

Circular C-EX-DF- 06/2026

Liquidity Providers Regulation



MEFF

8 september 2026

Segment: Financial Derivatives
Date: 8 september 2026
Effective Date: 23 september 2026
Replaces: C-EX-DF-3/2025

This Circular describes the figure of the Liquidity Provider.

AMENDMENT: The Liquidity Provider Programme has been extended to allow the quoting of options on European (ex Spain) equity underlying assets. In addition, the role of Liquidity Provider for the RFQ system on options has been removed.

1. LIQUIDITY PROVIDER PROGRAM

Through this Circular, MEFF establishes a Liquidity Provider Program s in order to increase client participation and improve market and order book liquidity.

The participation in the Program must be confirmed to MEFF by sending the Application Form to be part of the Market Maker Program, attached in Annex I of this Circular.

MEFF will consider as Liquidity Providers those Members who have completed the Participation Request Form and, during a calendar month, fulfill with the minimum conditions established in the relevant Instruction.

If MEFF notices that any Liquidity Provider acts irregularly, or tries to take advantage of these conditions without fulfilling the requirements, MEFF can consider the requirements as not fulfilled and therefore the Member will lose Liquidity Provider, status and its associated benefits.

2. CONDITIONS TO BE CONSIDERED LIQUIDITY PROVIDER

A Member who simultaneously post firm bids and offer quotes of at least a certain volume and with a spread between the bid price and offer price below a certain maximum, providing the market with regular and permanent liquidity, will be considered Liquidity Provider.

Relevant Instruction will establish minimum quoting conditions, minimum volume and maximum spreads for each underlying of each of the groups indicated in section 5 of this Circular.

3. MARKET (STATUS) CONDITIONS

MEFF establishes three possible market conditions:

a) "Normal" market conditions:

When the market is not under Stressed Conditions or under Exceptional Circumstances.

b) "Stressed" Market conditions (Fast Market):

- After a volatility auction of the underlying in the underlying asset for companies listed on SIBE.
- After an auction due to a lift of suspension of the underlying in the underlying asset for companies listed on SIBE.
- After deactivating the condition of "Exceptional Circumstances" of the market. When the underlying is an Index, a FX Future or where the underlying does not have any quote (Dividend Futures Contracts): If the underlying variation between the maximum value and the minimum value is greater than a specific percentage within a given period. The values will be established by Operating Instruction.- - Where a technical disruption occurs that prevents the receipt of reference prices for non-Spanish underlying assets, and such circumstance may hinder the proper estimation of the theoretical prices of derivative contracts.

The "Stressed" market condition will be activated at the underlying level, so it will simultaneously affect all the contracts of the same underlying. MEFF will notify the Members of the activation of the Stressed Market Condition.

The length of "Stressed" market condition will be established in the relevant Instruction. When activated after "Exceptional Circumstances", "Stressed" market condition will last for at least 120 minutes.

While the market is under "stressed" condition, Liquidity Providers may carry out their quoting activity with volumes and spreads different than usual, which will be established in the relevant Instruction.

c) "Exceptional Circumstances":

The following are considered "Exceptional Circumstances" at market level:

- Any situation of extreme volatility that triggers volatility mechanisms for the majority of financial or underlying instruments;
- War, industrial actions, civil unrest or cyber sabotage;

- Disorderly trading conditions where the maintenance of fair orderly and transparent execution of trades is compromised, and evidence of any of the following is provided:
 - The performance of the trading venue's system being significantly affected by delays and interruptions.
 - Multiple erroneous orders or transactions.
 - The capacity of MEFF to provide services becoming insufficient.

The following are considered "Exceptional Circumstances" at the Liquidity Provider level:

- Technological issues essential to carry out a liquidity market strategy.
- Risk management issues.
- Short selling ban.

'Exceptional Circumstances' at the Liquidity Provider level must be notified to MEFF by the Member as soon as they occur and when they cease. The duration of these circumstances will be subtracted from the total session time for that Provider.

The "Exceptional Circumstances" condition will affect all the underlying's traded.

MEFF will announce the concurrence of "Exceptional Circumstances" and, as soon as it is technically possible, the resumption of the usual trading once the "Exceptional Circumstances" ceased to exist.

While the market is under "Exceptional Circumstances", the Liquidity Providers will be able to carry out their quoting activity with volumes and spreads different than usual, which will be established in the relevant Instruction.

4. ASSOCIATED BENEFITS TO THE LIQUIDITY PROVIDER PROGRAM

The associated benefit will consist on a rebate of fees paid to MEFF (trading) and to BME CLEARING (clearing) detailed in the relevant fee Circular.

Associated benefits to the Liquidity Provider Program will be established in the relevant Instruction. Control period will be monthly.

5. SUPERVISIÓN OF THE ACTIVITY OF THE REGULATED MARKET MAKERS.

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MEFF associates all its financial derivative contracts in the following groups described below. To the extent that a member is considered a Liquidity Provider, it will be in one or more of these groups, never in individual contracts. The different Operating Instructions will indicate the contracts included in each group.

Group
Inedex Futures
IBEX 35 Options
Single Stock Futures
Single Stock Dividend Futures
Single Stock Options (Spanish underlying / Rest of Europe underlying)
xRolling Single Stock Futures
xRolling FX Futures

MEFF Supervision Department will perform monthly controls of the performance of Liquidity Providers. This control will make an observation every 5 seconds. If during the control month the Liquidity Provider has quoted in compliance with the provisions of section 2 of this Circular for at least the time described in the Operating Instruction, it shall be considered a Liquidity Provider.

The control will be carried out on the expiries and number of contracts established in the corresponding Instruction that will be defined according to the type of Contract.

MEFF Supervision Department will permanently monitor compliance by the Members that are Liquidity Providers. MEFF will send a daily report to the Member with the degree of fulfillment, and a monthly report during the first five days of the following month. The reports will be sent to the addresses provided by the Member.

ANNEX I

PARTICIPATION APPLICATION FORM

MEFF Member _____

1. 1. Hereby applies for the participation in the Liquidity Providers Program related to the following products:

FUTUROS

SINGLE STOCKS

STOCK DIVIDEND

xROLLING SINGLE STOCKS

xROLLING FX Reduced Volume

Big Volume

STOCK OPTIONS SPANISH UNDERLYING

SHORT EXPIRIES CONTINUOUS QUOTING GROUP 1

CONTINUOUS QUOTING GROUP 1

CONTINUOUS QUOTING GROUP 2

CONTINUOUS QUOTING GROUP 3

CONTINUOUS QUOTING GROUP 4

CONTINUOUS QUOTING GROUP 5

LONG EXPIRIES QUOTING

WEEKLY OPTIONS QUOTING

CONTINUOUS QUOTING EUROPEAN-STYLE CASH SETTLE

STOCK OPTIONS REST OF EUROPE UNDERLYING

SHORT EXPIRIES CONTINUOUS QUOTING

LONG EXPIRIES QUOTING

INDEX OPTIONS

SHORT EXPIRIES CONTINUOUS QUOTING

LONG EXPIRIES QUOTING

WEEKLY OPTIONS QUOTING

Starting from the following date _____.

According to the terms and conditions defined in the relevant Circulars and Instructions.

2. To acquire and maintain the Liquidity Provider status, the Member must:

2.1. Fulfill during the indicated time the quoting requirements under Circulars or the corresponding Instructions, i.e., quote simultaneously buy and sell orders for each Contracts:

- With the minimum number of Contracts established.
- With the maximum spread established.
- During the minimum time established.

2.2. Designate a person with the necessary authorizations and sufficient knowledge to take decisions and act on behalf of the Member, who will be available to MEFF for everything related to the Liquidity Provider Program.

2.3. The result of the non-compliance of requirements defined in section 2.1 will be the failure to obtain the incentives and eventual withdrawal from participation in the Program.

3. MEFF commits to:

3.1. Include, if so requested, the name of the signatory of this Application Form together with its Market Maker status on MEFF's website.

3.2. If requested by the Liquidity Provider, put at his disposal informative material from MEFF for organized services by the Market Maker on the products to which refers the corresponding Programs in which he applies to participate.

3.3. Consult with the Market Makers the substantial changes about the products to which refer the corresponding Programs in which he applies to participate.

4. MEFF will look after the compliance of the requirements specified in section 2 of this Form.

The Operating Instruction for each Liquidity Provider Program shall determine the measurement period for determining whether the Member meets the conditions of Liquidity Provider.

5. The Liquidity Provider Programs are aimed to provide liquidity to the market, taking into account for its compliance, only orders sent by the Member account assigned for this purpose. It will be possible to set a different account for each Liquidity Provider Program and when available, by quoting modality.
6. In case of a significant change in the General Conditions of the Contracts referred to the Market Maker Program to which the Member applies to participate, both Liquidity Provider and MEFF would be able to finish participation in the Program immediately.

MEFF would have the right, if considered necessary, to correct or enlarge the specified requirements in the Liquidity Provider Program during a limited period of time at its entire discretion (e.g. in high volatility situations or when is not expected that these modifications can affect to the quality or liquidity of the market).

7. Underlyings of the derivatives traded in MEFF might be subject to short sale restrictions. The Liquidity Provider has to ensure that it complies with these restrictions and that participating in this program does not constitute a breach of any short sale restriction.
8. Other than afore mentioned terms, no special status shall be accorded to the Liquidity Provider.
9. The requirements and obligations described in the corresponding Circulars and Instructions are mandatory for the Member.

Date/Place:

Name:

Position:

Telephone:

Signature/Stamp
of the Company:

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