

Annex Slovenia

(Effective as of 3rd January 2018) (version 01/11/2017)

MTS Slovenia is a segment of the MTS Cash Domestic Market Multilateral Trading Facility operated by EuroMTS Limited



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1. General Provisions

1.1. Definitions

1. The MTS Cash Domestic Market Rules apply, with the additional the following definitions also applicable to MTS Slovenia:

“MoF” means the Ministry of Finance of the Republic of Slovenia.

“Primary Dealer” means an official Primary Dealer as recognised by the MoF

1.2. Market Rules

1. The MTS Cash Domestic Market Rules apply with the exception that for the MoF, Articles 7.1.3 last sentence, 7.2, and 7.3 of the MTS Cash Domestic Market Rules are not applicable.

2. Financial Instruments

2.1. Financial Instruments

1. The issuer is the Republic of Slovenia acting through the MoF. The Financial Instruments available for trading are:
 - a. Fixed coupon-bearing securities:
 - i. With a remaining term of more than 1.25 years at the time of selection/ issuance; and
Either:
 - I. with an outstanding amount of at least Euro 1 billion; or
 - II. with an outstanding amount of no less than Euro 500 million at first instance, where the issuer has publicly announced its commitment to “tap” that Financial Instrument in one or more tranches so that it shall reach a total principal amount outstanding of at least Euro 1 billion within 180 calendar days of the issue date of the first issuance of that Financial Instrument.
2. MTS, after consultation with the Committee may, at any time, choose to make available for trading additional Financial Instruments which do not meet the relevant criteria in point 1 above.
3. MTS, after consultation with the Committee, shall determine which (if any) Financial Instruments are to be removed at a meeting of the Committee to be held no less frequently than once every six months, on

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the basis, among others, of the following criteria: i) remaining term is less than 1 year and ii) such other factors considered appropriate.

4. Any decision by MTS, after consultation with the Committee, to remove a Financial Instrument shall be made public after Trading Hours and shall be announced to all Participants on the Market before the commencement of trading on the next Trading Day.
5. Following the decision to remove any Financial Instruments, MTS shall give at least two weeks prior written notice of such removal to all Participants.

2.2. Minimum Lots

1. The Minimum Quote Size, Minimum Single Side Quote Size, Minimum Trading Size, and the Minimum Increment Quantity for each Financial Instrument can be found in the Regulatory Specifications.

3. Participants

3.1. Participant admission criteria

1. For the purpose of this Article, all opinions of MTS, in accordance with the MTS Cash Domestic Market Rules, are in consultation with the MoF and Committee.
2. The list of institutions in Article 3.1.2 may be updated from time to time also upon recommendation of the Committee.

3.2. Participants admission procedures

1. In addition to what is provided in paragraph 1 and 2 of Article 3.2 of the MTS Cash Domestic Market Rules, paragraph 3 shall be amended as follows:
 - a. Only Market Makers can be admitted to trading on MTS Slovenia.
 - b. The MoF shall be consulted before a decision to admit a Participant is taken by MTS.
 - c. The MoF may be permitted to take part in trading through Orders only. As such, the MoF will not be subject to the provisions related to Market Making Commitments contained herein.

3.3. Participant on-going undertakings

1. The MTS Cash Domestic Market Rules apply.

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3.4. Resignation of Participants

1. The MTS Cash Domestic Market Rules apply, providing that, in addition to the current text:
Any Participant may resign from the Market or from a Segment by giving not less than 3 month notice in writing to MTS and to MoF specifying the date on which the Participant wishes to terminate its membership and access.

3.5. Suspension of Participants from trading

1. The MTS Cash Domestic Market Rules apply

3.6. Exclusion of Participants from trading

1. The MTS Cash Domestic Market Rules apply

3.7. Regional Market Committee for MTS Slovenia

1. Members of the Committee shall be representatives of the MoF, MTS and the Primary Dealers. MTS shall appoint the Committee following agreement with the MoF. MTS shall not remove any Committee member without prior consultation with the MoF. The Committee shall have such power and authority (including as to the establishment of committees of MTS Slovenia and the delegation of power and authority to such committees) as MTS may determine following agreement with the MoF.
2. MTS at all times shall have the authority to overrule any decision or action taken by the MoF or the Committee with respect to commercial, technological or regulatory matters notwithstanding the operation of these Rules or the Committee.
3. Where there is a conflict between the MoF and the Committee, the opinion of the MoF shall prevail subject to the condition that any such decisions must not contravene any regulatory requirements of the FCA and all other applicable laws, or technical requirements of the System.
4. For the purpose of this Article, all decisions taken by MTS pursuant to the MTS Cash Domestic Market Rules are made upon prior consultation of the Committee and the MoF.

4. Trading

4.1. General systems operations

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1. The MTS Cash Domestic Market Rules apply.

4.2. Types of Trade

1. The MTS Cash Domestic Market Rules apply

4.3. Market trading hours

1. The MTS Cash Domestic Market Rules apply

4.4. Quotes and Orders

1. The MTS Cash Domestic Market Rules apply

4.5. Contracts

1. The MTS Cash Domestic Market Rules apply.

4.6. Conclusion and registration of Trades

1. The MTS Cash Domestic Market Rules apply.

4.7. Mid-Price crossing

1. The MTS Cash Domestic Market Rules apply.

4.8. Trade Registration facility

1. The MTS Cash Domestic Market Rules apply.

4.9. Cancellation of Trades

1. The MTS Cash Domestic Market Rules apply.

4.10. Market Making Agreements

1. MTS shall consult with the MoF before assigning the Financial Instruments to Market Makers and before changing the allocation of Financial Instruments to Market Makers. MTS shall notify each Market Maker of the Financial Instruments assigned to it, pursuant to the undertakings Article 3.3.2 of the MTS Cash Domestic Market Rules, not less than 2 Trading Days prior to the obligation to make Double-Sided Quotes in such Financial Instruments by electronic notification. Participants shall not be entitled to require information as to which Financial Instruments have been assigned to other Market Makers.

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2. In order to comply with applicable regulations, the following provisions of the MTS Cash Domestic Market Rules shall apply:
 - (i) Article 4.10.5
 - (ii) Article 4.10.6
 - (iii) Article 4.10.7
 - (iv) Article 4.10.8 will be amended in the second sentence as follows: "...where the Market Maker in question fails to honour its Quoting Commitments for three (3) additional consecutive months, MTS shall have the right, in consultation with MoF, to initiate the disciplinary procedure as per Section 7 here below." In addition, the last sentence of Article 4.10.8 shall not apply.
3. Should a Market Maker wish to pursue a Market Making Strategy on Financial Instruments in addition to those allocated to it under the above Article 4.10.1, it must notify MTS of its intention to do so not less than 2 Trading Days prior to the commencement of the Market Making Strategy by electronic notification.
4. The Market Making Commitments of Participants include: On each Trading Day to make Quotes on the Market, for at least five (5) hours in relation to each Financial Instrument assigned to it from time to time by MTS, and to do so in compliance with the Quoting/ Spread Obligations specified below.
5. The minimum number of hours in relation to the obligations to make Quotes on the Market per Trading Day during the Trading Hours of the Market is 5 hours.

Maturity bucket	Minimum quote size (Euro million)	Maximum bid/offer Spread
A (1.25-3.5 years)	1	Complete spread based on time-weighted average spread quoted by all Participants over their best 5 hours plus one standard deviation
B (3.5-6.5 years)	1	
C (6.5- 13.5 years)	1	
D (13.5+ years)	1	

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NB: Spread is expressed in 'ticks' where 1 tick represents 0.01% of the par value of the Financial Instrument.

5. In additions, after consultation with the Committee, the chairman of the Committee may discretionally recommend MTS to:
- a. temporarily suspend all quoting commitments;
 - b. temporarily amend any of the values in table above; or
 - c. introduce temporary alternative procedures for the evaluation of Market Makers' quoting performance.

5.1. Law governing Trades

1. The MTS Cash Domestic Market Rules apply

6. Clearing and settlement of Trades

6.1. Clearing and Settlement of Trades

1. The MTS Cash Domestic Market Rules apply.

7. Provision of data and information

7.1. Provision of data to Participants

1. The MTS Cash Domestic Market Rules apply.

7.2. Provision of data to Authorities

1. The MTS Cash Domestic Market Rules apply, with the addition, Participants agree to MTS providing information to the Slovenian regulators, if and when requested, in accordance with the applicable procedure.

7.3. Provision of data to debt management offices

1. The MTS Cash Domestic Market Rules apply

7.4. Provision of data to the public

1. The MTS Cash Domestic Market Rules apply

7.5. Amendments and communications

1. The MTS Cash Domestic Market Rules apply,

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8. Supervision and Sanctions

8.1. Monitoring the course of trading

1. The MTS Cash Domestic Market Rules apply

8.2. Breach of undertakings

1. The MTS Cash Domestic Market Rules apply

8.3. Procedure in respect to article 7.2

1. The MTS Cash Domestic Market Rules apply

8.4. Failure to honour Quoting Commitments

1. The MTS Cash Domestic Market Rules apply, with the exception that Article 7.4 of the MTS Cash Domestic Market Rules does not apply to MTS Slovenia; failures to honour Market Making Commitments will be regulated by Article 7.3.

9. Final Provisions

9.1. Liability

1. The MTS Cash Domestic Market Rules apply

9.2. Disputes

1. The MTS Cash Domestic Market Rules apply

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