

**BONDVISION EUROPE MTF: MOVEMENT TO THE REGULATORY SPECIFICATIONS:
i. OF THE CRITERIA FOR THE IMPLEMENTATION OF CIRCUIT BREAKERS,
ii. OF THE QUANTITATIVE ELEMENTS OF THE RFQ;**

The changes to the Rules described in the present Notice will enter into force on **7 August 2020**.

Within the scope of rationalisation of the regulatory structure of Bondvision Europe MTF and with a view to harmonising the content of the Market Rules of Bondvision Europe MTF with those adopted by MTS S.p.A. for the other managed markets, some interventions are made to move certain quantitative and detailed elements, currently contained within the Market Rules, to the Regulatory Specifications.

1. Circuit Breakers required by Art. 48(5) of MiFID II

In line with the provisions in the rules of other markets managed by MTS S.p.A., there is a change to the provision about the suspension or removal from the market of financial instruments due to the implementation of Circuit Breakers (pursuant to Art. 48(5) of MiFID II and the relevant ESMA Guidelines), with an invitation to refer to the Regulatory Specifications for the description of the implementation criteria.

2. Overall duration of the RFQ and types of RFQ

In order to satisfy market requirements more effectively, it is placed in the Regulatory Specifications the provision containing the maximum duration of the Request for Quote (RFQ) in the Cash Segment.

At the same time a change is also made to the duration of Switch and Butterfly RFQ, heeding the need expressed by operators to have a longer time period in which to gather responses to requests.

The changes to the rules are shown below

SECTION II

FINANCIAL INSTRUMENTS

2.1 Financial Instruments

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5. MTS, upon request by the competent Authority, shall suspend or remove from the Market any Financial Instruments. Additionally for the purpose of maintaining orderly and fair market conditions, MTS shall have the right to suspend or remove from the Market any Financial Instruments. Suspension or removal of Financial Instruments can also be based on the request of one or more Participants or due to extended lack of trading or as a result of the implementation of circuit breakers required in accordance with Art. 48(5) of MiFID II and of the ESMA Guidelines (Calibration of circuit breakers and publication of trading halts under MiFID II) in order to maintain an orderly market. ~~Circuit breakers are calibrated by MTS based on controls of static and dynamic reference prices. MTS has calibrated the thresholds of Circuit Breakers taking into consideration data on the historical volatility of different instrument classes of Financial Instruments. Newly issued instruments will inherit the thresholds of similar Financial Instruments. The calibration of the thresholds keeps into consideration the liquidity and volatility of the different classes of Financial Instruments and their residual maturity. In relation to the static reference, MTS will compare the traded price with the relevant previous day reference price. MTS shall automatically suspend a Financial Instrument if the Trade is executed at a price that differs from the relevant reference price by a percentage that is above the set threshold. In relation to the dynamic element, MTS will consider the relevant last traded price as compared with the preceding traded price occurred on the same Financial Instrument, if executed within the last 15 minutes. MTS shall automatically suspend a Financial Instrument if the Trade is executed for a price that differs from the preceding price for a percentage that is above the set threshold. Additionally the system shall suspend automatically a Financial Instrument if it has been suspended, by virtue of the Circuit Breakers, on the Domestic Markets or on MTS Italy, Cash Segment. For the purpose of managing exceptional circumstances and order imbalances, MTS retains the ability to amend, intra-day, with immediate effect, the Circuit Breakers thresholds, allowing for price discovery to continue. A Financial Instrument that has been suspended can be re-admitted to trading manually by MTS. In accordance with the applicable guidelines issued by the regulators, MTS shall inform Participants, the public and the Surveillance Authorities about the suspension of a Financial Instrument, by giving details on the type of suspension, the expected length of the suspension and the end of the suspension. **MTS indicates the criteria for the implementation of circuit breakers in the Regulatory Specifications.**~~

SECTION IV

TRADING

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4.4 Quotes and Orders in the Cash Segment

1. There are two functionalities in the Cash Segment: RFQ and Click to Trade.

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6. A Request for Quote can be:

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(d) list, ~~the number of instruments allowed is up to a limit set by MTS; each instrument is autonomous to the others in the side, but they must all be different from each others~~ **where each leg may be traded independently.**

7. **MTS indicates the maximum duration of each Request for Quote in the Regulatory Specifications.** ~~The total duration of a Request for Quote shall be:~~

~~(a) — 90 seconds for outright Requests for Quote;~~

~~(b) — 120 seconds for switch or butterfly Requests for Quote;~~

~~(c) — 240 seconds for multi-leg Requests for Quote.~~

8. MTS can define the different maximum number of Dealers and/or the total duration of a Request for Quote for specific types of Financial Instruments.

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