

	Number:	I-EX-DF-04/2020
	Contract Group:	Financial Derivatives
	Date:	28 May 2020
	Effective Date:	1 June 2020
	Replaces:	I-EX-DF-25/2019
Subject	Liquidity Provider Program for Single Stock Dividend Futures.	
Summary	Minimum requirements to meet to be considered Liquidity Provider for Dividend Single Stock Dividend Futures. It is modified due to the change in the minimum quote conditions.	

This Instruction is published to develop the established on Circular C-EX-DF-23/2019 or any Circular which may replace it.

ASSOCIATED BENEFIT TO LIQUIDITY PROVIDER PROGRAM ON SINGLE STOCK DIVIDEND FUTURES

Associated benefit to fulfilment of minimum conditions will consist on a rebate of 100% of the fees paid by the Member on its prop account for Single Stock Dividend Futures on the underlying where member complies with as a Liquidity Provider.

There are two Single Stock Dividend Futures groups:

- First group comprising Single Stock Dividend Futures of Banco Santander, BBVA, Iberdrola, Inditex, Repsol and Telefónica.
- Second group comprising Single Stock Dividend Futures of CaixaBank and Naturgy.

Associated benefit will be linked to that group or those groups where member has fulfilled with as a Liquidity Provider. For that group or those groups where member has not complied with minimum conditions, the member will not have any associated benefit to this program.

MINIMUM QUOTING CONDITIONS AND DEGREE OF FULFILLMENT MEASUREMENT

The conditions that Members must meet are the following:

- Each Member will quote at least during the 80% of the market session.
- Maturities with quoting obligations will be the first three annual expiries.
- Quoting volume will be 10 contracts per side.
- The maximum spreads will be the shown on the following table:

	Contract Group	Parameter in cents
Grupo 1	B. SANTANDER Div	3
	BBVA Div	3
	IBERDROLA Div	5
	INDITEX Div	20
	REPSOL Div	15
	TELEFONICA Div	6
Grupo 2	CAIXABANK Div	4
	NATURGY Div.	25

- e) Under exceptional market situation and according to MEFF, the member could be exempted of the quoting obligation on all or some expiries of a certain underlying.

The control system will take one observation every 5 seconds and will assign credits:

- One credit per observation with correct volume and spreads according to previous table.
- For each underlying and throughout the session a number of credits will be obtained and will be the accumulated to the score obtained in the previous month sessions. If during the control month the Member obtains 80% or more of the possible credits of the group, it will be considered that it have met the conditions of that group.

FAST MARKET

If any of the maturities of the Single Stock Dividend Futures contracts had a distance of 6% between its maximum and it's minimum in the last 60 minutes, MEFF will declare the "Fast Market" on these contracts whose underlying is the dividends of that action.

When an underlying asset is in a Fast Market situation, the obligation to contribute will be established with the following criteria:

- The maximum quote fork is increased by 100% (Spread x 2).
- The minimum volume is reduced by 50% (Volume / 2), always rounded upwards.

The "Fast Market" condition will last for 10 minutes, extendable in 10-minute tranches until the circumstances that caused it end and the variation in prices and volumes stabilizes.