

	Number:	I-EX-DF-21/2018
	Segment:	Financial Derivatives
	Date:	6 November 2018
	Effective Date:	13 November 2018
	Replaces:	I-EX-DF-07/2018
Subject	Regulated Market Maker Program on IBEX 35 Options.	
Summary	Fulfillment minimum conditions to be considered Regulated Market Maker on IBEX 35 Options. Change in the quoting conditions.	

This Instruction is published to develop Circular C-EX-DF-04/2018 of Regulated Market Makers, or those that replace it.

MINIMUM QUOTING CONDITIONS AND DEGREE OF COMPLIANCE MEASUREMENT

MEFF establish the following parameters on the option premium:

Parameter in Euros				
Premium	Weekly expiries & Monthly Exp. 1 st to 6 th	Premium	Monthly Exp. 7 th – 12 th	Monthly Exp. 13 th -
Up to 20	8	Up to 50	20	20
From 21 to 40	12	From 51 to 100	40	40
From 41 to 90	18	From 101 to 300	60	60
From 90 to 225	30	From 301 to 500	80	80
From 226 to 400	40	From 501	100	100
From 401 to 750	50			
From 751	60			

Under “Fast Market” conditions all parameters will be doubled.

Based on these parameters, MEFF will perform the following measurement every 5 seconds on the existing orders in the order book associated with any of the member's proprietary accounts:

- All volume will be added to the offer for any price that is between the best bid price and the best ask price plus the parameter associated to the premium level. The result of this aggregate volume will be considered the Volume of the Sell.
- All volume will be added to the buy for any price that is between the best bid price and the best ask price minus the parameter associated to the premium level. The result of this aggregate volume will be considered the Volume of the Buy.

- If these two volumes differ in less than 50%¹, it will be considered in this measurement that the member is complying with Regulated Market Maker conditions and it will obtain a credit for that contract and that read.

MEFF will conduct the mentioned measurement on every grouped contract on four expiry groups:

- Weekly expires
- Monthly expiry between the first and the sixth..
- Quarterly and six-monthly between the seventh and the twelfth expiry.
- Quarterly and six-monthly between the thirteenth and the last available expiry.

At the end of the day, MEFF will check the outcome of all measurements, with the aim of establish if the member has complied at least on 50% of the session.

It will be considered fulfillment of 50% of the session if the number of credits obtained on all contracts of the Group divided by all credits that could have obtained if the quotation on six call option and six put options on every expiry gives as a result a figure greater or equal to 50%.

In order to establish the time session, it will be considered as such the time period when the contract could have been traded, from the opening until the closing, excluding:

- Auction periods on the contract: opening auction, volatility auction or intra-day auction.
- Exceptional circumstances period.
- Exceptional circumstances period for Regulated Market Maker (Member's technical issues).
- Trading interruption period.

BENEFITS ASSOCIATED TO THE REGULATED MARKET MAKER PROGRAM

MEFF will establish incentives defined in Liquidity Provider Program for IBEX 35 Option contracts Group.

¹ If the lower of the two volumes is greater than or equal to half of the larger of the two volumes.