

	<b>Number:</b>	I-EX-DF-03/2020
	<b>Segment:</b>	Financial Derivatives
	<b>Date:</b>	28 May 2020
	<b>Effective Date:</b>	1 June 2020
	<b>Replaces:</b>	I-EX-DF-29/2019
<b>Subject</b>	Regulated Market Makers Program in Single Stock Dividend Futures and Single Stock Dividend Futures PLUS.	
<b>Summary</b>	Minimum requirements to fulfill in order to be considered Regulated Market Maker in Single Stock Dividend Futures and Single Stock Dividend Futures PLUS contract group. It is modified due to the change in the minimum quote conditions.	

The following Instruction is published to explain what is established in Circular C-EX-DF--22/2019 of Regulated Market Makers, or any other Circular that replaces it.

### **MINIMUM QUOTE CONDITIONS AND LEVEL OF COMPLIANCE MEASURE**

MEFF establishes the following parameters according to the underlying of the future:

<b>Contract Group</b>	<b>Parameter in cents</b>
B. SANTANDER	3
BBVA	3
CAIXABANK	4
NATURGY	25
IBERDROLA	5
INDITEX	20
REPSOL	15
TELEFONICA	6

Under “Fast Market” conditions all parameters shall be double of those shown on the previous table.

From these parameters, MEFF will conduct the following measurements each 5 seconds on existing orders in the order book related to any of the Proprietary accounts of the member:

- Volume is added for all sell orders for prices between the best buying price and the best buying price plus the parameter for the contract (rounded to the nearest tick). Result of this aggregated volume will be considered the Sell Volume.

- Volume is added for all buy orders for prices between the best selling price and the best selling price minus the parameter for the contract (rounded to the nearest tick). Result of this aggregated volume will be considered the Buy Volume.
- If these volumes differ in less than 50%, it will be considered that in this measurement the Member is fulfilling the conditions of Regular Market Maker and will obtain a credit for this contract.

MEFF will conduct the explained measurements on the contracts corresponding to the three first maturities for each underlying.

By the end of each day, MEFF will check the result of all measurements, in order to determine if the member has complied at least 50% of the session.

50% of the session will be considered as reached if the number of credits obtained in all contracts by underlying divided by all credits it could have obtained equals a percentage higher than or equal to 50%.

The time of the session will be considered as the period of time in which the contract may have been traded, since its opening to its close, excluding from it:

- Auction periods in the contract (opening, volatility or intraday auctions).
- Exceptional circumstances.
- Exceptional circumstances at a Regulated Market Maker level (technical issues of the Member).
- Trading disruption.

If the condition of "Fast Market" is activated, this one will last for 10 minutes, extendable in 10-minutes tranches until the circumstances that caused it end and the variation in prices and volumes stabilizes.

## **ASSOCIATED BENEFIT TO THE REGULATED MARKET MAKERS PROGRAM**

For the Single Stock Dividend Futures and Single Stock Dividend Futures PLUS contract group, MEFF will establish the benefits defined in the Liquidity Provider Program.