

NOTICE 39/18

Date: 6 November 2018

Subject: **AMENDMENT in the email address**
Incentive Schemes xRolling FX

Note: xRolling FX contracts are pending regulatory approval. MEFF and BME CLEARING estimate that the starting trade date of these contracts would be on April 5, 2019 at 00:00 CET.

1. INCENTIVE SCHEMES xRolling FX

- **Incentive for the “first in xRolling FX”.** An incentive is awarded to the first Members with technical ability to trade and clear the xRolling FX contracts since go-live date on 5 April, 2019 at 00:00 CET and that comply with certain conditions and requisites that will be explained below.
- **Incentive Scheme for Liquidity Providers that** comply with certain quoting conditions such as price, volume and market presence.

2. INCENTIVE SCHEME for the “First in xRolling FX”

This scheme has been designed as an incentive to be ready the first trading day of the xRolling FX contracts.

The System will reward the first Members, under the below mentioned categories, with technical ability to trade and clear these contracts from the go-live date and that comply with certain conditions and requisites established in the Merit System (Annex 1) depending on the Member's category.

A. Categories of Members

- a) **General Clearing Member:** a GCM which, on 5 April 2019, clears at least two Non Clearing Members that are actively trading, according to section B (a).
- b) **Individual Clearing Member or Member:** any Member with technical ability to trade xRolling FX from go-live date, complying with the requisites established in section B (b).

B). Incentives: amounts and requisites

a) General Clearing Member: 100,000€, out of which:

- 75% will be paid in cash 45 days after the go-live date, provided that during that period of time, the following conditions are met:
 - Act as a General Clearing Member of, at least, two Member that trade actively in the xRolling FX contracts and

- Clear, at least, 200 xRolling FX trades of each Member or 500 trades as the addition of two Members.
- 25% will be paid in cash 3 months after the payment indicated in the previous point, provided that during those 3 months the General Clearing Member has cleared, at least, 1,000 trades in xRolling FX contracts.

b) Individual Clearing Member or Member

- 30,000€ to be paid in cash 45 days after the go-live date provided that during that period of time it trades, at least, 500 trades of xRolling FX contracts.
- On top of the above, for Members acting as Liquidity Providers, 70,000€ will be paid in cash additionally if, during the 3 months following the go-live date, the Member complies with the conditions established in the Liquidity Providers Incentive Scheme and it commits to such Scheme during 18 months following the go-live date.

C. Number of Members per category admitted in the Incentive Scheme or Maximum Incentive:

- a) General Clearing Member: only one Member will be admitted in this Scheme
- b) Individual Clearing Member or Member: A maximum of three Members will be admitted provided they request to participate and comply with the conditions established in section B (b).

Incentive for Members that also comply as Liquidity Providers, will admit a maximum of two Members that will be paid 70,000€ each additionally.

D. Application forms and designation procedures:

Members willing to participate in the Incentive Scheme must send the Application Form Request (Annex 3) duly completed to the following email address info.xrolling@grupobme.es bmefx@grupobme.es. The application period starts on 7 November 2018 at 08:00 CET and will finish on 18 November 2018 at 20:00 CET.

Any current Member of MEFF or BME CLEARING, as applicable, will be entitled to apply. Any other Entity that does not currently hold a membership but has declared in writing its commitment to become a Member of MEFF or BME CLEARING and which is also taking the necessary steps to comply with the mandatory conformance tests and short codes information processing via SFTP, no later than 31 January 2019.

Once the application period finalizes, compliance with the requisites according to the Merit Matrix established in Annex 1 will be validated and the procedure established in Annex 2 for the designation and communication to participating Members will be followed

The Incentives will be paid on the condition that the designated Members comply with the requisites established to participate in the Incentive Scheme in the moment of the payment and, as applicable, in the required periods.

If it is detected that any participant in this Incentive Scheme acts or has acted irregularly, trying to take advantage of these conditions without fulfilling the objective thereof, the Member would lose the option to gain the incentive and, if it had already been paid, it will be required to return it within one month from the time of the requirement, which will be done by e-mail.

3. INCENTIVE SCHEME FOR THE LIQUIDITY PROVIDERS

Members considered by MEFF as Liquidity Providers, according to MEFF Circular regarding such status, will be entitled to this Scheme.

Minimum quoting conditions, minimum volume, maximum spreads expected to be applied to xRolling FX contracts are shown in Annex 4. Final official conditions will be published in an Operating Instruction.

Benefits for Liquidity Providers

- A rebate of 125% of the Proprietary Account fee paid to MEFF (trading) and to BME CLEARING (clearing).
- A rebate of 100% of the Proprietary Account fee paid to BME CLEARING as daily roll over fee/ daily maturity deferral fee.

MEFF Market Surveillance department will control on a monthly basis the performance of the Liquidity Providers according to the relevant Circular. Such control will be based on one observation every 5 seconds. If, during the control month, the Provider quotes in compliance with the requirements of Annex 4 of this Notice, it will be considered as a Liquidity Provider.

Annex I

Merit System for Members selection

General Clearing Member

In the following order, the fulfillment of the criteria defined below will be validated and the list of candidate members will be drawn up according to their degree of compliance according to that order of importance:

- 1) Clearing Member with the ability to clear Members that have requested their participation in this Incentive Scheme.
- 2) At least one of the two Members that it clears have requested its participation as a Liquidity Provider Member.
- 3) In the event of equality of compliance, the number of Members that it clears in the xRolling FX contract will prevail.
- 4) General Clearing Member in the Financial Derivatives Segment.
- 5) Experienced clearing other members.
- 6) Time of receipt of the application (time stamp of the email in BME).

Member

In the following order, the fulfillment of the criteria defined below will be validated and the list of candidate members will be drawn up according to their degree of compliance according to that order of importance:

- 1) Experienced in FX products.
- 2) Experience in the management and control of client orders in MEFF.
- 3) Time of receipt of the application (time stamp of the email in BME).

Liquidity Provider Member

In the following order, the fulfillment of the criteria defined below will be validated and the list of candidate members will be drawn up according to their degree of compliance according to that order of importance:

- 1) Experience in FX products.
- 2) Proven experience as Market Maker or Liquidity Provider in Futures IBEX 35 and/or Futures Mini IBEX 35.
- 3) Number of Regulated markets where it is a recognized Market Maker or Liquidity Provider.
- 4) Time of receipt of the application (time stamp of the email in BME).

Annex II

Procedure of Designation of Participating Members in the Incentive Scheme "First in xRolling FX" and resolution criteria

Once the deadline for submitting applications has been closed, each one of them will be validated according to the criteria established in the merit system, taking into account their order of importance (Annex 1) for the selection of the Members that participate in the Incentive Scheme in each category and a list of them will be produced taking into account, where appropriate, its degree of fulfillment.

Once the participating Members of the Incentive Scheme have been selected, Members who have submitted applications will be notified, no later than 22 November, about the following:

- To the General Clearing Member, its selection as a participant in the Incentive Scheme. If there is more than one application, the rest of the applicant General Clearing Members will be informed about the position in the list of each one of them after the validation of the criteria established in the merit system.

If the selected Members not ready to clear the Members on the go-live date , or does not subsequently comply with the criteria set forth in section 2.B.a) of the notice, the incentive will be awarded and communicated to the next Clearing Member in the list that meets the required conditions.

- Members that have submitted their request will be informed of the total number of selected Members and the minimum amount that they can receive as an incentive if they meet the conditions indicated in section 2.B.b).

If on go-live date any of the selected Members was not ready to trade the product or did not subsequently comply with the criteria set forth in section 2.Bb) of the notice, the rest of the selected members will be notified about the final amount of the incentive that corresponds to them.

- The two Members that also comply as Liquidity Providers, will be notified of their selection as participants in the Incentive Scheme. If there are more than two requests, the rest of the applicant Members will be informed about the position in the list of each one of them after the validation of the criteria established in the merit matrix.

If the event that any of the two Members selected as a participant is not ready to be Liquidity Provider on the go-live date of the xRolling FX contracts, or does not subsequently comply with the criteria set forth in section 2.B.b) of the notice, the incentive will be awarded and communicated to the next Member in the list that meets the required conditions.

Annex III Application Form for Participation

The Member [Legal Name]¹

(Hereinafter, the Member)

EXPOSES

- I. That is a member [Member category] in [MEFF / BME CLEARING]².
- II. That it request to participate in the Incentive Scheme Program for the xRolling FX contracts that are listed below:

Incentive Scheme	
Incentives to “ <i>firstin xRolling FX</i> ”	<input type="checkbox"/>
Incentives Scheme for Liquidity Providers	<input type="checkbox"/>

DECLARES:

1. That it knows and accepts the requisites required to participate in the Incentives Scheme.
2. That it knows and accepts the terms and conditions required to be designated as a participant member in the selected Incentives Scheme and receive the amount corresponding to such Scheme.
3. That it undertakes to meet the established conditions until the end of the Incentives Scheme and not to make an irregular use of it.
4. That, in relation to the Incentives Scheme for Liquidity Providers, it knows and accepts the requisites required by MEFF for the status of liquidity provider and

¹ The applicant acknowledges that the personal data relating their representatives and contact persons will be included in BME group systems and will be treated confidentially, according BME group's [Privacy Policy](#) with the sole purpose of allowing the development, execution, compliance and control of your application to MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A.U. VAT: A 86595568 (hereinafter “MEFF”) and/or BME Clearing, S.A.U. VAT: A 78973864 (hereinafter “BMEC”). The personal data provided will not be transferred to third parties who do not belong to the above-mentioned group.

The applicant hereby declares that the designated representatives or contact persons have given their consent for including their personal data used for this communication, having informed previously to such persons of the communication, the above stated purposes, treatment and transfer of their data and of the rights that they are entitled to.

The applicant knows that the personal data provided will be kept for the duration of the relation and thereafter whilst any liability may arise from that relation.

The applicant knows that the personal data controller is BMEC and/or MEFF. The rights of access, rectification, erasure, objection, restriction and portability may be exercised any time by writing communication addressed to Delegado de Protección de Datos Grupo BME, Plaza de la Lealtad, 1, 28014 Madrid or by e-mail to protecciondedatos@grupobme.es. Any claim can be referred to the Spanish Data Protection Agency (www.aepd.es)

²] If applicable, indicate the Entity that has stated in writing its commitment to access the status of Member of MEFF or BME Clearing, according to section 2.D of this Notice.



undertakes to meet those requisites and the quoting conditions established by MEFF throughout the period set in the incentives scheme for the liquidity providers.

5. That it knows and accepts that in case of non-compliance with the requirements defined in the selected Incentives Schemes may result in not obtaining the incentives and eventually being withdrawn from the participation in the Program.

Date and
place:

Name:

Position:

Phone
Number:

Signature and
Company seal

Anexo IV Requirements for the Liquidity Providers

The requirements spin around three points. All of them have to be fulfilled:

- Trading time sessions: Taking into account liquidity differences, the 23 hour trading session will be divided in three Time zone for quotation purposes.
 - Asian Time: zone: From 00:00 to 10:00 CET.
 - European Time zone: From 10:00 to 18:00 CET.
 - US American Time zone: from 13:00 to 23:00 CET.

The Liquidity Provider can choose any of these time zones, or a combination thereof. The rebates and time on the screen will be calculated within the time zone.

- Time on the screen: to be considered as Liquidity Provider in a specific pair and specific time zone, the screen presence of the Liquidity Provider must be at least 80% of the time.

A daily screen presence of at least 50% of the trading time zone is required.

- Spread quoted: a quote will be considered as correct if the spread quoted width is the following or tighter:

Pair	Asian Time Zone	European Time Zone	US American Time Zone
EUR/USD		0.00005	
EUR/CHF		0.00015	
EUR/GBP		0.000090	
GBP/USD		0.00010	
GBP/CHF		0.00015	
USD/CHF		0.000125	
USD/CAD		0.00010	
AUD/USD	0.000060		0.000070
AUD/JPY	0.0002		0.0003
EUR/AUD		0.00010	
EUR/JPY		0.010	
USD/JPY		0.008	
NZD/USD		0.000100	
USD/MXN	0.0300		0.0130
EUR/MXN	0.0400		0.0170
USD/BRL	0.02100		0.00800
EUR/BRL	0.02600		0.01000

- Groups proposed: The Liquidity Provider must choose one or more of the groups of currency pairs listed below. It will quote buy and sell prices for all the pairs of the group or groups chosen:

EUR/USD	1
EUR/CHF	2
EUR/GBP	1
GBP/USD	2
GBP/CHF	2
USD/CHF	1
USD/CAD	1
AUD/USD	2
AUD/JPY	2
EUR/AUD	2
EUR/JPY	1
USD/JPY	1
NZD/USD	2
USD/MXN	3
EUR/MXN	3
USD/BRL	3
EUR/BRL	3

- Number of contracts quoted: a quote will be consider as correct if the bid/offer volume quoted is the following or higher:

Pair	Number of contracts
EUR/USD	10
EUR/CHF	10
EUR/GBP	10
GBP/USD	10
GBP/CHF	10
USD/CHF	10
USD/CAD	10
AUD/USD	10
AUD/JPY	10
EUR/AUD	10
EUR/JPY	10
USD/JPY	10
NZD/USD	10
USD/MXN	5
EUR/MXN	5
USD/BRL	5
EUR/BRL	5