

	<b>Number:</b>	I-EX-DF-18/2019
	<b>Segment:</b>	Financial Derivatives
	<b>Date:</b>	30 October 2019
	<b>Effective Date:</b>	4 November 2019
	<b>Replaces:</b>	I-EX-DF-24/2018
<b>Subject</b>	Regulated Market Makers Program on IBEX 35 Futures.	
<b>Summary</b>	Fulfillment minimum conditions to be considered Regulated Market Maker on IBEX 35 Futures. It is modified due to the change in the Fast Market conditions.	

This Instruction is published to develop Circular C-EX-DF-20/2018 of Regulated Market Makers, or the one that may replace it.

#### **MINIMUM QUOTING CONDITIONS AND DEGREE OF COMPLIANCE MEASUREMENT**

MEFF establishes the following parameters:

Contract Group	Parameter
IBEX 35 Future	15 points
Mini IBEX 35 Future	15 points
Micro IBEX 35 Future	15 points

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 with the group of contracts to which the observed contract belongs. 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 with the group of contracts to which the observed contract belongs. The result of this aggregate volume will be considered the Volume of the Buy.
- If these two volumes differ in less than 50%<sup>1</sup>, 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 the contract with the first monthly expiry, except during expiration week, where it will be measured the performance on first and second monthly expiration.

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

At the end of the day, MEFF will check the outcome of all measurements, with the aim of establishing 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 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.

### **VALUES TO DECLARE FAST MARKET**

Contract group
IBEX 35 Futures
Mini IBEX 35 Futures
Micro IBEX 35 Futures

If the variation between the maximum and the minimum of the IBEX 35 Futures in the last 120 minutes has been greater than 1%, MEFF will declare the "Fast Market" for 60 minutes on the group of contracts, if after this time the variation is less than 1%, the "Fast Market" will be deactivated, if not, it will be extended 60 minutes and so on until the variation of the last 120 minutes is less than 1%.

During the first 120 minutes of the session, the closing price of the previous session will be taken as a reference.

### **BENEFITS ASSOCIATED TO THE REGULATED MARKET MAKER PROGRAM**

For the group of futures contracts IBEX 35 Futures, Mini IBEX 35 Futures and Micro IBEX 35 Futures, MEFF establishes an associated benefit of 5% on the rates charged by MEFF and BME CLEARING in these contracts in the periods in which MEFF has declared Fast Market, provided that the member in question has complied with the minimum contribution conditions during at least 50% of that Fast Market period.

The rest of the contracts negotiated outside the Fast Market periods (under normal market conditions or under exceptional market conditions) will not be incentivized.