MEFF *Instruction*	**Number:**	I-EX-DF-07/2020
	Contract Group:	Financial Derivatives
	Date:	5 October 2020
	Effective Date:	6 October 2020
	Replaces:	I-EX-DF-26/2019
Subject	Regulated Market Maker Program for American-style Stock Options.	
Summary	Minimum Quoting conditions to be considered Regulated Market Maker Program in the American-style Stock Options Group. It is modified due to the change in the maturity groups.	

This Instruction is published to develop Circular C-EX-DF-22/2019 or anyone substituting it.

<u>MINIMUM QUOTING REQUIEREMENTS & DEGREE OF FULFILLMENT MEASUREMENT</u>

MEFF establishes the following spreads depending on the option premium

Type 1	Spread in Euros
Up to 0.50	0.10
From 0.51 to 2.00	0.15
From 2.01	0.30

Type 2	Spread in Euros
Up to 0.50	0.10
From 0.51 to 2.00	0.20
From 2.01	0.30

Type 3	Spread in Euros
Up to 0.50	0.15
From 0.51 to 2.00	0.25
From 2.01	0.45

Type 4	Spread in Euros
Up to 0.50	0.25
From 0.51 to 2.00	0.35
From 2.01	0.70

Type 5	Spread in Euros
Up to 1.00	0.20
From 1.01 to 2.00	0.30
From 2.01 to 3.75	0.50
From 3.76 to 7.50	0.80
From 7.51 to 10.00	1.20
From 10.01	2.00

Type 6	Spread in Euros
Up to 1.00	0.30
From 1.01 to 2.00	0.40
From 2.01 to 3.75	0.70
From 3.76 to 7.50	1.10
From 7.51 to 10.00	1.60
From 10.01	2.50

Spread Type by underlying will be the following

Contract Group	Type s
ACCIONA	Type 6
ACERINOX	Type 3
ACS	Type 3
AENA	Type 6
AMADEUS	Type 3
ARCELOR MITTAL	Type 3
ATRESMEDIA	Type 3
B. SABADELL	Type 3
B. SANTANDER	Type 1
BANKIA	Type 3
BANKINTER	Type 3
BBVA	Type 1
BME	Type 3
CAIXABANK	Type 3
CELLNEX	Type 3
CIE AUTOMOTIVE	Type 5
COLONIAL	Type 3
DIA	Type 3
EBRO FOODS	Type 3
ENAGAS	Type 3
ENDESA	Type 3
FCC	Type 3
FERROVIAL	Type 3
GRIFOLS	Type 5
IAG	Type 3
IBERDROLA	Type 1
INDITEX	Type 1
INDRA	Type 3
MAPFRE	Type 3
MEDIASET	Type 3
MELIA	Type 3
MERLIN	Type 3
NH HOTELES	Type 3
NATURGY	Type 3
OHL	Type 5
RED ELECTRICA	Type 4
REPSOL	Type 2
SACYR	Type 3
SIEMENS GAMESA	Type 3

TECNICAS REUNIDAS	Type 5
TELEFONICA	Type 1
VISCOFAN	Type 4

In "Fast Market" conditions all parameters will be twice those shown in the previous tables.

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

- All offer volume between the best purchase price and the best purchase price plus the parameter associated with the premium level of the group of contracts will be added. The result of this aggregate volume will be considered the offer Volume.

- All bid volume between the best-selling price and the best selling price minus the parameter associated with the premium level of the group of contracts will be added. The result of this aggregate volume will be considered the Bid Volume.

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

MEFF will perform the measurement on all contracts of the same underlying in three maturity groups:

- Weekly expiries.
- Monthly expiries; between the first and the sixth.
- Quarterly and semi-annual expiries; from the seventh and the last available maturity. Minimum quoting from the seventh to the twelfth expiry.

At the end of each session, MEFF will check the result of the measurements made, in order to establish if the member has complied at least 50% of the duration of the session.

The Member will reach the 50% threshold, if the number of credits obtained in the maturity group for an underlying divided by all the possible credits obtained if, six call and six put options for each group of maturities in that underlying had been quoted in all the measurements, results in a figure greater than or equal to 50%.

To establish the time of the session, the period of time in which the contract could have been negotiated, from opening to closing will be considered, excluding:

- Auction periods in the contract: opening, volatility or intraday.
- Periods of exceptional circumstances.
- Periods of exceptional circumstances at the level of the Regulated Market Maker (technical problems of the Member).
- Periods of trading interruption.

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 BENEFITS TO THE REGULATED MARKET MAKER PROGRAM

For the American-style Stock Options contract group, MEFF will establish incentives defined in the Liquidity Provider Program.