ATFUND MARKET RULES

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The italian text of these Rules shall prevail over the English version

BORSA ITALIANA

ATFund Market Rules

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Glossary

Term	Meaning
Admission to trading	Admission to trading of financial instrument in the **ATFund market**;
Algorithmic trader	means the operator using an algorithmic trading technique, as specified in Article 4(1)(39), of Directive 2014/65/EU and in Article 18, of Regulation 2017/565/EU;
Algorithmic trading	means the trading technique specified in Article 4(1)(39) of Directive 2014/65/EU and in Article 18 of Regulation 2017/565/EU;
Appointed intermediary	means a **market intermediary** that operates for the purposes of Section 2 and carries out the order confirmation activity as described in Section 4 of the Trading Manual;
ATFund market	A MTF of open-end CIUs managed and organised by **Borsa Italiana**;
Borsa Italiana	Borsa Italiana S.p.A.;
CSD	means the legal person authorised to operate a securities settlement system, pursuant to Regulation 2014/909/EU;
Direct Electronic Access	means the connection to the market as specified in Article 4(1)(41) of Directive 2014/65/EU;
Execution price	the price at which orders are executed and equal to the Net Asset Value (**NAV**) of the Open-Ended Investment Fund;
Euronext Markets	means the set of securities or derivatives markets operated by each trading venue of the Euronext group.
High-frequency algorithmic trading or HFT	means the trading technique specified in Article 4(1)(40), of Directive 2014/65/EU and Article 19, of Regulation 2017/565/EU;
High-frequency trader	means the intermediary using a high-frequency algorithmic trading technique, as specified in Article 4(1)(40), of Directive 2014/65/EU and in Article 19, of Regulation 2017/565/EU;

Interconnection	means the linking to markets, via market **intermediaries**: of customers of market **intermediaries,** the connection of which may take place in **Direct electronic access** mode or in another mode; or organisational units of market **intermediaries** other than units assigned to the activities of trading in the markets and settlement and the control thereof computer-based systems for the automatic generation of orders even if they are installed in an organisational unit of a **market intermediary.** The connection of customers of the market intermediary, in "direct electronic access" mode (DEA), can take place through the technical structure of the **market intermediary** (Direct Market Access or DMA);
Logical access	means the set-up to connect to trading system containing the technical configuration for the **market intermediary** connectivity. The logical access corresponds to different trading platform technical segments;
Market intermediary	the entity admitted to trading in the **ATFund market** by **Borsa Italiana**, as provided in accordance with article 1000 and subsequent;
Multilateral trading facility	a facility referred to in article 4, subparagraph 1, number 22 of directive 65/2014/EU;
Notice	The publication prepared and distributed by Borsa Italiana containing information relevant to the operation of the **ATFund market**;
Open-end CIUs	The financial instruments admitted to trading in the **ATFund market** as provided in accordance with Article 200;
Professional investors	**Means the persons referred to in Annex II, parts 1 and 2 of Directive 2014/65/EU.**
Professional segment	**Means the segment of the Euronext Growth Milan market only accessible to professional investors.**
Regulated markets	The Markets authorized pursuat to Article 44 of Directive 2014/65/EU;
Relevant Euronext Market Undertaking	The **Euronext market Undertaking**

	which has approved, or is in the process of reviewing, the application for Euronext Membership of the relevant Member or prospective Member, or the **Euronext Market Undertaking** which has admitted the relevant Financial Instrument to listing or trading on a Euronext Market or with which the relevant application or admission to trading is pending, as the context requires;
SDIR	shall mean the dissemination system of regulated information pursuant to transparency Directive;
Trading Code	means the **FirmID** used to identify the trading member on the market;
Trading Manual	means the the Euronext Instruction n. 4-03 "Trading Manual for the NAV Trading Facility" made available on the website of **Euronext**.

GENERAL PROVISIONS AND INSTRUMENTS ADMITTED TO TRADING

General provisions

Purpose of the Rules

100	These Rules govern the organization and management of the **multilateral trading facility** operated by **Borsa Italiana** and called the **ATFund market**.

110		These Rules establish the organizational and operational conditions and procedures of the **ATFund market** and, in particular, govern:
	110.1	the conditions and procedures for the admission, exclusion and suspension of **open-end CIUs** from trading;
	110.2	the conditions and procedures for the admission, exclusion and suspension of **intermediaries** from trading and their obligations;
	110.3	the conditions and procedures for the performance of trading and the functioning of the related instrumental services;
	110.4	the procedures for verifying, publishing and disseminating prices and information.

Organizational principles of the market

120	**Borsa Italiana** performs its functions, in particular the admission, suspension and revocation and the surveillance of the **ATFund market** in a non-discriminatory manner and using procedures defined on a general basis.

121	**Borsa Italiana**, in its operation of the **ATFund market**, equips itself with and maintains an organizational structure likely to prevent potential conflicts of interest. In particular, it ensures that the heads of the departments responsible for the functions referred to in Article 120 enjoy complete independence in carrying out examinations and making proposals. In performing these functions, the heads of department answer exclusively to the CEO.

122	**Borsa Italiana** equips itself with and maintains an internal control system that checks compliance with the law and internal rules and procedures.

Instruments that can be traded on the ATFund market

Admission Requirements

200	200.1	Units/shares of **open-end CIUs** may be admitted to listing, provided they are compliant with Directive 2009/65/UE or compliant with Directive 2011/61/EU, provided ~~they are not reserved open-end CIUs and~~ NAV is calculated on a daily basis. **Reserved open-ended CIUs are admitted to trading on the Professional Segment.**
	200.2	The prospectus must indicate the trading on the **ATFund market** as offer method.

Request for Admission

210	**Borsa Italiana** may admit financial instruments referred to in Article 200, to trading at the request of an **Issuer**, in accordance with what is provided for in the guidance, provided the conditions set out in the following articles are satisfied.

211	The request for admission to trading, drawn up according to the specific model, must be forwarded to **Borsa Italiana** by the issuer with the letter of undertaking of the **appointed intermediary**. For CIUs compliant with Directive 2011/61 must be provided a copy of the communication or the Consob authorization issued pursuant to Article 44 of the Consolidated Law on Finance on marketing of units or shares of AIFs to retail investors. The admission procedure shall be completed, after ascertaining that the prospectus has been made available to the public, establishes the date for the start of the trading.

212	Issuers must take all necessary measures to have a valid and constantly updated Legal Entity Identifier (LEI) for as long as their financial instruments are admitted to trading.

Conditions for the admission of financial instruments

220	The presence of an **appointed intermediary** is required. In the event of termination of the relationship for any reason, written notice must be given to Borsa Italiana as indicated in the guidance to the rules.

Sec. 20		*Guidance to the Rules*
	20.1	*The party that terminates the contract with the **appointed intermediary** following a breach of the contract by the other party must notify **Borsa Italiana** in writing at least one month before the effective date of the termination.*
	20.2	*In all other cases of termination of the relationship with the **appointed intermediary**, **Borsa Italiana** must be notified in writing at least three months before the effective date of the termination.*
	20.3	***Borsa Italiana** may accept shorter notice if the continuity of the **appointed intermediary** function is ensured by another entity entering into the undertakings.*

Transferability of financial instruments

G	231		**Open-end CIUs** must be:
		231.1	freely transferable; and
		231.2	suitable for settlement in the manner referred to in Article 4000

	232	**Borsa Italiana** may make **admission to trading** subject to any condition regarding the financial instrument that it deems desirable and that is explicitly notified to the applicant subject; it may also exercise discretion in admitting financial instruments to trading for which an application has been made, also by way of derogation from the requirements for admission of the preceding articles.

	233	**Borsa Italiana** may reject an application for **admission to trading**, taking account, among other things, of the characteristics of the **Issuer** and of financial instrument, of the characteristic of the transaction and the liquidity of the market on which the instrument is traded. **Borsa Italiana** shall inform the applicant subject.

Sec 21 *Guidance to the Rules*
*Procedure for instruments' **admission to trading***

21.1 *Persons referred to in Articles 210 and 211 shall present the required documentation for the application that is signed by their legal representative or duly authorized person, drawn up in accordance with the model form made available by **Borsa Italiana**'s internet site.*

21.2 ***Borsa Italiana** confirms the completeness of the application form.*

21.3 *Within **20 open market days** ~~2 months~~ of the completeness, **Borsa Italiana** must inform the applicant that the application has been rejected or, in the case of its being accepted, issue a **Notice** establishing the date of the start of trading and making available the information needed for trading.*

21.4 *The time limits referred to in Sec. 21.3 may be interrupted by a notification from **Borsa Italiana** if it becomes necessary to acquire new information and documents. In this case the time limits shall start to run again from the date of receipt of the relevant documentation. The time limits referred to in Sec. 21.3 may be suspended at the request of the person referred to in Article 210.*

21.5 *Applications shall be deemed annulled if they are not modified, completed or corrected within two months of their receipt.*

Suspension and revocation of instruments

	234		**Borsa Italiana** may:
		234.1	suspend the trading of **financial instruments** in the following conditions: a) the requirements set out in Articles 200 to 233 are no longer met; b) the regularity of the market for the instrument is temporarily not guaranteed or risks not being guaranteed;

c) creation and redemption has been suspended in accordance with relevant statutory provisions in the prospectus;

d) this is necessary to protect investors; or

e) the instruments have been suspended on other **regulated markets** or **multilateral trading facilities** where they are traded;

234.2 revoke the **admission to trading** of **financial instruments** in the event of a prolonged lack of trading or where due to special circumstances, it is not possible to maintain a normal and regular market for this instrument.

235 The suspension of an **financial instrument** may not be for more than 6 months, except in **exceptional circumstances**; where, at the end of such period, the reasons for the suspension still exist, **Borsa Italiana** shall initiate the procedure for the revocation of the **financial instrument**.

236 Suspensions and revocations shall be announced in a **Notice**.

Exclusion from trading of the financial instrument upon request

237 The **issuer** apply for delisting from the **ATfund market** when all the following conditions have been met:

a) the absence of financial instruments in circulation on the date of application;

b) the absence of trades in the three trading sessions prior to the date of the request for exclusion, according to the trading calendar of the specific UCI notified pursuant to Article 310.2 (e); and

c) the commitment not to issue and admit to trading financial instruments that are exchangeable with those that are the subject this application until the effective date of the exclusion.

237.1 For the purpose of delisting, **issuers** shall send **Borsa Italiana** a written application, with accompanying notification to the **appointed intermediary**, signed by their legal representative, compliant with Model made available on **Borsa Italiana**'s internet site and completed with the same documentation indicated in it.

237.2 **Borsa Italiana**, after having received the request from the **issuer** and carried out the checks on the fulfilment of the conditions a), b) and c) referred to in Article 237, within 5 trading days of receipt of the request, shall immediately remove the financial instruments from trading.

Disclosure obligations

310 310.1 **Issuers** are responsible for the communication of the **execution price** and delegate to the **appointed intermediary** the transmission of the communication to **Borsa Italiana** on its behalf.

The execution price must be communicated on the second trading day following the respective trading date, even when that date coincides with:

a) Days when the markets operated by Borsa Italiana are closed, while at

the same time the TCS platform is open;

b) The holidays referred in Article 310.2 letter e).

The determination of the second trading day following the reference trading date excludes Saturdays, Sundays and days when the TCS platform is closed. The closing days of the TCS platform are the days when all the markets operated by Euronext are closed at the same time.

The communication takes place through the electronic format indicated by **Borsa Italiana** in the article 311 within the period defined by article 2000.1 for the Execution-price entry phase.

310.2 **Issuers** shall promptly notify **Borsa Italiana** of:

a) the adoption of any measure temporarily suspending the subscription or redemption of the of the financial instruments;
b) any proposal to modify the manner of operation of a financial instrument submitted for examination by the competent authorities, including its transformation, merger, spin-off, dissolution and liquidation, or the adoption of any measure for handling crises in accordance with the Consolidated Law on Finance or the corresponding applicable provisions of foreign law; It is understood that the disclosure requirements of the issuers towards Borsa Italiana be satisfied consistently with the applicable regulatory framework. The reimbursement decision as a result of the liquidation of the open-end CIUs is communicated without delay and in any case by the fourth open market day preceding the opening date of the liquidation procedure;
c) the fixing of dates for splits, reverse splits and for all corporate actions events in conjunction with their details;
d) the amount of operating income coupons, their detachment date, the date proposed for the entitlement to the dividend payment (record date) and the payment date; there must be an interval of at least one trading day between the date of the notification and the first day of trading ex rights;
e) the days of the month on which the **execution price** of the CIUs is not calculated because of a holiday affecting the main market on which the components of the portfolio are listed, or the calculation agent's country of origin; such notification must be made annually within the 15 of November;
f) the number of units/shares outstanding as at 31 of December; such notification must be made annually within the following 10 trading days;
g) any change in the information contained in the documentation submitted **to Borsa Italiana**.

310.3 In the case of foreign **issuers**, **Borsa Italiana** may establish that the communications referred to in the preceding paragraphs and those required are not necessary if equivalent information has been made available to the public under the rules applicable in the country of origin.

311 311.1 The subject referred to in Article 210 shall provide **Borsa Italiana** with the information of a technical nature needed for the functioning of the market and the additional information referred to in Article 310.

311.2 The **appointed intermediary** shall transmit on behalf of the **issuer** the information referred to in Article 310.1 using the specific electronic venues made available by **Euronext** to access the Euronext Fund Services (EFS) as specified within the User Guide "TCS web access", or, in the case of

malfunctioning, by e-mail: infofi&sd@euronext.com.

311.3 The **issuer** shall transmit to **Borsa Italiana** the additional information referred to in Article 310.2 using the following e-mail: infofi&sd@euronext.com. The inside information shall be sent to **Borsa Italiana** by means of a **SDIR** or, if not used by the issuer, using the following e-mail address: infofi&sd@euronext.com.

311.4 The **issuer** shall anticipates **Borsa Italiana** also verbally and giving adequate notice of the possibility of publishing inside information while financial instruments are being traded.

312 **Borsa Italiana** may request to provide any further information in the manners and in the terms considered appropriate. **Borsa Italiana** may also request to publish such information.

Sec. 30 Guidance to the Rules

*Manner of communicating information of a technical nature and **inside information** to **Borsa Italiana***

*30.1 Trading in **open-end CIUs** takes place on the basis of the **execution price** as defined in paragraph 1.2 of Trading Manual.*

30.2 The applicant shall also notify the name of the person in charge of the communication of the information referred to in this article or the substitute.

*30.3 Information of a technical nature must be sent to **Borsa Italiana** by means of a **SDIR** or via e-mail: infofi&sd@euronext.com.*

*30.4 Should the applicant not avail itself of a **SDIR**, the **inside information** must be sent to **Borsa Italiana** using the following e-mail: infofi&sd@euronext.com.*

MEMBERSHIP
General provisions

	1000	The **market intermediary** is an entity that has been admitted to trading by **Borsa Italiana** in the **ATFund market** as described above.

Intermediaries admitted to trading and procedure for admission to trading and activation

G	1010	The following may participate in trading in the **ATFund market**: **intermediaries** authorised under the law or regulations to provide the services and engage in the activity of dealing for own account and/or executing orders on behalf of clients and those that fulfil specific membership requirements established by **Borsa Italiana** in the guidance.

Sec. 100 *Guidance to the Rules*
Intermediaries admitted to trading

100.1 *The following may participate in trading in the ATFund market:*

a) persons authorised to provide the services and engage in the activity of dealing for own account and/or executing orders on behalf of clients under the Consolidated Law on Finance, the Consolidated Law on Banking or other special provisions of Italian law;

b) banks and investment firms authorised to provide the services and engage in the activity of dealing for own account and/or executing orders on behalf of clients under laws of other EU countries or of non-EU countries;

c) the firms of non-EU countries entered in the register of third country firms kept by ESMA pursuant to Article 48 of Regulation (EU) No. 2014/600 and the firms authorized to provide investments service, and, where applicable, insurance companies, entities authorized to provide collective asset management services and pension funds in non-EU countries in which Borsa Italiana can operate in compliance with the provisions of article 70 of the Consolidated Law on Finance;

d) the entities authorised by the competent Authority of an EU country to provide one or more investment services and activities; insurance companies, the entities authorised to provide collective asset management services, and pension funds. These entities must satisfy the requirement indicated at letter e), point 2;

e) firms which trade on their own account within the limits imposed in Article 4-terdecies, paragraph 1, letter d), of the Consolidated Law on Finance provided that:

1. *satisfy adequate integrity requirements;*
2. *have an adequate internal organisation;*
3. *have adequate skills and sufficient experience in trading financial instruments;*
4. *they have adequate financial resources to ensure the business continuity of the trading service and which are not less than 50,000 euros.*

100.2 *The participation of companies according to guidance sec. 100.1 letter e), established in a non-EU Country is subject to the conclusion of agreements between Consob and the corresponding supervisory authorities in the home country.*

100.3 *Natural persons and sole proprietorships are not eligible to become Euronext Securities Members.*

G	1011	For the purposes of **admission to trading** in the **ATFund market, intermediaries** shall send **Borsa Italiana** a written application using a standard form prescribed by Borsa Italiana made available through the **dedicated portal.**

	1012	**Borsa Italiana** shall, after receipt of an application for membership and the participation documentation requested by it in compliance/conformity with what is provided for in the Guidance to the Rules, approves or reject such application or approve such application subject to such conditions and/or restrictions as it considers appropriate. **Borsa Italiana** shall notify its decision to the applicant in writing. In case of approval the applicant is **admitted to trading**.

	1013	Once the **intermediary** is admitted, **Borsa Italiana** verifies technical requirements and post trade readiness and in case of positive outcome confirms the activation date.

Sec. 110 *Guidance to the Rules*
Procedure for admission and activation

110.1 *The Application referred to in rule 1011 must be sent signed to **Borsa Italiana** via a **dedicated portal** together with a copy of the authorisation issued by the competent Authority, if any. In case of technical unavailability of the portal, the information and documentation will be sent in paper format.*

110.2 ***Market intermediaries** are required to complete the participation documentation, using the forms and functions available via a **dedicated portal** with the following data:*

a) information concerning the participation requirements;
*b) information concerning the offer of the "**direct electronic access**" service;*
c) declaration showing that before use of each trading algorithm, and whenever a substantial update is made to each of them, the operator has run tests as appropriate to avoid creating abnormal trading conditions and indicates the environment in which the tests of these algorithms were run;
*d) information about "**high frequency algorithmic trading**";*
e) declaration showing that specific procedures for use of the order cancellation function have been implemented, and which also shows whether the technical procedures for cancelling orders are available on the intermediary's systems or in the market functions (kill functionality);
f) in the case referred to in guidance sec. 100.1 (e) declaration of the legal representative or by a duly authorised person of the company that confirms–that the internal audit function has been assigned to conduct periodic audits on the trading of financial instruments;
g) a declaration of the legal representative or by a duly authorised person of the company containing a statement of the adequacy of the financial resources to ensure the business continuity of the trading service and which are not less than 50.000 euros;

*In the case of **intermediaries** already admitted to trading on a managed by **Euronext** requesting to participate in the **ATFund market,** managed by*

110.3 ***Borsa Italiana,*** *the latter reserves the right to consider fulfilled membership requirements referred to in guidance Sec. 100 and 120 and not to require the documentation already provided by the* ***intermediary*** *in connection with its participation in other* ***markets*** *managed by Euronext. The procedure referred to in articles 1011, 1012 and 1013 shall apply insofar as it is compatible.*

110.4 *A Firm which is a Euronext Member and who wishes to extend its Membership to other Euronext Markets should submit a written application to the Relevant Euronext Market Undertaking to that effect. The Relevant Euronext Market Undertaking to which the Euronext Member is applying may perform checks to ensure that the Member satisfies its additional Membership requirements (if any).*

110.5 *After the admission and in order to be activated on the market, the* ***intermediary*** *will have to provide information concerning the systems for accessing the market, including the identification of any third parties and/or Service Providers including the order for technological infrastructure and confirmation of the execution of technical-functional tests, including the conformance test* and the signing of the agreement with **Euronext** for access to the trading platform.

1015	**Market intermediaries** shall ensure continued satisfaction of the authorisation and other requirements referred to in article 1010 and of the conditions referred to in article 1020.

1016	Revocation or expiry of the authorisation to trade or cessation of fulfilment of the requirements for unauthorised persons shall result in suspension or exclusion from trading, without prejudice to any measures adopted by the supervisory authorities to ensure the closure of any positions still open and the carrying out of any related transactions required to protect customers' interests. In the event of: a) suspension or cancellation of a stockbroker under Article 201 of the Consolidated Law on Finance; b) extraordinary administration; c) compulsory administrative liquidation; d) another bankruptcy procedure; e) other measures taken by Competent Authority that result in it being impossible, even if only temporarily, for **intermediaries** to enter into undertakings or perform undertakings they have entered into, **Borsa Italiana** may suspend or exclude the **intermediary** from trading.

1017	The cessation of direct or indirect participation in the settlement system must be immediately notified in writing to **Borsa Italiana** by **market intermediaries** and shall result in their being promptly suspended from trading in the market until they are again able to settle trades, directly or indirectly.

1018	After six months have passed without the cessation of the condition that gave rise to the suspension from trading, Borsa Italiana may exclude the intermediary.

Participation requirements

G	1020		The participation of **intermediaries** to trading shall be subject to verification by **Borsa Italiana**, in accordance with objective non-discriminatory criteria, of fulfilment of the following conditions on a continuing basis:
		1020.1	adequacy of the technological systems used for trading and associated activities carried on and the number and types of interconnections with the market, and their compatibility with the electronic data processing and telecommunication support systems adopted by **Borsa Italiana** for the operation of the market;
		1020.2	sufficient staff with adequate professional qualifications in relation to the types of activity carried on and the types of **interconnection** with the market;
		1020.3	adequate internal procedures and controls for trading activity;
		1020.4	adequate settlement procedures;
G		1020.5	**intermediaries** may entrust the management of technological systems to third parties, subject to the conditions laid down in the guidance sec. 130;
G		1020.6	the participation of **intermediaries** shall also be subject to verification of direct ~~or indirect~~ participation in the settlement systems provided in the guidance sec. 400 and participation in their accessory systems (trade-checking systems); sec. 135 shall apply; **For intermediaries who are not participants in the central securities depository, the agreement with a participant in the central securities depository, under which the intermediary joining the settlement service undertakes to settle contracts concluded on the markets by the intermediary until the agreement is terminated;**
		1020.7	in order to comply with the conditions of this paragraph, **intermediaries** must satisfy the minimum requirements laid down in the guidance to rules.

Sec. *Guidance to the Rules*

120 *Requirements for participation*

120.1 *For the purpose of complying with the conditions referred to in rule 1020, **market intermediaries** must attest that:*

*a) they have a sufficient number of Responsible Persons for the nature and scale of business being conducted. The Responsible Person shall be responsible for trading activity conducted on the **ATFund market** and follow all the requirements defined pursuant to the Notice 2-01 "Registration of Authorised Representatives and Responsible Persons". Trading activity may be conducted by Responsible Persons or by other individuals within the Member, at the discretion of the Member, provided all such individuals are suitable and adequately trained in accordance with the Rules. Traders who are not Responsible Persons may only submit orders under the general authority of a Responsible Person. **Borsa Italiana** may impose requirements, and publish such requirements by Notice, in respect of training and competence of the Responsible Person;*

b) their trading staff know the rules and operating procedures of the market and the technical instruments for trading and have adequate professional qualifications;

*c) the obligations set out in paragraph (a) and (b) apply to the **market***

intermediaries *providing trading services in financial instruments, including through the use of systems that do not involve human intervention. These systems shall be programmed in accordance with the rules, the operating procedures of the market and the technical instruments used for the activity concerned. The operators assigned to the programming of these systems shall have appropriate professional qualifications;*

d) *They have adequate systems, procedures and controls for trading activity including specific procedures for use of the order cancellation function and settlement procedures that reflect the characteristics of the firm and activity performed;*
e) *they have an internal IT unit that is in terms of number, experience and specialisation of the staff to guarantee the continuous and prompt functioning of the trading and settlement systems used, taking into account the degree of automation of their internal procedures and any recourse made to outsourcing.*
f) *they have a sufficient number of Authorised Representatives as defined pursuant to the Notice 2-01 "Registration Of Authorised Representatives and Responsible Persons".*

120.2 *When carrying on the trading activity and associated activities, the* ***market intermediary*** *shall avail itself of technological systems which are adequate for the interaction with the electronic data processing and telecommunication support systems of the market, for which the* ***intermediary*** *has obtained the conformance certification (so called conformance test). The conformance certification must be completed before the market access systems are used and before any substantial updating of such access systems or of the market trading system.*

120.3 *Traders and* ***specialists*** *may perform their activities for more than one* ***market intermediary*** *only when the market intermediaries they are acting for belong to the same group.*

120.4 ***Market intermediaries*** *may use a third party and/or a group company to perform the activities referred to in guidance sec. 120.3 with all the obligations of the Rules and control and coordinate the activities performed by the persons referred to in the preceding guidance.* ***Market intermediaries*** *must inform* ***Borsa Italiana*** *accordingly. The agreement between the* ***intermediary*** *and the third party/group company must provide for the possibility of* ***Borsa Italiana****, or its appointees, verifying compliance with the requirements laid down in the Rules directly on the premises of the third party and/or the group company the* ***market intermediary*** *uses.*

Sec. 130 *Guidance to the Rules*
Conditions for outsourcing technological systems

130.1 *Pursuant to Rule 1020.5,* ***market intermediaries*** *may use third parties:*

a) *for connection to the market;*
b) *for the other functions related to the management of technological systems other than connection to the market (e.g. housing and facility management).*

130.2 *The company offering the connection to the market may provide that the single connection is shared among many* ***intermediaries****, in the respect of*

*specific segregation criteria. In such case, the company offering the connection to the market is known as a Service Provider and shall be specifically accredited. To this purpose the company shall have a contract for the purpose with **Borsa Italiana**, which shall, among other things:*

*a) provide for **Borsa Italiana** or its appointees to be able to check the adequacy of the technological systems with respect to the services provided and their compatibility with **Borsa Italiana**'s ICT structures;*

*b) provide for **Borsa Italiana** to be able to limit the number of **intermediaries** that a Service Provider may connect to the market;*

c) require the Service Provider to have back-up and disaster recovery procedures in place.

d) *the possibility for the Service Provider to offer also the services referred to in the preceding guidance sec 130.1 letter b).*

130.3 ***Borsa Italiana*** *may refrain from requiring the Service Provider contract referred to in Sec.130.2 to be signed by **intermediaries** that provide the connection to the market to other **intermediaries** belonging to its group.*

130.4 ***Market intermediaries*** *must inform **Borsa Italiana** of the execution with third parties, including Service Providers. Such contracts must contain a clause permitting **Borsa Italiana** or its appointees to verify compliance with the technological requirements established in these rules, inter alia on the premises of the third party used by the **market intermediary**.*

130.5 ***Market intermediaries*** *must also keep adequate documentation on their premises regarding the architecture, functionalities, operating procedures, service levels, controls and contractual guarantees for the activities entrusted to third parties, including Service Providers.*

130.6 *The contracts between the third parties and **market intermediaries** must indicate whether in turn the third party subcontracts some of the services outsourced by the **market intermediary**. If the third party uses in turn subcontractors, provision must be made for **Borsa Italiana** to verify the adequacy of the technological infrastructure on the latter's premises.*

130.7 *The supervision and control of orders sent to the market may not be delegated to third parties.*

Sec. *Guidance to the Rules*

135 *Participation in the settlement service*

135.1 *Pursuant to article 1020.6 the **intermediary** must participate directly or indirectly both in the settlement service indicated in the guidance sec. 400.2.*

135.2 ***Market intermediaries****, for the purpose of complying with the conditions referred to in Article 1020.6, shall attest that:*

i) in case of direct participation in the settlement system, the participation to the X-TRM system service;

ii) in case of indirect participation in the settlement system, the participation to the X-TRM system service on his behalf of the intermediary participating in the settlement service.

	1021		If in the performance of its surveillance activity **Borsa Italiana** finds situations or conduct likely to entail risks for the integrity of the market, it may apply one or more of the following measures against the **market intermediaries** in question, until the reasons for their application cease to exist:
		1021.1	suspension from trading;
		1021.2	imposition of specific requirements relating to: the number and professional qualifications of trading staff; trading system and **interconnection** procedures and controls; and any other matters relevant to ensuring the continued satisfaction of **market intermediaries**' admission requirements;
		1021.3	restrict access to the market, including access via **interconnections**, including termination of access for customers of the **market intermediary** and, where present, their sub-delegates directly connected to the market through segregation of specific trading activities;
		1021.4	imposition of limits on operations or **interconnections**.
		1021.5	Where a measure of suspension from trading is adopted, from the time such measure takes effect the **market intermediary** to which it is applied shall only be permitted, under the surveillance of **Borsa Italiana**, to close out any positions still open and carry out any related transactions that are necessary to protect customers' interests, from the moment in which starts the suspension.
		1021.6	**Borsa Italiana** may modify or revoke the measures referred to in this rule at any time.
		1021.7	**Borsa Italiana** shall promptly inform the **market intermediary** concerned of the adoption of the measures.

G	1022		**Market intermediaries** shall notify, in the manner and within the time limits specified in the guidance sec. 140, every variation with respect to the operating conditions referred to in the information provided at the time of submission of the application for admission, according to articles 1020 and 1050.

Sec. 140	*Guidance to the Rule:* *Notification of changes in participation requirements as well as changes resulting from corporate actions*	
140.1	***Intermediaries** admitted to trading shall notify **Borsa Italiana**, using the form and functions available via the **dedicated portal.***	
140.2	***Intermediaries** must notify changes referred to the guidance sec. 140.1 to **Borsa Italiana** promptly or, in the case of changes in the technological framework or of corporate actions, with due notice with respect to the date on which the changes will become effective, so that **Borsa Italiana** may make the necessary verifications, carry out any technical measures required and inform the market.*	

140.3 ***Borsa Italiana*** *may request* ***intermediaries****, with a specific communication, to submit an update of the conditions referred to in articles 1010 and 1020.*

	1023		**Market intermediaries** shall observe these Rules, the accompanying guidance, the applicable **Notices** and any other technical and operational documents accompanying these rules and the guidance, including Service Manuals. **Market intermediaries** shall maintain conduct based on principles of correctness, diligence and professionalism in their relations with market counterparties, obligations towards **Borsa Italiana** and use of the trading systems.

Exclusion from trading upon request

	1030	1030.1	**Intermediaries** admitted to trading on the market may request to be excluded from trading in the manner specified below with 10 days prior written notice.
		1030.2	**Borsa Italiana** may postpone the effective date if it considers it necessary for the protection of clients, or otherwise in the interests of the market. If **Borsa Italiana** does so, it may waive the Member's liability for some or all the fees and charges arising in respect of the period following the date on which his resignation notice would otherwise have taken effect.
		1030.3	Upon a Member's notification of its resignation pursuant to paragraph 1, all amounts owed by such Member to **Borsa Italiana** shall become immediately due and payable. The Member shall forthwith return to **Borsa Italiana** any software, equipment and documentation which may have been made available by **Borsa Italiana.**

Appeals and complaints

C	1040		Appeals and complaints shall be conducted in accordance with the procedures set out in the Compliance Procedures.

Notifications

	1050		**Market intermediaries** shall promptly notify **Borsa Italiana** of any circumstances of which they are aware, including technical problems with their systems, that prejudice or might prejudice their compliance with these Rules.

Indirect participation in settlement system

G	1100		In the case of indirect participation in the settlement system, i.e. where a **market intermediary** uses another **intermediary** to settle its contracts, the **market intermediary** ~~and the other **intermediary** must send **Borsa Italiana** a declaration containing:~~
		~~1100.1~~	~~an undertaking by the **intermediary** participating in the settlement system to settle contracts concluded in the market by the **market intermediary** up to the time of withdrawal from the agreement, together with the attestation referred to in guidance sec 135.2;~~
		~~1100.2~~	~~an~~ **authorises** ~~authorisation for the market **intermediary** to be suspended~~

~~by~~ **Borsa Italiana**, at the request and on the responsibility of the **intermediary in the central securities depository to suspend the intermediary** ~~participating in the settlement system~~, without **Borsa Italiana** being required or entitled to verify the appropriateness of such suspension or its conformity with any understandings between the market **intermediary** and the participating **intermediary**.

Compliance and enforcement

Verification activity and co-operation

1210 For the purpose of verifying compliance with these rules and the accompanying guidance and, more generally, in order to ensure the performance of its functions of organising and managing the market, **Borsa Italiana** may:

1210.1 request **issuers** and **market intermediaries** to provide all the necessary information and documents concerning transactions carried out on the market and the respect of information obligations;

1210.2 convoke the representatives of **issuers** and **market intermediaries** to clarify specific conduct or situations;

1210.3 exclusively for the purpose of verifying compliance with the requirements of rule 1020, carry out examinations on the premises of **market intermediaries**.

1210.4 **Market intermediaries** must guarantee that **Borsa Italiana** can carry out examinations on the premises of third parties entrusted with the management of technological systems under rule 1020.6.

1210.5 Where evidence is found of presumed violations of these Rules or the accompanying guidance, **Borsa Italiana**, after acquiring appropriate substantiating elements, decides whether, in its opinion, a violation has been or has not been objectively completed and, if so, it adopts any of the measures referred to in Article C010, after it started the procedure referred to in Article C020, when applicable.

1212 **Market intermediaries** shall be liable vis-à-vis **Borsa Italiana** for the conduct of their employees and collaborators. Conduct by traders that violates these rules shall be considered as the conduct of the intermediary on whose behalf the operators assigned to the trading activity are acting. **Market intermediaries** are also responsible to Borsa Italiana for compliance by their customers with the Directive 2014/65/EU and the Regulations 600/2014/EU and 596/2014, as well as the Borsa Italiana Rules.

1213 **Borsa Italiana** may co-operate, also by the sharing of information, with other **regulated markets** and **Multilateral Trading Facilities**.

C 1214 Where in the course of market surveillance **Borsa Italiana** acquires evidence suggesting that acts of insider trading or market manipulation may have been committed, it shall immediately report such evidence to Consob.

Measures against market intermediaries and issuers

C	1215	Imposition of measures shall be conducted in accordance with the procedures set out in the Compliance Procedures.

Charges and fees

Trading fees

	1300	**Market intermediaries** are required to pay fees for the services provided in accordance with the amounts, intervals and time limits established by **Borsa Italiana** on the basis of transparent and non-discriminatory criteria and communicated to the clients.

Rules of conduct

Rules of conduct

G	1400		**Market intermediaries** shall refrain from acts that may prejudice the integrity of the market. *Inter alia* they may not:
		1400.1	commit acts that are likely to give a false or misleading impression to other market participants;
		1400.2	carry out sham transactions, whose objective is not to transfer ownership of the **financial instruments** traded or to modify their exposure to the market;
		1400.3	commit acts that may impede **appointed intermediaries** in fulfilling their commitments;
		1400.4	carry out, directly or through a nominee, transactions under a prior agreement for the execution, offsetting, and reverse thereof.

	1401	**Market intermediaries** must put effective forms of control in place to monitor their contractual positions and avoid situations likely to hinder orderly trading and the regular settlement of contracts in the settlement service. **Intermediaries** must implement strategies to ensure the settlement of contracts in the terms provided.
	1402	**Members may not accept orders relating to instruments traded on the Professional Segment unless such orders originate from Professional Investors, except where the rules or articles of association of the reserved CUI provide that the categories of investors identified by the regulation referred to in Article 39 of the Italian Consolidated Law on Finance may also invest in the reserved CIU. Borsa Italiana does not verify whether investors are eligible to trade on the Professional Segment. Members shall ensure that the authorised entities from which orders originate comply with the same rule of conduct. An exception shall apply to sell orders originating from holders existing on the date of admission to the**

Professional Segment of the ATFund market.

Order entry

Transmission of orders to the ATFund market

1450 **Market intermediaries** shall be liable for all interactions with the electronic data processing and telecommunication support systems adopted by **Borsa Italiana** for the operation of the market, including trading orders sent to the market and those sent via **Interconnections**, and their effects. **Market intermediaries** must equip themselves on a continuous basis with systems, procedures and controls to prevent the entry of orders that are anomalous in terms of quantity, countervalue or number.

Rules for confirmed orders and order entry confirmation by the **appointed intermediary** are set forth by Section 4 of the Trading Manual.

Sec. 150 *Guidance to the Rules*

150.1 *For the purpose of determining the countervalue, the last **execution price** is considered.*

1451 **Market intermediaries** can request to use more than one code to segregate specific trading activities or to segregate different participations in the settlement system. For this purpose **market intermediaries** must take previous contact with **Borsa Italiana**.

1452 Following the procedures indicated in the guidance, intermediaries must:

a. transmit the information needed to allow the association between the content of the orders and the information needed to identify the client and/or the person or algorithm used internally by the intermediary for the investment decision and the execution of the order;
b. acquire the appropriate controls to ensure the correctness and completeness of the information entered in the orders and in the systems used to associate the information, according to letter a) above;
c. provide Borsa Italiana with the information on executed contracts needed to comply with transaction reporting obligations, if such obligations pertain to the market.

Sec. 155 *Guidance to the Rules:*
Transmission of orders to the market

155.1 ***Market intermediaries** are required to fulfil the participation requirements and shall be liable for the orders sent to the market.*

155.2 ***Market intermediaries** must organise themselves in order to be able to control orders entered, including those entered via **interconnections**. To this end, attention must be paid to:*

- *the professional qualifications of the persons assigned to trading;*
- *the controls on access to systems that permit the entry of orders via **interconnections**; such controls must make it possible to ensure the fitness and recognition of the persons who operate via **interconnections** and the access controls of the order enter via **interconnections**; In the case of "**direct electronic access**", which consists of a DMA, the **market intermediary** has to implement procedures enabling it to ensure that the persons who may be guaranteed that access comply with the requirements of Article 22 of Regulation 2017/589/EU; In the event of sponsored access subject of sub-delegation, the **market intermediary** is required to segregate the different order flows of the recipients of the sub-delegation. If the **market intermediary** becomes aware that a customer connected to the market trough "direct electronic access" does not longer meet the above requirements, it shall suspend the access and promptly notify Borsa Italiana;*
- *the controls on the maximum quantities, on the maximum countervalue and prices of orders entered;*
- *the controls on the overall trading activity carried out by the different persons who operate via **interconnections**;*
- *the frequency according to which persons who operate via **interconnections** enter order which have overridden controls and systems alert in terms quantity or number.*

155.3 *In order to ensure the adequacy of the systems referred to in rule 1450, **market intermediaries** must equip themselves with controls and automatic alarm systems, taking into account the quantity and the countervalue of the entered orders.*

155.4 *In particular, **market intermediaries** must equip themselves with controls and automatic alarm systems that prevent the entry of anomalous orders, whose size, or number could affect the orderly functioning of the market. To this end **market intermediaries** shall take account of the nature of their activity. In addition the procedures and controls must be adequate to permit the correct entry of orders and the handling of any alarms.*

155.5 *As for **interconnections**, in addition to providing the persons who send orders via **interconnections** with appropriate professional support, **market intermediaries** shall equip themselves with controls and monitoring systems in order to:*

- *prevent the entry of orders that exceed the maximum variation thresholds;*
- *instruct such persons regarding the manner of entering orders.*

155.6 ***Market intermediaries** shall ensure that they can delete orders entered via **interconnections** or, if necessary, restrict the possibility to enter orders via **interconnections** with or without the prior consent of the subject who entered the order via **interconnections**.*

155.7 ***Intermediaries** have to report the following information **to Borsa Italiana** via the **dedicated portal**:*

- *client identification code;*
- *code used to identify the person or algorithm used internally by the intermediary responsible for the investment decision;*
- *code used to identify the person or algorithm that is responsible for*

execution of the order.
The intermediaries shall ensure that each these codes (long-code) corresponds, in the trading orders, to a single code (short code), and vice versa, for all Borsa Italiana markets.
The communication of the information indicated at sub-indents b) and c) constitute confirmation that the indicated trading algorithms have been tested in advance.

155.8 *The **intermediaries** that are not subject to Regulation (EU) 2014/600 must report all the additional information that has not already been reported, so that **Borsa Italiana** may properly discharge its obligation pursuant to Article 26(5) of that Regulation, in accordance with the terms and conditions indicated in the Manual of transaction reporting of **Borsa Italiana**.*

Systems and trading

Technical breakdowns of market intermediaries' systems

G	1500	**Market intermediaries** shall promptly inform **Borsa Italiana** of any technical breakdowns of the systems they use for trading or of those for accessing the market referred to in rule 1020.1 and rule 1050, including the malfunctions of the technological systems used for trading.

G	1501	In the cases referred to rule 1500 **market intermediaries** shall follow any instructions received from **Borsa Italiana** and may request, in the manner laid down in the guidance to this rule, the deletion of orders sent to the market.

Sec. 160 *Guidance to the Rules*
*Technical breakdowns in **market intermediaries**' systems*

160.1 *For the purpose of article 1500, **market intermediaries** shall promptly inform **Borsa Italiana** of technical breakdowns in the technological systems they use for trading and their systems for accessing market, in particular if they intend to request the deletion of orders entered. **Market intermediaries** shall also notify **Borsa Italiana** of the subsequent reactivation of their systems.*

160.2 ***Market intermediaries** must be able to delete orders they enter. In the event that this is impossible, they may request **Borsa Italiana** to delete orders on their behalf either all the orders entered and orders associated with specific **trading codes**.*

160.3 ***Market intermediaries** shall send **Borsa Italiana**, via the **dedicated portal**, the list of persons who may request the deletion of orders. The list may include traders, the Responsible and other persons deemed by the **market intermediary** to possess adequate professional qualifications and subject to Rule 1212.*

160.4 ***Borsa Italiana** may delete orders only at the request of persons assigned to trading and included on the list referred to in the previous guidance sec 160.3. **Borsa Italiana** shall notify the names of the persons on the list only to the persons indicated in the list. Requests for the deletion of orders made by persons not included in the list will not be carried out.*

160.5 ***Market intermediaries*** *must notify the list referred to guidance sec 160.3 to rule and every change to the list itself, through the* ***dedicated portal****. Changes to the list will be effective from the effective date indicted* ***on*** *the portal.* ***Market intermediaries*** *that configure their access to the market using more than one* ***trading code*** *must send the list referred to in guidance sec 160.3 to rule for each* ***trading code****.*

160.6 *When requests are made for the deletion of orders, the following information must be given in addition to the* ***market intermediary****'s name and identification code: the* ***trading code*** *for which the cancellation request has been entered the name and telephone number of the person requesting the deletion, and the reason for the request. For the deletion of individual orders, it is also necessary to specify the number of the order or the name of the instrument, the sign of the order, and its price, quantity and time of entry. When the request concerns individual orders, the maximum number of orders that* ***Borsa Italiana*** *will delete is five.*

160.7 ***Borsa Italiana*** *shall promptly carry out deletions of orders for which the request complies with what is set out above. If the orders in question have given rise to the conclusion of contracts, such contracts shall be binding on the* ***market intermediary****, without prejudice to the application of the procedures referred to in guidance sec 510 and 520.*

ORDER BOOK TRADING RULES

Trades

Trading methods and phases

2000	2000.1	Trading in the **ATFund market** shall be conducted according to the rules established by Section 6 of the Trading Manual. The **ATFund market** operates from 7.30 a.m. to 6.35 p.m. during which the following trading phases occur: - Order-Accumulation Phase: 10.40 a.m. – 10.40 a.m. of two consecutive trading days; - Cut-off Time and Date: 10:40 a.m. of each trading day; - Confirmation-Only Phase: 10:40 a.m. – 11.10 a.m. of the trading day for the orders entered before the Cut-Off Time; - Execution-Price Entry Phase: 7.30 a.m. – 3.00 p.m. of the second open exchange day following the trading day; - Execution Time and Date: 3.00 p.m. of the second open exchange day following the trading day for the orders entered before the Cut-Off Time.
	2000.2	Contracts shall be concluded according to the rules set forth by paragraph 5.1 of the Trading Manual.

Orders entry

2020	2020.1	Orders may be entered according to the rules established by paragraph 6.2 of the Trading Manual.
	2020.2	Only orders described by paragraph 3.2 of the Trading Manual and indicating a quantity of securities in the Open-Ended Investment Fund are allowed.
	2000.3	**At the issuer's request, Borsa Italiana allocates the financial instruments to the Professional Segment of the ATFund market and announces such allocation in the notice of commencement of trading.**

Confirmation and Execution of orders

2021	2021.1	The buy and sell orders entered by **market intermediaries** in accordance with articles 2020.1 and 2020.2 shall be confirmed by **appointed intermediary** during both Order-Accumulation Phase and Confirmation-Only Phase, and executed at Execution Time and Date.
	2021.2	**Appointed intermediary** commits to accept by the end of the Confirmation-Only Phase each order received before the Cut-Off Time, according to paragraph 2.2 and based on the timing established by paragraphs 6.3 and 6.4 of the Trading Manual.
	2021.3	Orders already confirmed by the **appointed intermediary** cannot be cancelled either by the **market intermediaries** entering such orders or by the appointed intermediary confirming such orders pursuant article 2021.2.
	2021.4	Orders received before the Cut-off Time and not confirmed by the **appointed intermediary** by the end of the relevant Confirmation-Only Phase, as

required by Article 2021.2, are automatically cancelled, pursuant to paragraph 3.4 of the Trading Manual.

2021.5 Orders that have already been confirmed by the **appointed intermediary** according to article 2021.2 and for which **execution price** of the share/unit of the open-end CIU on the day of trading pursuant to Article 310.1 e) has already been communicated according to the rules established by paragraph 6.5 of the Trading Manual are executed according to paragraph 6.6 of the Trading Manual.

2021.6 Orders that have already been confirmed by the **appointed intermediary** according to article 2021.2 but for which the **execution price** of the share/unit of the open-end CIU on the day of trading has not been communicated are not executed.

2021.7 Contracts shall be valued by Borsa Italiana on the basis of the price referred to in the preceding point and transmitted to the matching services, pursuant to the indication at article 4000, for the purpose of their settlement on the day following the day they were concluded and in any case in compliance with the time limits established for settlement.

Sec. 200 *Guidance to the Rules*
Extraordinary intervention of Borsa Italiana on contracts concluded

*200.1 In cases where the **issuer**, in fulfilment of the obligation under article 310, informs of the communication of a wrong **execution price** and subsequently communicates the correct **execution price** by the Execution Time, the related contracts will be adjusted to the correct NAV (accordingly with the dispositions applicable to the CIU) and forwarded to the settlement systems so as to allow compliance with the settlement terms envisaged.*

*200.2 If the communication of the correct **execution price** is made after the terms referred to in the preceding guidance, the related contracts will be settled on the basis of the **execution price** originally communicated by the **issuer**. In such cases the counterparties shall provide for the entering of adjustment instructions (compensation) in the settlement systems, based on the correct **execution price** (accordingly with the dispositions applicable to the CIU) properly communicated by the **issuer** and disclosed with notice of **Borsa Italiana.***

*200.3 The **issuer** shall promptly inform **Borsa Italiana** of cases of failure to comply with the obligation to communicate the **execution price** referred to in article 310. In such cases, when the **execution price** is not received by the end of the Execution-Price Entry Phase, the related concluded contracts will be cancelled, given communication in the manners provided in title 3000.*

*200.4 The calculation of the days referred to in the guidance 200.1 shall be made on the basis of trading days and excluding the days when the **execution price** is not calculated, reported as provided in article 310.2 (e).*

*200.5 The **issuer** is subject to article C010 of the Rules.*

Execution price

2100 The official daily price of each financial instrument is **execution price** as

	defined in paragraph 1.2 of the Trading Manual and communicated by the **appointed intermediary** for which contracts have been concluded.

DISCLOSURE OF INFORMATION

Information provided to intermediaries – General Principles

3000		**Market intermediaries** shall be provided with the information needed for the proper performance of the trading functions and the settlement of trades. Such information shall be made available via the electronic data processing and telecommunication systems put in place by **Borsa Italiana** as promptly as possible and with **intermediaries** on an equal footing insofar as this is compatible with the technological equipment in their possession.
3001		**Borsa Italiana** shall establish the conditions and procedures for the dissemination of the information referred to the preceding article 3000 to interconnected customers.

Information provided to the intermediaries – Contents

3002		Throughout the market session **intermediaries** shall have access to at least the following information updated in real time: a) the trading book with all the individual buy and sell orders and quantity; this information is updated at the request of the intermediary; b) a summary of the trading conditions for each financial instrument, containing at least, the volume of trades; c) the situation regarding the **intermediary**'s own orders on the book; d) a list of the individual trades for each financial instrument, showing the time, quantity and execution price.

Information provided to the public - General principles

3020		In order to facilitate investment and disinvestment decisions and the verification of the conditions at which transactions are executed in the markets, **Borsa Italiana** shall arrange for the prompt disclosure to the public including via third parties where appropriate, of information on market conditions and the contracts concluded for each financial instrument.
3021		**Borsa Italiana** shall not disclose information to the public on the identity of the parties to trades.
3022		**Borsa Italiana** publishes on its website data on the quality of the execution of the transactions, according to the provisions of the Regulation 2017/575/EU.

Information provided to the public - Contents

3030	3030.1	During the trading phase, for each **open-end CIU** traded, the information on the quantities of all the buy and sell orders shall be available to the public in real time for each financial instrument.
	3030.2	The information on the contracts concluded in relation to the number of contracts and the quantities traded are available to the public in real time and are updated with the indication of the execution price on the second trading day following the trading day.

SETTLEMENT

Settlement

4000	The day after the conclusion of contracts on the market, **Borsa Italiana** shall send to the daily trade-checking services, specified on the guidance to the rules, the data on the contracts in view of their settlement via the **CSD** specified in the guidance to the rules.

Sec. 400 *Guidance to Rule:*
Trade-checking and settlement service

400.1 *X-TRM is the daily trade-checking service.*

400.2 *Settlement services of the financial instruments are the services managed by:*
- Monte Titoli S.p.A.
or other CSDs using the T2S platform allowing for cross-CSD settlement, as defined in the Monte Titoli Settlement Service Regulations.

Time of settlement

4010	Purchase and sale contracts concluded on **ATFund market** shall be settled on the ~~third~~ day following the execution date.

Late settlement

4020	Where purchase and sale contracts are not settled within the prescribed time limits and a payment of periodic amount or the maturity of the financial instrument occurs in the meantime, the procedures provided by the settlement system pursuant to the Rules apply.

Sec. 402 *Guidance to the Rules*
Start of the mandatory execution procedure

402.1 *Pursuant to article 4020 of the Rules, in the event that purchase and sale contracts are not settled for lack of the securities by 10:00 on the third day following the prescribed settlement date, the buyer may initiate the mandatory execution (buy-in) procedure referred to in guidance sec 403 against the seller who has failed to perform. The request of initiation of the mandatory execution (buy-in) procedure shall take account of the eventual buyer protection and of the features of the financial instrument. In the event that the buyer does not request the start of the buy-in procedure, guideline Sec. 403 applies.*

402.2 *Pursuant to article 4020 of the Rules, in the event that purchase and sale contracts are not settled for lack of cash, at the prescribed settlement date, the seller may initiate the mandatory execution (sell-out) procedure referred to in Sec. 408 against the buyer who has failed to perform.*

402.3 *The calculation of the days for the buy-in and sell-out procedures shall be based on the market calendar;*

402.4 *The notifications referred to in the following articles shall be made by e-mail to the address ms@euronext.com.*

Sec. 403 *Buy-in procedure*

403.1 *The buyer shall initiate the buy-in procedure by appointing an **intermediary** (the buy-in agent) to execute the buy-in and sending a buy-in notice to the seller. The buyer shall notify **Borsa Italiana** of the start of the procedure using the form made available on **Borsa Italiana**'s internet site. Buy-in notices may be sent from the end of the settlement on the third day subsequent to the original settlement day (within 18.00 hours) (if the notice is sent after such time, it shall be deemed to have been sent on the following day).*

403.2 *In the buy-in notice the buyer shall give the name of the buy-in agent, who, except in the case referred to in Sec. 406, shall execute the buy-in according to the time limits and in the manner established in the following guidance.*

403.3 *If the seller fails to settle the original transaction by the fourth day subsequent to the day on which the buy-in notice was sent (the expiration day) on the following day (the buy-in execution day) the buy-in agent shall purchase the securities to be delivered to the buyer and notify the same of the details of the transaction concluded. If the buy-in agent is unable to purchase some or all of the securities on the buy-in execution day, they may be purchased on the following days.*

403.4 *The buy-in must be executed on the **ATFund market**, unless provided for otherwise by **Borsa Italiana**, which shall take account of the features of the financial instrument and the ways in which it is traded.*

403.5 *Upon receiving the notification referred to in Sec. 403.3, the buyer, using the form made available on **Borsa Italiana**'s internet size, shall notify the seller and **Borsa Italiana** of the details of the execution of the buy-in and indicate any differential between the cum-coupon prices of the original contract and the buy-in contract, calculated with account taken of any intervening coupon detachments. If the differential is negative it shall be payable by the seller.*

403.6 *on the buy-in execution date **Borsa Italiana** shall request Monte Titoli to delete the settlement instructions of the original contract from the settlement system.*

403.7 *Upon execution of the buy-in the buyer shall send settlement instructions in favour of the buy-in agent to the settlement system for the settlement with the same value date of the quantity and value of the buy-in transaction. The buyer shall notify **Borsa Italiana** of the sending of the settlement instructions. In the case referred to in Sec. 403.4, the seller shall send the settlement system instructions in favour of the buyer for payment of the differential with the same value date as the settlement of the buy-in transaction. The seller shall notify **Borsa Italiana** accordingly.*

Sec. *Cash settlement procedure*

404

404.1 *Whenever within 10 days calculated starting from the settlement date, ~~of~~ the original contract is not settled or whenever the buy-in agent is unable to purchase the securities by such time limits, the seller must pay the buyer an amount equal to the differential, if positive, between the valuation of the financial instruments on the end-of-validity day and the original value of the contract (cash settlement).*

Sec. 405 *Buy-in agent*

405.2 *Pursuant to Sec. 403.1, the buyer shall appoint an intermediary to purchase the securities (the buy-in agent) chosen among the intermediaries admitted to trading on the markets managed by* ***Borsa Italiana****.*

405.2 *The buyer may revoke the appointment of a buy-in agent who fails to execute the buy-in and appoint another. The buyer shall give the seller and* ***Borsa Italiana*** *at least one day's notice of the revocation and of the appointment of another buy-in agent.*

Sec 406 *Delivery of the securities during the buy-in procedure*

406.1 *The seller may settle the original contract by delivering the securities due up to the fourth day subsequent to the day on which the buy-in notice was sent and shall inform* ***Borsa Italiana*** *and the buyer accordingly. The buyer shall inform the buy-in agent.*

406.2 *In the case referred to in Sec. 406.1, the buy-in procedure shall be immediately cancelled.*

Sec 407 *Pass on*

407.1 *Upon receiving a buy-in notice, a seller who has not settled a contract concluded for own account within the prescribed settlement time limits because another participant on the* ***ATFund market*** *has failed to settle may transfer the effects of the buy-in procedure to such participant by notifying the latter and* ***Borsa Italiana*** *using the attached form referred to in Sec. 403.1 and filling in the pass-in as well.*

407.2 *The seller shall notify the other participant and* ***Borsa Italiana*** *of the details of the execution of the buy-in, using the attached form referred to in Sec. 403.5, and filling in the pass-on section as well. The seller shall also indicate any price differential between the prices of the original contract and the buy-in contract, calculated with account taken of any intervening proceeds detachments. If the differential is negative, it shall be payable by the other participant and in the cases in which the buy-in agent is unable to purchase the securities by the end-of-validity date of the original contract , the other participant is required to make the cash settlement referred to in Sec. 403.*

Sec. 408 *Sell-out procedure*

408.1 *The seller shall initiate the sell-out procedure by appointing an intermediary (the sell-out agent) to execute the sell out and sending a sell-out notice to the buyer. The seller shall notify **Borsa Italiana** of the start of the procedure using the form made available on **Borsa Italiana**'s internet site.*

408.2 *Sell out-notices may be sent from the end of the original settlement day (by 18:00; if the notice is sent after such time, it shall be deemed to have been sent on the following day).*

408.3 *If the buyer fails to settle the original transaction by 10.00 o'clock on the day subsequent to the day on which the sell-out notice was sent (the sell-out execution day), the sell-out agent shall sell the securities in order to deliver the cash amount to the seller and notify the same of the details of the transaction concluded. If the sell-out agent is unable to sell some or all of the securities on the sell-out execution day, they may be sold on the following days.*

408.4 *In the sell-out notice the seller shall give the name of the sell-out agent, who, except in the case referred to in Sec. 410, shall execute the sell-out according to the time limits and in the manner established in the following guidance.*

408.5 *The sell-out must be executed on the **ATFund market**, unless provided for otherwise by **Borsa Italiana**, which shall take account of the features of the financial instrument and the ways in which it is traded.*

408.6 *Upon receiving the notification referred to in Sec. 408.2 and Sec. 408.3, the seller, using the form made available on **Borsa Italiana**'s internet site, shall notify the buyer and **Borsa Italiana** of the details of the execution of the sell-out and indicate any differential between the cum-coupon prices of the original contract and the sell-out contract. If the of the contract for execution of the sell-out is lower than the price of the original contract, the differential shall be payable by the buyer.*

408.7 *At the sell-out execution date **Borsa Italiana** shall request Monte Titoli S.p.A. to delete the settlement instructions of the original contracts from the settlement system.*

408.8 *Upon execution of the sell out the seller shall send the settlement instructions in favour of the sell-out agent to the settlement system for the settlement with the same value date of the quantity and the value in euro of the sell-out transaction. The seller shall notify **Borsa Italiana** of the sending of the settlement instructions. In the case referred to in the guidance 408.4, the buyer shall send the settlement system instructions in favour of the seller for payment of the differential with the same value date as the settlement of the sell-out transaction. The buyer shall notify **Borsa Italiana** accordingly.*

Sec. 409 *Sell out agent*

409.1 *Pursuant to Sec. 408.1, the seller shall appoint an intermediary to sell the securities (the sell-out agent) chosen among the intermediaries admitted to trading on the market managed by **Borsa Italiana**.*

409.2 *The seller may revoke the appointment of a sell-out agent who fails to*

*execute the sell out and appoint another. The seller shall give **Borsa Italiana**, at least one day's notice of the revocation and of the appointment of another sell-out agent.*

Sec. 410 *Delivery of cash during the sell-out procedure*

410.1 *The buyer may settle the original contracts by delivering the cash due up to 10.00 o'clock on the day subsequent to the date on which the sell-out notice was sent and inform **Borsa Italiana** and the seller accordingly. The latter shall inform the sell-out agent accordingly. In such case the sell-out procedure shall be immediately cancelled.*

Sec. 411 *Guidance to the Rules*
Management procedure for failed transactions in case of corporate actions

411.1 *Where purchase and sale contracts are not settled within the prescribed time limits and other corporate actions occur in the meantime, the discipline provided for by the settlement system referred to in article 4000 applies.*

411.2 *In cases of corporate events which provides for the in bonis buyer the possibility to notify an intention, the buyer may request the in malis seller the exercise of the option derived from the corporate action on the purchased instrument (so called buyer protection), notifying it to the market.*

411.3 *For the purpose of buyer protection request, the form available in the website of the settlement system shall be used. Also, the counterparties, directly or through the intermediaries that settle respectively on their behalf, shall insert in the settlement system the settlement instruction on the resulting and possibly cancel the original settlement instruction.*

SURVEILLANCE

Controls and measures concerning trading

5000	**Borsa Italiana** shall control the regularity of trading, verify the compliance with these rules and the accompanying guidance and adopt all the measures necessary for the proper operation of the market. These functions shall be performed by the competent office, which shall be exclusively equipped with the means needed to carry out the related controls and interventions. These rules shall be conducted in accordance with the procedures set out in rule 1210.

5001		In carrying out its supervisory functions, with the aim of ensuring orderly trading, **Borsa Italiana** shall, *inter alia*:
	5001.1	monitor the behaviour of **market intermediaries** in the market, and compliance with the obligations of the **appointed intermediary**;
	5001.2	apply to **issuers** and to **market intermediaries** for information deemed necessary in relation to particular market conditions in accordance with rules 1210 and 5010;
	5001.3	verify the updating of records, including any matters necessary to ensure orderly trading;
	5001.4	monitor the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems;
	5001.5	regulate trading conditions;
	5001.6	promptly inform the market of the measures it adopts that affect trading in the market or the performance of **financial instruments**;
	5001.7	promptly suspend the **intermediary** at the request of the **intermediary** participating in the settlement service referred to in rule 1100 and immediately inform Consob.

Measures concerning trading parameters, hours and phases

5010		In particular market conditions, **Borsa Italiana** may, with reference to categories of **open-end CIUs** or individual **open-end CIUs**:
	5010.1	prolong the duration or delay the start of one or more phases of trading;
	5010.2	suspend or reactivate trading.

5011		**Borsa Italiana** may adopt the measures referred to in the rule 5010:
	5011.1	where anomalous trading conditions are observed for **financial instruments** in terms of quantities;

		5011.2	where it is necessary to obtain information on particular market situations concerning the **financial instruments**;
		5011.3	where there are technical reasons or other circumstances that do not guarantee the regular operation of the market;
		5011.4	where detailed complaints are submitted by **market intermediaries** that consider they have been damaged by irregular behaviour on the part of other **market intermediaries**.

	5012		In adopting the measures referred to in rule 5010, **Borsa Italiana** shall take account:
		5012.1	of the volumes of the **financial instruments** traded recorded in the last three months, as well as their variations;
		5012.2	of the liquidity of the instrument and the significance of the trading;
		5012.3	of the dissemination or lack of dissemination of information available to the market

5013		**Borsa Italiana** may cancel orders that hinder orderly trading where the **intermediary** that entered them, when requested by **Borsa Italiana**, is unable to confirm, modify or cancel them in a reasonably short time.

Handling of input errors

G	5020		**Borsa Italiana** may order or effect:
		5020.1	the cancellation of contracts concluded in the market upon receipt of a joint explained request from the **market intermediaries** concerned;

5021		**Borsa Italiana** shall give prompt notice to the intermediaries concerned of the operation of the procedure for handling errors and the measures adopted. Where these are affecting contracts that have been concluded, **Borsa Italiana** shall inform the market and provide the counterparties concerned, at their request, with the documentation relative to the corrections or cancellations effected.

G	5022		For carrying out the error handling procedure referred, **Borsa Italiana** shall charge the **intermediary** that made the mistake a fee proportional to the scale of its intervention, in accordance with the what is established in the **Guide to the Parameters** ~~guidance Sec. 650~~.
		Sec. 504	*Guidance to the Rule:* *General principles*
		504.1	*A* **market *intermediary*** *that makes a mistake in entering orders in the market shall promptly inform* ***Borsa Italiana****, giving the details of any resulting transactions and specifying whether it intends to request activation of the error handling procedure.*

504.2 *Such reports, requests for the handling of mistakes by those that made them and the related counterparty authorisations, may be sent, after contacting **Borsa Italiana**'s supervision office by telephone, by sending a written request to the following e-mail address: ms@euronext.com;*
Requests for the handling of errors must contain the details of the transactions.

504.3 ***Borsa Italiana** shall promptly notify the details of the financial instruments for which the error handling procedure has been requested and activated to the counterparties involved or the entire market in the manner deemed most appropriate.*

504.4 *The cost of contacting the counterparties in connection with the adoption of corrective measures shall normally be borne by the **market intermediary** that made the mistake. If the identities of the counterparties are not known to market participants, the **intermediary** that made the mistake shall contact **Borsa Italiana**.*

504.5 *The manner of determining the fees for the error handling procedure ~~referred to in rule 5022~~ is specified in **in the Guide to the Parameters** ~~guidance sec 520~~.*

Sec. 510 *Ordinary procedure*

510.1

The ordinary procedure may be activated where the following conditions are met:

*a) the error handling request is submitted to **Borsa Italiana** as promptly as possible;*
b) the transactions to which the request refers derive from an evident mistake.

510.2

***Borsa Italiana** shall promptly inform the applicant where the request for activation of the ordinary procedure is refused, giving the reasons for the refusal.*

510.3

*The corrective measures may be adopted, as far as it is concerned, by the parties or by **Borsa Italiana** subject to the agreement of the parties.*

~~*Sec. 520* *Determination of the fee for handling errors*~~

~~*520.1* ***Borsa Italiana** shall use the following formula to determine the fee referred to rule 5022:*~~

~~$$C = 50 \times N_{cp} + 10 \times N_{ct}$$~~

~~*where:*~~

~~*C = the fee in euro;*~~
~~*N_{cp} = the number of counterparties involved in the contracts affected by the procedure;*~~
~~*N_{ct} = the number of contracts considered in the calculation, set equal to 0 where the number of contracts affected by the procedure is less than or equal to 50 and to the number in excess of 50 where the number of contracts affected by the procedure is more than 50.*~~

~~*520.1* *The fee may not be less than 250 euro or more than 2,500 euro*~~.

Handling of technical breakdowns

G	5040		*Inter alia* with the aim of ensuring equal access to the market by **market intermediaries** in conditions of adequate transparency, **Borsa Italiana**:
		5040.1	shall establish in the guidance the procedures for handling technical breakdowns of electronic data processing equipment and transmission networks, and lay down objective criteria for carrying out the procedures, determining the downtime, the time at which trading is to start again and any extension of trading hours;
		5040.2	may order the temporary suspension of trading where technical breakdowns affect a significant number of **market intermediaries**;
		5040.3	shall inform the market of the measures adopted in accordance with this rule where they impinge on **market intermediaries**' operations or the trading of **financial instruments**.

Sec. 560 *Guidance to Rule:*
Handling of technical breakdowns

560.1 *In monitoring the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems referred to in rule 5001.5, **Borsa Italiana** shall continuously verify:*
*a) **market intermediaries**' operational and informational links to the market;*
b) the working of the electronic data processing equipment and telecommunication networks for the provision of trading support services, the dissemination of information and the daily checking and correction of contracts;
c) the regular operation of the different market phases in accordance with the procedures and timetables prescribed.

560.2 *Where the controls reveal anomalies involving a significant number of **market intermediaries**, **Borsa Italiana** may adopt one of the following measures for an individual **financial instrument**:*
a) prolong or postpone one or more market phases;
b) suspend one or more market phases;
c) prolong the session;
d) close the session early.

560.3 ***Borsa Italiana** shall also assess the significance of the number of **market intermediaries** affected by technical breakdowns referred to in rule 5040.2 in relation to:*
a) the nature of the breakdowns and the operational limitations (access or information) observed;
*b) the procedures for connecting the **market intermediaries** affected to the market;*
*c) the fact that the breakdowns concerned all or part of the technical resources available to **market intermediaries**;*
*d) the market share of the **market intermediaries** affected.*

560.4 *The duration of the suspensions and postponements referred to in guidance sec 560.2 shall be fixed in a transparent manner and in a way*

*that allows a significant number of **market intermediaries** to assess their contractual positions and re-establish regular connections with the market.*

560.5 Trading may be restarted:

*a) with a phase which permits **market intermediaries** to annul unexecuted orders they had entered in the market before the suspension.*

b) with the trading procedure referred to in article 2000;

COMPLIANCE PROCEDURES

Measures against market intermediaries and issuers

C010		Without prejudice to rule 1021, where there is a violation of these rules or the accompanying guidance, including the case of **issuers** or **market intermediaries** hindering the verification activity referred to in rule 1210, **Borsa Italiana** may apply one or more of the following measures against the **issuers** or the **market intermediaries** in question:
	C010.1	a written warning to observe the Rules and accompanying guidance;
	C010.2	a written censure;
	C010.3	a fine of between 5,000 and 500.000 euros;
	C010.4	suspension from trading in the market;
	C010.5	exclusion from trading in the market.

C011	The measures provided for in the rules, C010.4 and C010.5 may be made public as described in Rule C040. Measures provided in the previous rules C010.1, C010.2 and C010.3 may be made public as described in rule C040, where **Borsa Italiana** is of the opinion that this is deemed necessary and appropriate for the purpose of market protection. **Borsa Italiana** may disclose to the public the measure and the description of the violation without specifying the identity of the perpetrator, when this is deemed sufficient in order to ensure market protection. The measure referred to in rule C010.1 could be disclosed only without the name of the **intermediary** to which such measure applies.

C012		In order to adopt the measures referred to in the rule C010, **Borsa Italiana** shall take the following criteria into account:
	C012.1	the actual and potential impact on the market and the external importance of the violation and the impact on the **issuer**'s economic and financial situation;
	C012.2	the size, duration and nature of the violation;
	C012.3	how **Borsa Italiana** became aware of the violation;
	C012.4	the benefits accrued by the **issuer** or **market intermediary** from the violation;
	C012.5	The **issuer**'s or **market intermediary**'s reaction to **Borsa Italiana**'s requests and its actual and previous behavior;
	C012.6	magnitude of fraud and negligence;
	C012.7	functioning of system used for internal control and prevention of violations;

	C012.8	numbers and magnitude of violations previously committed by the same **issuer** or **market intermediary**;
	C012.9	size of the **issuer** or **market intermediary** and of the group it belongs to;
	C012.10	the cases in which various provisions are breached or the same provision is breached more than once.

C013	Where a measure of suspension or exclusion from trading is adopted, from the time such measure takes effect the **market intermediary** to which it is applied shall only be permitted, under the surveillance of **Borsa Italiana**, to close out any positions still open and carry out any related transactions that are necessary to protect customers' interests.

C014	The use to which fines are put shall be established on a general basis by **Borsa Italiana** in an ad hoc measure communicated to **Consob** and published in a **Notice**.

Procedure for verifying violations

C020	In order to apply the measures referred to in rule C010, the procedure described in this rule shall be initiated within one year of the presumed violation or of the later date on which **Borsa Italiana** learned of the presumed violation. In the latter case the procedure described in this rule may not be initiated after three years have elapsed from the date of the presumed violation.

C021		For the purpose of applying the measure referred to in rule C010.2, C010.3, C010.4 and C010.5, **Borsa Italiana** sends the **issuer** or the **market intermediary** concerned a notification:
	C021.1	containing a description of the alleged violation
	C021.2	setting a time limit of not less than 15 days within which a written brief may be submitted and possibly a request for a hearing in which to examine the question jointly.

C022	The notification referred to in rule C021 may indicate the measure **Borsa Italiana** intends to apply. In such case, if the time limit referred to in rule C021.2 expires without the **issuer** or the **market intermediary** having submitted a written brief or requested a hearing, **Borsa Italiana** shall apply the measure indicated in the notification.

C023	If the **issuer** or the **market intermediary** requests a hearing in which to examine the question jointly or if **Borsa Italiana** considers such a hearing to be necessary, **Borsa Italiana** shall establish the date for the hearing and inform the **issuer** or the **market intermediary** accordingly. The **issuer** or the **market intermediary** shall be represented in the meeting either by its legal representative or by a person appointed for the purpose, being allowed to be assisted by a lawyer of its choice. If the **market intermediary** fails to attend the hearing without due cause, **Borsa Italiana** shall proceed on the basis of the evidence collected up to that time. At the end of the hearing, at the request of the interested party, **Borsa Italiana** may set a new time

	limit of not less than 10 days for the submission of another written brief.

C024	On the basis of the evidence collected as part of the procedure, **Borsa Italiana** shall decide within 45 days of the hearing or the subsequent expiry of the time limit for the submission of another written brief as provided for rule C023, or if no such hearing is requested or scheduled by **Borsa Italiana**, within 45 days of the expiry of the time limit set pursuant rule C021.2.

C025	Decisions adopted pursuant to the preceding rule C024 shall be promptly notified to the interested party giving the reasons for the decision.

Review of measures

C030	The **issuer** or the **market intermediary** may ask for the review of the measure applied pursuant to rule 1021 and rule C010 within 15 days of the notification referred to in respectively rule 1021.7, and rule C025 by means petition to the Appeals Board established pursuant to C090.

C031	For the measure referred to in rule C010.1, the 15 days run from the moment in which the decision is notified to the interested party.

Disclosure to the public of measures

C040	Applications of the measures referred to in rule C010 shall be made public in **Notices** or via the electronic trading support systems after 15 days have elapsed from the notification of the measure to the interested party without the question being referred to the Appeals Board or, where it has been so referred, after 10 days have elapsed from the notification of the Appeals Board's decision to the parties.

C041	At the request of the **issuer** or the **market intermediary**, the complete text of the measure shall be made public, possibly together with all the acts of the proceedings, including the decisions of the Appeals Board.

Suspension of time limits

C050	The time limits referred to in this Title shall be suspended from 1 August to 31 August of each year.

Jurisdiction

C060	These rules, the accompanying guidance and any other provisions concerning the operation of market and services and subsequent amendments shall be governed by the laws of Italy. With reference to the provisions on Membership (Art. 1000 et seq.), these Rules shall be applied in accordance with Italian law.

Disputes submitted to the courts

C070	Disputes concerning the fees referred to in rule 1300, and the amounts referred to in guidance sec 520 referring to fees payable by intermediaries where due, shall be heard exclusively by Italian judges and the competent court shall be exclusively the Court of Milan.

Other disputes

C080	Any dispute other than those referred to in rule C070 caused by or deriving from these rules, the accompanying guidance or any other provisions concerning the operation of market and subsequent amendments shall be settled finally by a Board of Arbitration set up in accordance with rule C100.

C081	Prior recourse to the Appeals Board procedure referred to in rule C090 shall be a necessary condition for initiating the arbitration procedure

Appeals Board

C090	The Appeals Board shall be composed of three members appointed by the Board of Directors of **Borsa Italiana**, which shall also appoint one of the members to be the chairman. The seat of the Appeals Board shall be at **Borsa Italiana**.

C091	The members of the Appeals Board shall be chosen from among independent persons of proven expertise in matters concerning financial markets.

C092	The appointment shall be for three years and may be renewed. Where one of the members vacates the position before the termination of the appointment, the Board of Directors of **Borsa Italiana** shall appoint a substitute; such appointment shall last until the termination of the appointments of the other members of the Appeals Board.

C093	The decisions of the Appeals Board shall be adopted in accordance with law allowing debate within 30 days of the date of the petition for review referred to in rule C030 and C031 and shall be promptly notified to the parties. The language of the proceedings shall be the Italian language..

C094	In agreement with the other members of the Board, the chairman may assign a question to a single member of the Board.

C095	The decisions of the Appeals Board shall not be binding on the parties and where one of the parties initiates arbitration pursuant to rule C100, they shall not be binding on the arbitrators, who shall have the broadest prerogatives and powers to re-examine the entire dispute without any preclusion.

C096	The fees of the members of the Appeals Board shall be borne by the losing party.

Board of Arbitration

C100		The Board of Arbitration shall be composed of three members appointed as follows:
	C100.1	the party that initiates the arbitration procedure shall send an instrument to the other party in which it: • declares its intention of initiating the arbitration procedure; • indicates the subject of the case; • designates its arbitrator; • invites the other party to designate its arbitrator;

	C100.2	the party that receives the invitation referred to in rule C100.1 shall designate its arbitrator within 20 days of receiving the notice; in the event of its omitting to do so, the second paragraph of Article 810 of the Code of Civil Procedure shall apply;
	C100.3	the third arbitrator, who shall act as Chairman of the Board of Arbitration, shall be appointed consensually by the arbitrators referred to in rule C100.1 and C100.2; where they fail to agree within 20 days, the third arbitrator shall be appointed by the Chairman of the Milan Court.

C101	The arbitration proceedings thus instituted shall be ritual and shall comply with the provisions of the Italian Code of Civil Procedure. The procedure must be initiated, on pain of debarment from action, within 60 days of the notification referred to in rule C093. The dispute shall be settled in accordance with the provisions of Italian law and the language of the arbitration proceedings shall be the Italian language.

C102	The seat of the Board of Arbitration shall be in Milan in the place designated by its Chairman.


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