exclusión de los valores por la inobservancia o incumplimiento de las obligaciones derivadas de su incorporación al Mercado, las decisiones se tomarán previa audiencia de la correspondiente Entidad Emisora.
6. Any decision to delist securities must be notified to the CNMV, which must be informed immediately of any decision made by the Market in this respect. Such decisions must be made public.
7. In addition, the Operating Company will delist securities upon demand by the CNMV on statutory grounds.

## TITLE V

### TRADING

#### Article 30. General principles

1. Trading within the Market will be subject to applicable law.
2. Trading in securities listed on the Market is reserved for Members and Intermediaries, who must comply with the procedures laid down for this purpose, and use the methods established by the Market in general terms.
3. Members and Intermediaries may place orders in the Market systems, according to each one's legally recognised operating capacity, and shall be, in all cases, responsible for the orders that they place.
4. An order shall be deemed to be each position entered by Members and Intermediaries, indicating, inter alia, the security to be traded, buyer or seller status, quantity and price, by way of the instruments and technical resources that the Member and Intermediary uses for trading on the Market.

5. The Market will accept and process orders which, placed using the technical resources registered for each Member or Intermediary, comply with the provisions of this Rulebook and other applicable law.
6. The Market Member will assume full and exclusive responsibility for executing the orders that they or an Intermediary, acting on their behalf, have placed on the Market.
7. The Operating Company shall specify the trading rules applicable in the Market, in accordance with the provisions established herein, through Circulars.

### **Article 31. Trading facilities**

1. The Market has two trading facilities:
  - a) An order book trading facility with two trading methods: multilateral and bilateral.
  - b) A trading facility based on requests for quotations.
2. Securities will be traded in the Market online, in accordance with the rules of each trading facility.
3. Security trading in the order book trading facility is subject to the following criteria:
  - a) All orders are entered in the Market in a single order book, from which the orders are channelled sequentially;
  - b) Orders, changes and cancellations will be valid once the Market has expressly accepted them;
  - c) All orders entered in the Market are arranged in order of best price and also on a first-in basis, with different quantities aggregated at equal prices;
  - d) Orders are executed in the Market at best price, or, in the case of matching prices, on a first-in-time basis; and
  - e) Orders are executed in the Market automatically.
2. The trading system with request for quote allows Market Members, and Intermediaries on behalf of Members, to request quotes from one or more other Market members in relation to the securities listed for trading on the Market. Requests for quotes, changes and cancellations will be valid once the Market has expressly accepted them.
3. The Operating Company shall implement the trading rules stipulated in this Rulebook, applicable to each trading system, through Circulars.

### **Article 32 - Market making**

1. The Operating Company will use Circulars to regulate the contents of market-making agreements which must be signed by Market Members pursuing a market-making strategy, as defined in the regulations applicable.
2. When the nature of the securities listed for trading so indicates, the Operating Company can draw up a market making plan to encourage the trading liquidity of Market Members.

### **Article 33. Technical resources for trade execution**

1. The Operating Company shall establish the technical resources that Members and Intermediaries should have at their disposal for trade execution and may provide them for Members.
2. The Market trading systems shall use appropriate technological resources to ensure satisfactory price setting, order execution and the necessary publication of information related to trading.
3. To that end, Members and Intermediaries must have the resources required to enable them to utilise the trading systems of the Market and must have the necessary operating and technical links with the settlement and registration systems for trades that they perform and for securities listed for trading on the Market. These resources must be appropriate to their trading volume and as required to ensure the transparency, integrity and supervision of their trading activity on the Market.

## TITLE VI

### DISCLOSURES

#### **Article 34. General principles**

1. Disclosures in relation to trades carried out in the Market will be stipulated in a Circular which may include different systems depending on the type of trade concerned, and the existence of any market making and counterparty agreements that the Market Members have assumed.
2. Members will be informed of the trades they have performed through the Market's technical applications, being given all of the necessary information in accordance with this Rulebook and in the relevant Circulars.
3. Any important information about the financial instruments listed for trading that the Market comes to know will be published using the Market's technical resources.

#### **Article 35. Transparency obligations prior to trading**

1. The Market will publish the buying and selling prices and the size of trading positions at those prices in accordance with the regulations that apply to each of the trading systems in the terms envisaged in the Circulars that implement this Rulebook.
2. In addition, the Operating Company may apply any exemptions from the obligation to publish pre-trading information that have been authorised by the Spanish National Securities Commission.
3. The Market shall provide this information through its own resources or may make arrangements to allow access to this information, establishing, in that event, reasonable and non-discriminatory financial terms and conditions in accordance with applicable regulations. Nonetheless, once the information has been published and after the time limit established in applicable law has lapsed, the aforementioned information will be available to the general public free of charge.

#### **Article 36. Disclosure to Members and Intermediaries on trades actually carried out**

1. Members and Intermediaries, whatever the capacity in which they participate in the Market, will have access to information on all trades that they have performed in each Market trading session.

2. That information provided to Members or Intermediaries will include, at least:

- a) The price at which each of the cross-trades on the Market was concluded.
- b) Trading volume involved in each cross-trade;
- c) Date and time each trade was crossed; and
- d) Any other information that may be relevant for trading on the Market.

#### **Article 37. Transparency obligations after trading**

1. As close as technically possible to real time, the Market will publish the price, volume and time of trades performed in it. The Market can defer the publication of such trades depending on the volume and type of trade, when authorised by the CNMV.

2. The Market shall provide this information through its own resources or may make arrangements to allow access to this information, establishing, in that event, commercially reasonable financial terms and conditions. Nonetheless, once the information has been published and after the time limit established in applicable law has lapsed, the aforementioned information will be available to the general public free of charge.

### **TITLE VII**

#### **SECURITIES SETTLEMENT AND REGISTRATION**

##### **Article 38. Settlement of trades**

1. The Market will generate the settlement instructions for the trades performed under the multilateral trading option of its order book trading system on securities registered in a central securities depository (CSD) with which the Market or Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“Iberclear”) has signed an agreement, notifying the relevant CSD for settlement, either directly or through Iberclear.

2. As regards the other trades, regardless of the trading system or method in MARF where they were performed, the Market Members will notify their settling entities of them, providing all of the necessary information so that they can generate the settlement instructions and notify the relevant central depository. In such cases, the Members undertake to report any settlement incidents regarding those trades to the Market.

### **TITLE VIII**

#### **MARKET SUPERVISION**

##### **Article 39. General principles**

1. For the proper monitoring and oversight of activities in the Market, Registered Advisers, Members and Intermediaries are under a duty to report to the Market any indication or fact that does or might affect their status as Registered Adviser, Member or Intermediary or the requirements of acquisition of that status, such that there might arise a breach of Market rules or of any applicable laws and regulations on the prevention of market abuse.

2. In addition, any measures that the Board of Directors of the Market considers necessary to detect any conduct that could constitute market abuse will be included in the Market's internal



procedures.

3. If the Market Supervision Department has consistent indicators or receives information from third parties that indicates a possible default on market abuse regulations committed by the Market participants, it will report this to the CNMV and any other supervisor with powers in that area. For any other breach situations, if following an analysis it is considered that a default on regulations has been committed, the relevant supervision procedure will be commenced, to guarantee:

- a) That the affected entity is informed of all of the circumstances that are considered to possibly constitute a breach;
- b) That the affected entity can present allegations, granting reasonable periods, depending on the type of breach, to rectify, if possible, the actions that the Market Supervision Department considers constitute a breach; and
- c) That the actions that may be considered in violation are assessed, taking into account the relevance and any consequences that such actions may have for the Market, with a view to imposing disciplinary measures.

4. Supervision procedures and actions will be detailed in a Circular.

5. The Operating Company will regularly update the internal supervision systems and procedures, as well as the communication procedures established with the CNMV. These procedures their updates shall be forwarded to the CNMV.

#### **Article 40. Breach by Market Members or Intermediaries and disciplinary measures**

1. The following are causes for a breach by a Member or an Intermediary or the operators that they appoint to act in the Market, which will lead to the disciplinary measures envisaged in this article:

- a) Breach of the obligations specified in this Rulebook, Circulars and other Market regulations.
- b) Where a Member or Intermediary, in a branch of its activities, or its parent company, commits a breach of its obligations in another market or settlement system, which could amount to a risk regarding its activities in the Market.
- c) Failure to comply with the code of conduct applicable to Market Members or to Intermediaries, in accordance with applicable law.

2. Once any of the above defaults is detected, the Supervision Department can apply any of the following measures to the entity or operator in default:

- a) A written warning aimed at prompting corrective action to remedy the non-compliance;
- b) A public notice issued by the Market through its information distribution channels, disclosing the existence of the breach;
- c) Precautionary suspension of the entity or operator's activities;
- d) Referral to the Board of Directors, for approval, of the proposal to take away the entity or operator's status to act as such.

3. All of the above measures, once adopted, shall immediately be reported to the CNMV.

#### **Article 41. Breach by Registered Advisers and disciplinary measures**

1. The following constitute situations of breach by a Registered Adviser:

- a) Breach of the requirements of preserving the status of Registered Adviser; and,
- b) Breach of obligations under this Rulebook and implementing Circulars.

2. If a Registered Adviser is in breach of its obligations, the competent bodies of the Market may adopt any of the following measures:

- a) A written warning aimed at prompting corrective action to remedy the non-compliance;
- b) The suspension of the possibility of being appointed a Registered Adviser by new issuers. This measure shall not affect the previous appointments effected, such that it can continue acting as a Registered Adviser in relation to such issuance; or,
- c) The de-registration of the entity from the Register of Registered Advisers.

3. The measure referred to in (a) above may be adopted by the Supervision Director.

The remaining measures shall be decided on by the Board of Directors of the Operating Company, based on a prior report by the Listings and Suspensions Committee and after hearing the party concerned. The meetings of the Board of Directors of the Operating Company in which the imposition of a sanction is to be proposed will be attended by the Supervision Director.

4. The CNMV shall be immediately informed of all measures adopted and, in the cases of decisions adopted by the Supervision Director and the Listings and Suspensions Committee, the Board of Directors of the Operating Company shall be informed.

### **TITLE IX**

#### **DISPUTE RESOLUTION AND REFERRAL TO ARBITRATION**

##### **Article 42. Complaints filed by Members and Intermediaries**

1. In the event that a Member wishes to lodge a complaint against the Operating Company, it shall submit it, in writing, to the Supervision Department, describing the complaint, and the facts on which it is based, in detail.

2. If the Member or Intermediary disagrees with the decision taken by the Supervision Department, it may begin arbitration proceedings as provided for in this Rulebook, within thirty (30) calendar days counting from notice of the Supervision Department's decision.

##### **Article 43. Referral to arbitration**

1. The very fact of stating their wish to qualify as and keep the status of Members and Intermediaries and trade on the Market, Members and Intermediaries undertake, waiving any other jurisdiction that applies, to submit any disputes that arise in relation to their trading activities on the Market to arbitration at law, which will be subject to arbitration legislation in force, and to accept, comply with and enforce, where applicable, the rulings passed.

2. An arbitrator shall be appointed by common agreement between the two parties and, if this is not possible, each one of the parties shall appoint an arbitrator and these arbitrators, in turn, shall appoint a third party, which shall act as Chair. In the event that one of the parties does not designate an arbitrator within fifteen (15) calendar days following the Governing Company's notice of the initiation of arbitration proceedings, the arbitrator appointed by the party which has done so shall be deemed to be accepted as the arbitrator by the party which has failed to designate its own, and therefore arbitration shall be conducted by a single arbitrator. Notification of the appointment shall be made, by a means which allows its receipt by the arbitrator or arbitrators to be verified, for its acceptance. If the arbitrator or arbitrators should not have accepted in writing, addressed to the party which appointed them, within fifteen (15) calendar days counting from the day following notice thereof, they shall be deemed not to accept the appointment. Therefore, in the event that any of the parties having appointed an arbitrator who has not accepted his/her appointment, the relevant parties shall have a final fifteen (15)-calendar day period to appoint a new arbitrator. Once the arbitrator or arbitrators have accepted the appointments, they shall have a period of thirty (30) calendar days to issue their arbitration award.

3. The arbitration proceedings shall take place in Madrid and in Spanish, and the parties expressly undertake to abide by the arbitration ruling passed. Each party shall bear its own expenses, and the fees and costs of the arbitrator shall be shared in halves, unless the award stipulates otherwise.

4. For all questions which, for legal reasons, cannot be submitted to arbitration, or, where applicable, for the legal formalisation of the arbitration, the parties, renouncing all other rights to which they may be entitled, submit themselves to the courts and tribunals of the city of Madrid. The Operating Company shall keep an orderly record of complaints received, including information on: the name of the Member or Intermediary filing the complaint; a description of the nature of the complaint; the progress thereof, and the date on which the complaint was resolved.

#### **FINAL PROVISION. ENTRY INTO FORCE**

This Rulebook shall enter into force on May 31, 2018.