Regulatory Specification **Effective from 1 April 2025**

The detailed operations of the MTS Belgium, MTS Finland and MTS Denmark markets are governed by the MTS Associated Markets Common Market Rules, specific market rules, associated technical documentation, and this *Regulatory Specification* .

This *Regulatory Specification* outlines:

Market making (in relation to both the definition of a Market Making Strategy and the Market Making Commitments)
Mid-Price source
Sustainable edits threshold
Passive volume threshold
Unilateral Trade Cancellation
Circuit Breakers - MTS Cash

This should be read in conjunction with:
The Market Rules, as can be found at **http://www.mtsmarkets.com/resources/market-rules**

Please note that this table covers the Cash Domestic Market MTF: MTS Belgium, MTS Finland and MTS Denmark .

ALL MARKET MAKERS SIGNING THE MARKET MAKING AGREEMENT NEED TO BE COMPLIANT WITH THE MARKET MAKING STRATEGY (AS A MINIMUM PERFORMANCE) BUT - FOR THOSE INSTRUMENT CLASSES WHERE THIS IS APPLICABLE - MARKET MAKERS DECIDING TO FULFILL THE MARKET MAKING COMMITMENTS (HIGHER QUOTING PERFORMANCE LINKED TO DMO QUOTING PARAMETERS) SHALL RECEIVE FINANCIAL INCENTIVES IF MAINTAIN THEIR MARKET MAKER SUSTAINABLY COMPLIANT STATUS. PLEASE REFER TO SPECIFIC MARKET RULES FOR

Definition of Market Making Strategy

The Market Making Strategy is achieved when a market maker quotes the assigned securities in accordance with the requirements described in below tables in blue (Market Making Strategy)

Definition of Market Making Commitments

A Market Maker who quotes the assigned financial instruments in line with the market making commitments - on top of the Market Making Strategy - as set in below table in green shall receive financial incentives if sustainable edits are also sent. A detailed list of the Market Making Commitment assigned financial instruments will be sent to all market makers upon request or when updates are made.

Hours

The hours in relation to the requirements to make Quotes on the Market per Trading Day is between 8:00 and 17:30 CET for MTS Belgium and MTS Finland but only between 9:00 and 16:30 CET for MTS Denmark

MTS BELGIUM (TABLE 1)		Market Making Commitments			Market Making Strategy		
Maturity Bucket	**Instrument Class**	**Minimum time to quote**	**Min Quote size**	**Max bid/offer spread**	**Minimum time to quote (*)**	**Min Quote size**	**Max bid/offer spread**
BB (3.5 < years < 6.5)	OLO	05:00	10	Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 25% or bottom spread which is set at 1,5 bp.	04:15	10	Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 50% OR the bottom spread which is set at 3 bp. For quotes of comparable size there must be no more than 50% difference between bid and ask size.
BC (6.5 < years < 10)	OLO	05:00	10		04:15	10	
BD (10 < years < 30)	OLO	05:00	5		04:15	5	
BE (> 30 years)	OLO	05:00	2,5		04:15	2,5	

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +……) => 4:15 hours x number of working days of the month

MTS BELGIUM (TABLE 2)		Market Making Commitments			Market Making Strategy		
Maturity Bucket	**Instrument Class**	**Minimum time to quote**	**Min Quote size**	**Max bid/offer spread**	**Minimum time to quote (*)**	**Min Quote size**	**Max bid/offer spread**
All	BTC	05:00	10	Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 25% or bottom spread which is set at 2 bp.	04:15	10	Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 50% OR the bottom spread which is set at 3 bp. For quotes of comparable size there must be no more than 50% difference between bid and ask size.

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +……) => 4:15 hours x number of working days of the month

MTS BELGIUM (TABLE 3)		Market Making Commitments			Market Making Strategy		
Bucket	**Instrument Class**	**Minimum time to quote**	**Min Quote size**	**Max bid/offer spread**	**Minimum time to quote (*)**	**Min Quote size**	**Max bid/offer spread**
BS (< 6.5 years)	BFS	05:00	10	Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 25% or bottom spread which is set at 4 bp.	04:15	10	Bid-offer spread based on time-weighted spread quoted by all market makers over their best 5 hours plus fixed factor 50% OR the bottom spread which is set at 8bp. For quotes of comparable size there must be no more than 50% difference between bid and ask size.
SA (6.5 < years < 30)	BFS	05:00	5		04:15	5	
SE (> 30 years)	BFS	05:00	1		04:15	1	

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +……) => 4:15 hours x number of working days of the month

MTS FINLAND		Market Making Commitments			Market Making Strategy		
Maturity Bucket	**Instrument Class**	**Minimum time to quote**	**Min Quote size**	**Max bid/offer spread**	**Minimum time to quote (*)**	**Min Quote size**	**Max bid/offer spread**
BB (3,5 < years < 6.5)	RFG	05:00	5	Bid-offer spread is based on time-weighted average spread quoted by all market makers over their best 5 hours but excluding the 2 highest (i.e. widest) spreads plus standard deviation	04:15	5	Bid-offer spread is based on time-weighted average spread quoted by all market makers over their best 5 hours but excluding the 2 highest (i.e. widest) spreads plus fixed factor 50%. For quotes of comparable size there must be no more than 50% difference between bid and ask size.
BC (6.5 < years < 12)	RFG	05:00	5		04:15	5	
BD (> 12 years)	RFG	05:00	2,5		04:15	2,5	

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +......) => 4:15 hours x number of working days of the month

MTS DENMARK (TABLE 1)		Market Making Commitments			Market Making Strategy		
Maturity Bucket	**Instrument Class**	**Minimum time to quote**	**Min Quote size (DKK)**	**Max bid/offer spread**	**Minimum time to quote (*)**	**Min Quote size (DKK)**	**Max bid/offer spread**
BA (1,083 < years < 3.5)	DKB	05:00	50	The average of the daily bid-ask spreads for the three best (i.e. tightest) Market Makers multiplied by a fixed factor (kappa) set to 1.5 or bottom spread.	04:15	50	The average of the daily bid-ask spreads for the three best (i.e. tightest) Market Makers multiply by a fixed factor (kappa) set to 2. For quotes of comparable size, there must be no more than 50% difference between bid and ask size.
LA (1 < years < 3.5)	DKL	05:00	50		04:15	50	
BB (3,5 < years < 6.5)	DKB	05:00	25		04:15	25	
LB (3,5 < years < 6.5)	DKL	05:00	25		04:15	25	
BC (6.5 < years < 12)	DKB	05:00	25		04:15	25	
LC (6.5 < years < 12)	DKL	05:00	25		04:15	25	
BD (> 12 years)	DKB	05:00	10		04:15	10	
LD (> 12 years)	DKL	05:00	10		04:15	10	
BE (Inflation linker)	DIL	05:00	25		04:15	25	
LI (Inflation linker)	DIL	05:00	25		04:15	25	

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +......) => 4:15 hours x number of working days of the month

MTS DENMARK (TABLE 2)		Market Making Commitments			Market Making Strategy		
Maturity Bucket	**Instrument Class**	**Minimum time to quote**	**Min Quote size (DKK)**	**Max bid/offer spread**	**Minimum time to quote (*)**	**Min Quote size (DKK)**	**Max bid/offer spread**
All	DKT	05:00	100	Spreads should be lower than 6 basis points	04:15	100	Max bid/offer spread is 9bp. For quotes of comparable size, there must be no more than 50% difference between bid and ask size.

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +......) => 4:15 hours x number of working days of the month

Note: A detailed list of regulatory specifications by the bond can be requested by sending the request to mtsam@mtsam.com. Updated versions will be sent out to all market makers when changes are made to the DMO quoting obligations.

Please note that the below table specifies the Mid-Price source for the following segments of the MTS Belgium, MTS Denmark and MTS Finland Cash Domestic Markets.

Domestic Market	Instrument Class	Mid-Price source
Belgium	OLO	BondVision
	BTC	BondVision
Denmark	DKB	Order Book
	DKL	Order Book
	DIL	Order Book
Finland	RFG	BondVision

Sustainable edits methodology

The quarterly edits sent by each bank are divided with the hours quoted and the bonds quoted in order to have the ratio edits/hour sent during the quarter for each bond quoted. This ratio is multiplied by the average hours and average bonds quoted by all market makers (primary dealers) compliant during the quarter.

Excessive edit threshold

Step 1 The normalized average number of edits sent by the market makers (primary dealers) compliant plus 30% is the first threshold.
Step 2 The average number of edits sent per passive mio traded by the market makers (primary dealers) compliant + 30% is the second threshold.

Exemption test

Step 3 If both thresholds in Steps 1 and 2 are exceeded we compare the passive volume market share of each bank to the passive volume threshold (Passive volume threshold = 1/number of PDs)
Step 4 If both thresholds in Steps 1 and 2 are exceeded we compare the total volume market share of each bank to the total volume threshold (Total volume threshold = 1/number of PDs)
Step 5 If both thresholds in Steps 1 and 2 are exceeded we compare whether a bank does more passive volumes than active volumes

If a bank exceeds the thresholds in steps 1 and 2 we continue exemption tests with steps 3 to 5. Banks achieving the exemption test in 2 of the 3 steps (steps 3 to 5) are exempt from sending excessive edits.

Passive volume threshold
The passive volume threshold is calculated by taken into consideration the number of primary dealers per market during the course of the year

Unilateral Trade Cancellation Procedure based on BondVision Mid Price - parameters	**valid as of 12/05/2020**

Number of days taken into account for the calculation of the Average of CASH best bid-offer spread	**3 previous business days + intraday snapshot registered at 09 CET of the day of the request**
Cancellation Factor.	1,5

Please note that this tab covers Circuit Breakers pursuant to Art. 48(5) of MiFID II and the relevant ESMA Guidelines in relation to MTS Belgium, MTS Finland and MTS Denmark cash markets operated by MTS Associated Market SA

Does not apply to instruments with maturity lower than "Minimum Days to Maturity" threshold (30 days)

Parameter	Value	Applies to
Deal Observation period	300 Seconds	Previous Cash Trades
BV Observation period	60 Seconds	Previous/subsequent BV Composite Updates
Simulation mode	ON	Market Opening Phase

STATIC CIRCUIT BREAKERS

An instrument can trigger Static Circuit Breakers only if a reference price, or a reference yield (different from zero) is available
A different measure is applied on yield-quoted and price-quoted instruments as follows:

Yield Quoted Instruments
In order to trigger static circuit breakers trade yield must deviate by both a given percentage and a number of basis points from reference yield.

		YIELD PERCENTAGE DIFFERENCE	+	BASIS POINTS DIFFERENCE
YIELD QUOTED INSTRUMENTS	0,5 Years of Residual Maturity	1.5 %		180 bps
	1 Years of Residual Maturity	2 %		180 bps
	2 Years of Residual Maturity	3 %		150 bps
	3 Years of Residual Maturity	5 %		150 bps
	4 Years of Residual Maturity	7 %		150 bps
	5 Years of Residual Maturity	10 %		150 bps
	6 Years of Residual Maturity	10 %		130 bps
	7 Years of Residual Maturity	12 %		130 bps
	8 Years of Residual Maturity	12 %		130 bps
	9 Years of Residual Maturity	14 %		130 bps
	10 Years of Residual Maturity	14 %		130 bps
	12 Years of Residual Maturity	16 %		100 bps
	15 Years of Residual Maturity	16 %		100 bps
	20 Years of Residual Maturity	18 %		100 bps
	25 Years of Residual Maturity	18 %		100 bps
	30 Years of Residual Maturity	18 %		100 bps
	40 Years of Residual Maturity	18 %		100 bps
	50 Years of Residual Maturity	18 %		100 bps

Price Quoted Instruments
in order to trigger static circuit breakers traded price must deviate by a given percentage from reference price

		PRICE PERCENTAGE DIFFERENCE
PRICE QUOTED INSTRUMENTS	0,5 Years of Residual Maturity	1.5 %
	1 Years of Residual Maturity	2 %
	2 Years of Residual Maturity	3 %
	3 Years of Residual Maturity	5 %
	4 Years of Residual Maturity	7 %
	5 Years of Residual Maturity	10 %
	6 Years of Residual Maturity	10 %
	7 Years of Residual Maturity	12 %
	8 Years of Residual Maturity	12 %
	9 Years of Residual Maturity	14 %
	10 Years of Residual Maturity	14 %
	12 Years of Residual Maturity	16 %
	15 Years of Residual Maturity	16 %
	20 Years of Residual Maturity	18 %
	25 Years of Residual Maturity	18 %
	30 Years of Residual Maturity	18 %
	40 Years of Residual Maturity	18 %
	50 Years of Residual Maturity	18 %

DYNAMIC CIRCUIT BREAKERS

A trade can trigger dynamic circuit breakers when the same instrument has been already traded previously (within the *Deal Observation Period*) or when an active price is detected on Bondvision before or after the MTS trade (within *BV Observation period*)

Dynamic circuit breakers tresholds are triggered only by differences measured over yield, and only when detected yields are not equal to zero.

		YIELD PERCENTAGE DIFFERENCE	+	BASIS POINTS DIFFERENCE
ALL INSTRUMENTS MEASURED IN YIELD	0,5 Years of Residual Maturity	200 %		180 bps
	1 Years of Residual Maturity	200 %		180 bps
	2 Years of Residual Maturity	150 %		150 bps
	3 Years of Residual Maturity	150 %		150 bps
	4 Years of Residual Maturity	150 %		150 bps
	5 Years of Residual Maturity	150 %		150 bps
	6 Years of Residual Maturity	80 %		130 bps
	7 Years of Residual Maturity	80 %		130 bps
	8 Years of Residual Maturity	80 %		130 bps
	9 Years of Residual Maturity	80 %		130 bps
	10 Years of Residual Maturity	80 %		130 bps
	12 Years of Residual Maturity	50 %		100 bps
	15 Years of Residual Maturity	50 %		100 bps
	20 Years of Residual Maturity	50 %		100 bps
	25 Years of Residual Maturity	50 %		100 bps
	30 Years of Residual Maturity	50 %		100 bps
	40 Years of Residual Maturity	50 %		100 bps
	50 Years of Residual Maturity	50 %		100 bps