

# EURONEXT ACCESS MILAN MARKET RULES

~~24 February 2025~~

**26 January 2026**

*The Italian text of these Rules shall prevail over the English version*



**BORSA ITALIANA**

# EURONEXT ACCESS MILAN Market Rules

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The Rules are divided in articles contained in the boxes. Moreover the Rules contain guidance to rules that supplement these rules, which indicate the provisions for the implementation of the content of the Rules.

Rules with supplementary Guidance are flagged with the notation "G".

The Guidance is divided in Section (Sec.) with an identification number.

Rules that have a reminder to Compliance Procedure are flagged with the notation "C"

## Glossary

<b>Term</b>	<b>Meaning</b>
<b>Trading Code</b>	means the FirmID used to identify the trading member on the market
<b>Admission to trading</b>	Admission to trading of financial instrument in the Euronext Access Milan market
<b>Algorithmic trader</b>	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
<b>Algorithmic trading</b>	means the trading technique specified in Article 4(1)(39) of Directive 2014/65/EU and in Article 18 of Regulation 2017/565/EU
<b>Commercial Paper</b>	Means short-term unsecured debt securities; in Italy these securities are governed by Law no. 43 of 13 January 1994, as amended.
<b>Central counterparty</b>	means the legal person authorised to operate a clearing system, pursuant to Regulation 2012/648/EU
<b>CSD</b>	means the legal person authorised to operate a securities settlement system, pursuant to Regulation 2014/909/EU
<b>Direct Electronic Access</b>	means the connection to the market as specified in Article 4(1)(41) of Directive 2014/65/EU
<b>Exceptional circumstances</b>	means the exceptional circumstances identified in Article 4, of Regulation 2017/578/EU
<b>External auditors or auditing company</b>	Entities, including natural persons, enrolled with the Register of Statutory Auditors kept by the Ministry of Economy and Finance pursuant to Legislative Decree no. 39 of 27/1/2010 and relevant implementation provisions
<b>Euronext Access Milan financial instruments</b>	The financial instruments admitted to trading in the ExtraMOT market as provided in accordance with Article 300
<b>Euronext Access Milan market</b>	A MTF of bonds managed and organised by Borsa Italiana
<b>Guide to the Parameters</b>	the document accompanying the Rules of the regulated markets and the relevant Instructions, as well as the Rules of the multilateral trading facilities organized and managed by Borsa Italiana S.p.A., referred to as "Guide to the Parameters", communicated in a Notice and available on the Borsa Italiana website;

<b>Guidance to the Rules</b>	Indicates the provisions for implementing the content of the Euronext Access Milan Rules and is published jointly with the Rules.
<b>High-frequency trader</b>	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.
<b>High-frequency algorithmic trading or HFT</b>	means the trading technique specified in Article 4(1)(40), of Directive 2014/65/EU and Article 19, of Regulation 2017/565/EU.
<b>Infrastructure Bonds</b>	means bonds and debt securities issued to finance the construction of infrastructures or works for social benefit, whose repayment depends on cash flows generated by the aforesaid works.
<b>Green bonds</b>	Bonds and other debt securities the proceeds from which are exclusively used to finance or refinance projects with specific environmental benefits/impacts; can fall within this category the bonds issued by companies that have defined a transition plan to make their activities more sustainable (so-called Transition Bonds). The presence of the characteristics required to qualify the bonds and the other debt securities as Green Bonds must be certified by a third-party expert that will issue a certification <b>or review</b> when the instruments are admitted to trading. <b>Included in this definition are "European Green Bonds" or "EuGBs" within the meaning of Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "Green Bond Regulation").</b>
<b>Guide to the parameters</b>	The document accompanying the Rules of the markets organized and managed by Borsa Italiana S.p.A. and relevant Instructions, referred to as "Guide to the Parameters" notified in a Notice and available on Borsa Italiana website.
<b>Inside information</b>	Information of a precise nature which has not been made public, directly or indirectly relating to one or more issuers, or one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or on the price of any related derivative financial instruments, in virtue of the provisions of Article 7 of Regulation (EU) 596/2014 and the corresponding implementing provisions.
<b>Institutional Investor</b>	an investor that is one of the following: <ul style="list-style-type: none"> <li>a) an insurance company pursuant to Article 13, point 1) of Directive 2009/138 / EC;</li> <li>b) a reinsurance undertaking within the meaning of Article 13(4) of Directive 2009/138/EC;</li> </ul>

- c) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council in accordance with Article 2 thereof, unless a Member State has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive; or an investment manager or an authorised entity appointed by an institution for occupational retirement provision pursuant to Article 32 of Directive (EU) 2016/2341;
- d) an alternative investment fund manager (AIF) as defined in point (b) of Article 4(1) of Directive 2011/61/EU, that manages and/or markets alternative investment funds in the Union;
- e) an undertaking for the collective investment in transferable securities (UCITS) management company, as defined in point (b) of Article 2(1) of Directive 2009/65/EC;
- f) an internally managed UCITS, which is an investment company authorised in accordance with Directive 2009/65/EC and which has not designated a management company authorised under that Directive for its management;
- g) a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 for the purposes of that Regulation or an investment firm as defined in point (2) of Article 4(1) of that Regulation;

**Interconnection**

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 organizational units of market intermediaries other than units assigned to the activities of trading in the markets and settlement and the control thereof; and 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) or directly (Sponsored Access or SA).

**International Accounting Standards or IAS/IFRS**

International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and related interpretations, issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

**Issuer**

indicates the subjects issuing the instruments referred to in Article 220.1.

**Large in scale transaction or Large in scale order**

means the transaction or the order that are large in scale with respect to the normal size of the market, according to

	the definition in Regulation 2017/583/EU.
<b>Liquid market for the financial instrument</b>	means the liquid market as specified in Article 2, paragraph 1(17), of Regulation 2014/600/EU.
<b>Liquidity Provider</b>	means the operator who undertakes to support the liquidity of financial instruments by performing the functions set out in Article 4000.
<b>Logical Access</b>	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.
<b>Market Intermediary or intermediary</b>	the entity admitted to trading in the Euronext Access Milan market by Borsa Italiana, as provided in accordance with article 1000 and subsequent.
<b>Market Maker</b>	means the intermediary that has underwritten a market making agreement with Borsa Italiana, in accordance with Regulation 2017/578/EU.
<b>Minimum lot</b>	the minimum face value of bonds that may be traded in market; the trading lots higher than the minimum lot may be traded only if they are a multiple of the minimum lot.
<b>MOT market</b>	Electronic Bond Market organised and managed by Borsa Italiana S.p.A.
<b>Negotiated transactions</b>	means the transactions negotiated privately between intermediaries, placed on the market according to the rules specified in Articles 2050 and 2051.
<b>Notice</b>	the publication prepared and distributed by Borsa Italiana containing information relevant to the operation of the Euronext Access Milan market.
<b>Notes</b>	Financial instruments other than Bonds and other debt securities including Structured Bonds, Cum Warrant Bonds, Covered Bonds, ABS, Commercial Paper, Territorial Bonds and financial instruments issued or guaranteed by a non-EU state which are priced as a percentage of par value, and which may not provide for repayment of principal at par at maturity.
<b>Other debt securities</b>	Financial instruments different from bonds and representing a loan by a company that do not guarantee the nominal capital on maturity, in case of extraordinary events.
<b>Professional investors</b>	means the persons referred to in Annex II, parts 1 and 2, of Directive 2014/65/EU. This definition shall also include "qualified investors", i.e. the persons referred to in Article 100 of Legislative Decree 58/1998 (the Consolidated Law on Finance), which, by virtue of the double references to Article 34-ter of the Regulation on Issuers (Consob Regulation 11971 of 14 May 1999) and Article 35 of the Regulation on

	Intermediaries (Consob Regulation 20307 of 15 February 2018) is equivalent to the definition of “professional clients” referred to in MiFID2.
<b>Professional segment</b>	shall mean the segment only accessible to professional investors.
<b>Project bonds</b>	shall mean the bonds and debt securities issued pursuant to Article 157 of Legislative Decree 163/2006 and Article 1(5) of Decree Law 83/2012, converted by Law 134/2012, and subsequent amendments.
<b>Regulated markets</b>	The market entered in the register referred to in Article 63.2 of the Consolidated Law of Finance and the market entered in the special section of such register referred to in Article 67.1 of the Consolidated Law of Finance.
<b>SDIR</b>	shall mean the electronic dissemination system of regulated information, authorized by Consob pursuant to articles 65 and sub. of Consob Regulation n. 11971/1999, that carries out the dissemination of such information to the public, to Borsa Italiana and to CONSOB.
<b>Social bonds</b>	Bonds and other debt securities the proceeds from which are exclusively used to finance or refinance projects with specific social benefits/impacts. The presence of the characteristics required to qualify the bonds and the other debt securities as Social Bonds must be certified by a third party expert that will issue a certification when the securities are admitted to trading.
<b>Sustainability Bonds</b>	Bonds and other debt securities that have the required characteristics to qualify as Green Bonds and Social Bonds. The presence of the characteristics required to qualify the bonds and the other debt securities as Sustainability Bonds must be certified by a third party expert that will issue a certification when the securities are admitted to trading.
<b>Sustainability-Linked Bonds</b>	Bonds and other debt securities that have financial and/or structural characteristics that may vary depending on whether the issuer achieves certain predefined sustainability objectives. The presence of the characteristics required to qualify the bonds and the other debt securities as Sustainability-Linked Bonds must be certified by a third party expert that will issue a certification when the securities are admitted to trading.
<b>Specialist</b>	Any market intermediary that, at the request of the issuer, undertakes to support the liquidity of Euronext Access Milan financial instruments.
<b>TCS Trading Manual</b>	the Transaction Confirmation Service (TCS)’s trading manual which describes the transactions benefiting from a pre-trade transparency waiver and executed outside the Euronext central order book, but in the Euronext Transaction Confirmation Service (TCS) system and

therefore deemed executed on the relevant regulated market or multilateral trading facility as appropriate.

**Tick**

the minimum difference between the prices of orders, established in the Guide to the Parameters, for each financial instrument traded.

**Trading Manual**

the trading manual of the Optiq trading platform which describes the functionalities of the platform both for the regulated markets and the multilateral trading facilities. The provisions of the trading manual apply to the Borsa Italiana's markets when they have been incorporated by reference or replicated in the Rules of such trading venues.

**Market making agreement**

means the market making agreements that Borsa Italiana must offer, in compliance with Regulation 2017/578/EU, to the Intermediaries pursuing a market making strategy.

# **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 Euronext Access Milan market.
100.1	The Euronext Access Milan market, excluding the Professional Segment may also be accessed by retail investors. Paragraphs 2 and 3 of Article 100-bis of the Consolidated Law on Finance concerning the systematic resale do not apply to sell offers made on such market.
110	These Rules establish the organizational and operational conditions and procedures of the Euronext Access Milan market and, in particular, govern:
110.1	the conditions and procedures for the admission, exclusion and suspension of Euronext Access Milan financial instruments 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 of intermediaries and the surveillance of the Euronext Access Milan market in a non-discriminatory manner and using procedures defined on a general basis.
121	Borsa Italiana, in its operation of the Euronext Access Milan 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 Euronext Access Milan market

### Tradable instruments

200	<p>The following financial instruments, which satisfy the conditions referred to in Articles 220, may be admitted to trading on the Euronext Access Milan market:</p>
200.1	<p>bonds and other debt securities; including commercial papers and bonds containing profit-sharing and subordination clauses pursuant to Law Decree no. 83 of 22 June 2012 as well as project bonds and infrastructure bonds.</p> <p>Bonds may be admitted to trading with the indication of Green Bonds, Social Bonds, Sustainability Bonds or Sustainability-Linked Bonds where a third party <del>certifies</del> <b>verifies</b> the environmental and/or social nature of the projects that are financed through the issue of these financial instruments and/or transition plans defined by issuers to make their activities more sustainable or the presence of financial and/or structural characteristics in the bonds that may vary depending on whether the issuer achieves certain pre-defined sustainability objectives.</p> <p>This third party shall <del>be</del>:</p> <ul style="list-style-type: none"> <li>a) <b>make its assessments in an independent manner</b> <del>from the issuer company, its directors, managers and advisors;</del></li> <li>b) remunerated according to methods that are such to prevent conflicts of interest deriving from the fee structure; and</li> <li>c) <del>a specialised subject with expertise in</del> <b>have the qualifications and professional experience relevant for</b> assessing projects of an environmental and/or social nature, transition plans or achievement by the issuer of certain pre-defined sustainability objectives.</li> </ul> <p>Convertible bonds may be admitted to trade if the shares generated by the conversion are traded in a regulated market;</p>
200.2	money-market instruments;
200.3	financial instruments issued against securitizations involving bonds and other debt financial instruments with the above characteristics;
200.4	covered bonds;
200.5	Notes.

### Powers of Borsa Italiana

G	210	<p>Borsa Italiana may admit financial instruments referred to in Article 200, with the exception of instruments referred to in articles 220.1, to trading exclusively 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.</p>
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### Conditions for the admission of financial instruments

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220.1 May be admitted to the Professional Segment:

- a) Financial instruments issued by Italian or foreign joint-stock companies (joint-stock companies Limited by shares and limited liability companies), cooperative companies, mutual insurance companies or entities, including local authorities or companies controlled by the latter pursuant to Article 2359 of the Italian Civil Code. Financial instruments issued against securitizations involving bonds and other financial debt instruments issued by the aforementioned categories of companies are also included for which Borsa Italiana reserves the right, having regard to the type of instrument, to establish a listing procedure that will permit a prompt start of trading. In relation to securitisations involving bonds and other debt financial instruments characterised by a public guarantee of at least 80% of the nominal value of the financial instruments issued or subscribed for at least 50% by public entities, the admission document may omit the risk factors relating to the issuer and must contain a description of the transaction in which the instrument is included.

provided that:

- a prospectus, drawn up pursuant to Annex 7, 9, 15 e 19 of the Delegated Regulation EU/2019/980 or an EU Growth Prospectus pursuant to Article 15 of EU/2017/1129 Regulations has been drawn up no more than twelve months before the admission to trading on the system, or an information document containing the information specified in Sec. 10 of the Guidance or the information document referred to in Article 102 of Consolidated Law on Finance. Where such documents have not been published at the time of listing, they will be provided upon request from an investor that wishes to purchase the debt instruments on the secondary market following their admission to listing;
- the separate consolidated annual accounts have been published and filed for the last financial year, in accordance with national law, of which at least the latest must have been statutorily audited by an Italian or foreign entity entered in the register established pursuant to Legislative Decree 39 of 27 January 2010, except as otherwise provided for in applicable sectorial legislation or the provisions referring to infrastructure bonds in the guidance Sec. 10.3; companies resulting from corporate actions or which, during the year prior to the year of submission of the application or thereafter, have undergone substantial changes in their capital structure, may produce pro-forma accounts by accompanied by the report of a statutory auditor or statutory audit company with adequate knowledge of the entities involved and basing its opinion on appropriate checks;
- the financial instruments must not be subscribed and/or purchased entirely by shareholders.

*The same conditions shall apply to the issuers of project bonds.*

- b) Financial instruments issued or guaranteed by persons subject to prudential supervision and that satisfy the following conditions:

- a prospectus drawn up pursuant to European Union rules no more than twelve months before the admission to trading on the system, or an information document has been made available containing sufficient information for investors to reach a decision on the issuer's economic and financial situation and future prospects, as well as on the financial instruments and related rights.

In the case of bonds issued by a bank or by entities subject to prudential supervision and originally and/or mainly placed with its clients, the application for admission shall be submitted to the EuroTLX market managed by Borsa Italiana

Financial instruments admitted in the Professional Segment cannot be made up of instruments:

- issued by EU Member states or by parties which benefit from a guarantee that is granted by such a state and is unconditional and irrevocable or by an international organization of a public nature of which one or more EU Member states are members; ~~or~~
- issued by Member states of the Organisation for Economic Cooperation and Development (OECD);
- issued by micro enterprises, as defined by Recommendation no. 361/2003/EC;

*The same conditions shall apply to the issuers of project bonds.*

- 220.2 The accounts prepared in accordance with this Article must be prepared and presented in accordance with:
- the Italian GAAP; or
  - the International Accounting Standards; or
  - the US Generally Accepted Accounting Principles.

- 220.3 At the time they are admitted to the market, the Euronext Access Milan issuers must choose whether they will use Italian or English for their disclosures to the public.

Issuers subject to foreign law with registered office in a European Union Member State shall declare that they are validly constituted in accordance with the applicable legal provisions and the article of association. These issuers shall also provide a copy of the articles of association in Italian or English.

Issuers subject to foreign law with registered office in a country outside the European Union that do not have financial instruments listed on other regulated markets of countries belonging to the EU shall declare that there are no impediments to their substantial compliance with the provisions contained in these Rules, in laws and other regulations applicable to them, concerning the information that issuers of financial instruments admitted to listing must make available to the public, Consob or Borsa Italiana: this declaration shall be rendered and supported by a legal opinion issued by a lawyer licensed to practice in the country in which the issuer has its headquarters.

Sec *Guidance to the Rules*

05 *Guarantor*

*Where financial instruments benefit from an irrevocable and unconditioned guarantee by a third party (guarantor) requirements and obligations pertaining to the issuer shall be satisfied by the guarantor of the issue.*

- 221 Financial instruments admitted to trading on the Euronext Access Milan market must also be:

	221.1	freely transferable; and
	221.2	suitable for settlement in the manner referred to in Article 5000.
222		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.
223		Borsa Italiana may reject an application for admission to trading, taking account, among other things, of the characteristics of the 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.

**Procedure for instruments' admission to trading**

224	224.1	Persons referred to in Article 210 shall present an application that is signed by their legal representative or duly authorized person, drawn up in accordance with the model form available on Borsa Italiana's website and accompanied by the documentation indicated therein.
	224.2	After verifying their completeness, Borsa Italiana confirms the receipt of applications.
	224.3	Within 7 trading days of the date of confirming receipt of an application, 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.
	224.4	The time limits referred to in Article 224.3 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 Article 224.3 may be suspended at the request of the person referred to in Article 210.
	224.5	Applications shall be deemed annulled if they are not modified, completed or corrected within two months of their receipt.
	224.6	Borsa Italiana shall issue a Notice for the admission to trading of instruments referred to in Article 211, establishing the date of the start of trading and making available the information needed for trading. The Notice shall specify the ways in which information required by these Rules and disclosed by the issuer is accessible by the public.
	224.7	In the context of the admission procedure, the parties referred to in article 210 may use the Euronext Access Milan market for the distribution of the financial instruments referred to in Article 200. In this case, Borsa Italiana shall verify the admission requirements of the issuer and of the financial instruments and shall receive the request for admission to trading. Following this, it shall admit the financial instrument and commence trading of purchase and sales contracts on the market. At the end of the sale phase, if successful, and subject to compliance with the requirements laid down in these Rules, the admission shall become final and Borsa Italiana shall establish the date for the start of trading on the Euronext Access Milan market.

If the issue of financial instruments does not take place because the admission requirements laid down in these Rules are not satisfied, the admission decision shall cease to be effective and the contracts executed shall be null and void.

The procedures for distribution via the Euronext Access Milan market shall be established each time by Borsa Italiana in a Notice. To this end the issuer shall inform Borsa Italiana of the name of the intermediary appointed to display quotes for the sale of the financial instruments that are to be issued if it does not intend to perform this task itself. The issuer shall also notify the days on which the distribution is to take place, the price, the day on which the issuer will decide whether to proceed with the issue, and the single date set for the settlement of the contracts concluded, which normally coincides with the date set for the issue and payment of the financial instruments.

The issuer may, on the basis of defined and transparent criteria, restrict participation in the distribution to certain intermediaries admitted to trading.

The contracts concluded during the distribution phase via electronic trading systems cannot be deleted.

225	225.1	The issuers of financial instruments referred to in Article 210 that intend to implement or have implemented an issue programme for bonds and securitised derivative financial instruments shall apply to Borsa Italiana for a declaration of admissibility to listing of the financial instruments to be issued under the programme. Borsa Italiana shall issue the declaration within 20 trading days from the day the documentation to be attached to the application is completed if the applicant meets the conditions and requirements established by these Rules and the characteristics of the instruments do not conflict with the provisions of the Rules. The declaration of admissibility shall be announced in a Notice.
	225.2	The issuers of financial instruments referred to in Article 210 that intend to add to an issue programme that Borsa Italiana has declared to be admissible with additional securities notes shall apply for a declaration of admissibility to listing of the financial instruments that are the subject of such additional securities notes. Borsa Italiana shall issue the declaration within the time limit specified in Article 225.1.
	225.3	Applicants that change the characteristics of the financial instruments in respect of which Borsa Italiana has issued a declaration of admissibility shall request confirmation of such declaration. Borsa Italiana shall grant the request within 10 trading days of the submission of the application complete with the required documentation.
	225.4	For the admission to trading of the financial instruments issued on the basis of the programme, the applicants shall submit an application to Borsa Italiana complete with the required documentation and drafted in accordance with the specific template made available on the Borsa Italiana website. Within one trading days from the completeness, Borsa Italiana shall arrange for the admission, which is communicated to the applicant.
	225.5	The date of the start of trading and the market segment in which the financial instrument will be traded are established by Borsa Italiana in a Notice.
	225.6	The time limits referred to in Articles 225.1, 225.3 and 225.4 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.

Sec. *Guidance to the Rules*

10 *Admission document*

10.1 *Where the format set out in Annexes 6 (in the case of non-equity instruments intended for retail investors) or 7 (in the case of wholesale non-equity securities); 9 (in the case of asset-backed securities); 14 (in the case of non-equity instruments intended for retail investors) or 15 (in the case of wholesale non-equity securities); and 19 (in the case of asset-backed securities)<sup>1</sup> of Delegated Regulation EU/2019/980, or an EU Growth Prospectus pursuant to Article 15 of the EU/2017/1129 Regulation is not used, the issuer that is requested to draw up an admission document must check that the document contains at least the following information:*

- *the persons responsible (Section 1 of Annex 7, Annex 9 and Annex 19);*
- *the risk factors (Section 3 of Annex 7, Annex 9, and Section 2 of Annex 14);*
- *information on the issuer (exclusively as regards Section 4.1 of Annex 7, History and development of the issuer, and Section 4 of Annex 19);*
- *information on the originator (exclusively as regards points 3.5 of Annex 19)*
- *organizational structure (Section 6 of Annex 7 and Annex 9);*
- *the major shareholders (Section 10 of Annex 7, and Section 7 of Annex 9);*
- *financial information concerning the assets and liabilities, financial position and profits and losses of the issuer (Section 11 of Annex 7). Alternatively the latest annual accounts may be attached to the document; for asset-backed securities, the audit report for the last financial year (Annex 8.1, if the issuer has not started the activity and no financial statements have been drawn up since the registration or establishment date, and 8.2 solely if the issuer has started the activity on the registration or establishment date and the financial statements have been prepared);*
- *structure of the transaction (exclusively as regards points 3.1, 3.4.5, 3.4.6, 3.4.7, 3.4.8, and 3.5 of Annex 19)*
- *information concerning the financial instruments (Section 4 of Annex 15);*
- *description of the underlying assets (exclusively as regards points 2.2.1, 2.2.3, 2.2.4, 2.2.5, 2.2.12, 2.2.13, and 2.2.14 of Annex 19)*
- *admission to trading and dealing arrangements (Section 5 of Annex 15);*

*Subject to the minimum contents set forth in these Rules, for the purpose of drafting the admission document it is possible to use the template made available on the Borsa Italiana website.*

10.2 *On the first page, in a prominent position and in bold type, the following sentence:*

*"Consob and Borsa Italiana have neither examined nor approved the content of this admission document."*

*Taking into account the type of issuer, the characteristic of the offer and/or financial instrument, Borsa Italiana may request additional information or authorize the omission of the information in some indents of Sec. 10.1 the Rules.*

*Borsa Italiana may also send applicants different operational forms to be understood as minimum requirements to be complied with in fulfilling such obligation.*

<sup>1</sup> For the financial instruments referred to in Article 200.3 see the corresponding references of the Annex 9 and 19.

*In the case of issuers of shares traded on a regulated market or multilateral trading facility the information on the issuer (from indent 1 to indent 6) may be omitted; the information on risk factors (indent 2) must always be given, that may be omitted only for convertible bonds.*

10.3

*In the case of issuers whose shares are traded on a regulated market or multilateral trading facility, the offering document shall contain only the risk factors relating to the securities being offered and/or admitted to trading (which may be omitted in the case of convertible bonds) and the terms and conditions of the debt instrument.*

10.4

*For asset-backed securities not subject to rating, the admission document must contain:*

- *a statement from the issuer that the securitisation is an STS securitisation within the meaning of Regulation EU/2017/2042, or that, alternatively, at least one institutional investor within the meaning of Article 2(1) of Regulation EU/2017/2042, other than the originator, the sponsor or the original lender, has verified the existence of the following information provided in a document called the investor report: exposure type, the percentage of loans more than 30, 60 and 90 days past due, default rates, prepayment rates, loans in foreclosure, collateral type and occupancy, and frequency distribution of credit scores or other measures of credit worthiness across underlying exposures, industry and geographical diversification, frequency distribution of loan to value ratios with band widths that facilitate adequate sensitivity analysis; and where the underlying exposures are in turn positions in the securitisation, also the underlying exposures of those positions;*
- *details of the website where the investor report referred to Article 5, paragraph 4 of Regulation EU/2017/2042 is published and updated, specifying how frequently it is updated;*

10.5

*For infrastructure bonds, admission is subject to the following being sent to Borsa Italiana*

- *for infrastructure bonds to be used to finance new (greenfield) projects, an economic and financial plan subjected to an audit conducted in line with the best standards in use nationally or internationally which certifies the capacity of the project to generate adequate cash flows in order to guarantee repayment of the bonds or debt securities. This audit report must be issued by a bank or a financial intermediary registered in the list pursuant to Article 106 of the Consolidated Law on Banking, or by a Statutory auditor or statutory audit company or by a trust and audit company regulated by Law no. 1966 of 23 November 1939 and enrolled in the Register held by the Ministry of Economic Development;*
- *for infrastructure bonds to be used to finance projects that are already wholly or partly completed (i.e. brownfield projects), a pro-forma economic and financial situation relating to at least one financial year ended prior to the date of submitting the admission application. The separate and/or consolidated annual accounts that form the basis of the pro-forma data must be subjected, with reference to a predominant part thereof, to a full statutory audit. These pro-forma documents must be accompanied by the report of a Statutory auditor or statutory audit company containing a judgement on the reasonability of the assumptions used to prepare the pro-forma data, on the correct application of the methods used as well as the correctness of the accounting standards used for preparing the data.*

**Suspension and revocation of instruments**

230	Borsa Italiana may:
230.1	suspend the trading of Euronext Access Milan financial instruments if the regularity of the market for the instrument is temporarily not guaranteed or risks not being guaranteed, if this is necessary to protect investors, if the instruments have been suspended on other regulated markets where they are traded or, for the financial instruments referred to in article 220.45, in the event of withdrawal of the specialist;
230.2	revoke the admission to trading of Euronext Access Milan financial instruments in the event of a prolonged lack of trading or where Borsa Italiana deems it to be necessary subject to its giving the market advance notice;
230.3	exclude Euronext Access Milan financial instruments from trading in the event of their admission to trading on the MOT market at the request of the issuer, from the date of the start of trading on the MOT market.
231	The suspension of an Euronext Access Milan 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 Euronext Access Milan financial instrument.
232	Suspensions and revocations shall be announced in a Notice.

Sec. *Guidelines*

20 *Delisting of instruments with a limited duration*

20.1 *The delisting from trading of the admitted instruments is provided by Borsa Italiana on the second day prior to the day established for the redemption (including early redemption) of the instruments. For this purpose, the calculation of days shall be made based on the calendar of the instrument's settlement currency and taking into account the opening days of the settlement system concerned. If that day is a non-trading day, the cancellation date shall be effective from the first following trading day.*

20.2 *Borsa Italiana shall normally delist convertible bonds on the first open TARGET calendar day before the last trading day useful for the conversion, early or otherwise, of the bond. If such day is a non-trading day, the delisting day is the first following trading day.*

20.3 *In the case of convertible bonds whose conversion period ends well in advance of their maturity, Borsa Italiana may decide to keep the financial instruments on the Euronext Access Milan market in changing the type description – from bonds to convertible bonds – starting from the first open market day following the conversion deadline. In this case, in preparation of the type description change, Borsa Italiana shall order the suspension of the listing of the convertible bond on the open TARGET calendar day before the last trading day on which they may be converted as well as on the last trading day on which they may be converted.*

**Exclusion from trading of the financial instrument upon request**

240.1	Intermediaries referred to in Article 210 that have applied for the admission of an Euronext Access Milan financial instrument may apply for its exclusion from trading by sending Borsa Italiana a reasoned request signed by their legal representative or duly authorized person.
240.2	Limited to bonds issued by the subjects referred to in Article 220.1 letter a), the request for exclusion from trading at the issuer's request must be subject to the approval by the bondholders' meeting in accordance with the provisions of article 2415, paragraph 3 of the Civil Code, where applicable.
240.3	The issuer, which has requested Borsa Italiana the exclusion from trading of the relevant financial instruments shall communicate the preferred date for the exclusion at least twenty open market days before such date.

241.1	<p>In cases of exclusion request, <b>Borsa Italiana</b> may exclude, <b>Euronext Access Milan</b> financial instrument establishing the effective date of the measure and informing the public in a Notice if subject to the occurrence of the following conditions:</p> <ul style="list-style-type: none"> <li>a) lack of trading for at least 18 months;</li> <li>b) a residual outstanding amount of the loan of less than 2.5 million euros or the equivalent thereof;</li> <li>c) less than 200 holders for bonds issued by non-bank issuers;</li> <li>d) an undertaking by the issuer, valid at least until the date of delisting, to purchase, directly or by engaging another person, the bonds in circulation at the request of their holders.</li> </ul> <p><b>Issuers</b> may also apply for the delisting of bonds listed on the Stock Exchange if the following conditions apply:</p> <ul style="list-style-type: none"> <li>a) the issuer possesses all the financial instruments;</li> <li>b) they were not traded in the two sessions preceding the date of the application for their delisting;</li> <li>c) an undertaking by the issuer guaranteeing there will be no trading until the delisting date established by <b>Borsa Italiana</b>.</li> </ul>
241.2	Where Article 2415 paragraph 3 of the Civil Code shall apply pursuant to Article 240.2, the conditions mentioned in the previous paragraph are not applicable. In this case, Borsa Italiana, having acquired the request for exclusion from trading together with a copy of the resolution of the bondholders' meeting that approved this request with the majorities envisaged in the aforementioned provision of the Civil Code, excludes the Euronext Access Milan financial instrument, establishing the effective date and informing the public by means of a Notice.

#### **Listing Sponsor**

250	250.1	<p>The issuer has the right to proceed to appoint a Listing Sponsor with regard to the admission of its financial instruments to the Access Milan Market.</p> <p>The Listing Sponsor, once appointed, assists and supports the issuer, during the phase of admission to the Access Milan Market, in submitting to Borsa Italiana the admission application and the admission document referred to in Sec. 10 and 11 of the guidance and the documentation referred to in Article 220.4, and also, in the phase subsequent to admission, in submitting the</p>
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	documents relating to the post-admission disclosure obligations referred to in Articles 320, 330, 340, 345 and 350.
250.2	In order to acquire the status of Listing Sponsor, the applicant must meet the admission criteria indicated below, which must be considered as additional to those required by law or any authorizations that the applicant is required to have. Borsa Italiana reserves the right to use its discretion in assessing the application and interpretation of these criteria.
250.3	<p>The person applying for the status of Listing Sponsor must be in possession of the following elements:</p> <ul style="list-style-type: none"> <li>- it must have provided professional services within the scope of transactions in debt capital markets and/or corporate finance for an adequate period of time, providing evidence of the main transactions performed in the last five years;</li> <li>- it must be a person with a suitable reputation in providing professional and quality advice relating to transactions in debt capital markets and/or corporate finance.</li> </ul> <p>The person applying for the status of Listing Sponsor is required to complete and submit the application to <b>Borsa Italiana</b> as per Annex 6. <b>Borsa Italiana</b> reserves the right to ask for further information or documentation from the applicant when it deems it appropriate in order to assess the application.</p>
250.4	When <b>Borsa Italiana</b> has ascertained that the applicant is in possession of the requirements referred to Article 250.3 above, it assigns the applicant the status of Listing Sponsor with reference to the Access Milan Market and registers the person in the register kept by <b>Borsa Italiana</b> and made available to the public in the relevant section on its website. <b>Borsa Italiana</b> may revoke the status of Listing Sponsor and delete the person from the list in order to preserve the integrity and reputation of the market or on request from the Listing Sponsor.
250.5	If the issuer ceases to have a <b>Listing Sponsor</b> , it is required to notify <b>Borsa Italiana</b> of this circumstance at least five days before this termination becomes effective. The issuer must also inform <b>Borsa Italiana</b> of the name of the contact person responsible for disclosing the information as indicated under these Rules, if it does not proceed with appointing a new Listing Sponsor pursuant to the provisions of this Article 250.
250.6	In order to assume and maintain its status as <b>Listing Sponsor</b> in the <b>Access Milan Market</b> the <b>Listing Sponsor</b> is required to pay the related annual fees according to the terms and conditions established by <b>Borsa Italiana</b> on the basis of transparent and non-discriminatory criteria.

## Applicants' obligations

### Liquidity obligations

310	The issuer may engage an intermediary to engage the activity of specialist for the financial instruments referred to in Article 220.1
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### Information disclosure obligations

G	320	The subject referred to in Article 210 shall send Borsa Italiana the information of a technical nature needed for the functioning of the market.
	330	In the case of instruments referred to in Articles 220.1:
	330.1	▪ issuers must publish their statutorily audited annual accounts without delay and in any case not later than six months from the end of the financial year to which they refer;
	330.2	▪ where the issuer or a single issue has received a rating from a local or international independent rating agency, such ratings, if in the public domain, must be made known to the market. Issuers shall also undertake to disclose any subsequent changes in their ratings in the same way;
	330.3	▪ at the time they are admitted to the market, issuers must choose whether they will use Italian or English for their disclosures to the public and no change may be made to the language chosen without the agreement of the holders of the financial instruments.
	340	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.

**Information on operation relating to financial instruments issued against securitisation**

	345	For each issue, issuers of financial instruments issued against securitization are required to notify Borsa Italiana, as soon as they are available and for the purposes of their disclosure to the public, the changes in the tranche amortization plan and in the degrees of subordination between tranches and any adjustment coefficient of the nominal value of the tranches (pool factor).
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Sec. *Guidance to the Rules*

30 *Information of a technical nature*

30.1 *Euronext Access Milan financial instruments with a variable rate coupon that are traded ex coupon: start and end of coupon period, payment date, amount of the new coupon (to be announced as soon as known and in any case at least two trading days before the first day of entitlement to the new coupon);*

30.2 *Euronext Access Milan financial instruments with a variable rate coupon that are traded cum coupon: start and end of coupon period, payment date, amount of the coupon to be paid (to be announced as soon as known and in any case at least one trading day before the first day of trading ex coupon);*

30.3 *Euronext Access Milan financial instruments with redemption on a pro rata basis of the par value of the capital: new par value/minimum denomination of each security; residual amount of the bond loan outstanding or proportion of the par value still to be redeemed (to be announced as soon as known and in any case at least three trading days before the redemption day);*

30.4 *Early maturity of the Euronext Access Milan financial instrument (to be announced as soon as known and in any case at least three trading days before the planned maturity).*

30.5 *Other information that Borsa Italiana deems to be useful, from time to time or on a general basis.*

Sec.  
40 *Other information*

40.1 *The applicant subject must also send the name of a person charged with transmitting the information referred to above and his or her substitute.*

Sec.  
50 *Sectoral legislation*

*Where the provisions of these Rules refer to periodic accounting data and to the opinion of the statutory auditor or the statutory auditing company, they must be coordinated with any different or additional provisions of the corresponding sectoral legislation, in particular with the provisions concerning the disclosure of periodic information by local authorities and issuers of project bonds.*

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

60.1 *Information of a technical for which Borsa Italiana has set up a specific electronic transmission channel (Myeuronext), the issuers shall transmit that information using that channel, or in the event of its malfunction, by message to the following e-mail [infofi&sd@euronext.com](mailto:infofi&sd@euronext.com)*

60.2 *Should the applicant not avail itself of a SDIR, the inside information disseminated according the law must be sent to Borsa Italiana using the e-mail address: [infofi&sd@euronext.com](mailto:infofi&sd@euronext.com).*

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In the case of Green Bonds, Social Bonds, and Sustainability Bonds, the use of the proceeds for projects of environmental and/or social nature must be communicated by the issuers at least once a year. This communication and any deviation from the use of the proceeds for projects of environmental and/or social nature must be communicated to Borsa Italiana and to the public respectively, without delay, according to the methods stated in article 2.7.1. In case of failure of the annual communication of this information by the issuers, Borsa Italiana shall delete the indication of the financial instruments from the relevant section of Borsa Italiana website dedicated to Green Bonds, Social Bonds, Sustainability Bonds. In case of Green Bonds and Sustainability Bonds, any significant changes or events to the transition plans aimed at making the issuer's activities more sustainable must be communicated and, in the case of Sustainability-Linked Bonds, any changes to the financial and/or structural characteristics of the issued bond deriving from the failure to achieve the pre-defined sustainability objectives must be communicated. This communications must be communicated without delay to Borsa Italiana and to the public.

# **MEMBERSHIP**

## **General provisions**

1000	The market intermediary is an entity that has been admitted to trading by Borsa Italiana in the Euronext Access Milan market as described above.
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### **Intermediaries admitted to trading and procedure for admission to trading and start of operation**

G	1010	The following may participate in trading in the Euronext Access Milan 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.
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Sec. *Guidance to Rule*

100 *Intermediaries admitted to trading*

100.1 *The following may participate in trading in the Euronext Access Milan 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;*

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 set up in the legal form a società per azioni or a società a responsabilità limitata or equivalent which trade on their own account within the limits imposed in Article 4-terdecies, paragraph 1, letter d), of the Consolidated Law on Finance:*

1. *the persons performing administrative, management and supervisory functions and those responsible for trading activity and the internal control function satisfy adequate integrity requirements;*
2. *they have established an internal audit function that does not depend hierarchically on any person with operational*

*responsibilities and that makes periodic checks on the activity of trading in financial instruments; Borsa Italiana may exempt intermediaries from this requirement after evaluating their size (proportionality principle);*

3. *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 line 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.*

G	1011	For the purposes of admission to trading in the Euronext Access Milan market, intermediaries shall send Borsa Italiana a written application <del>request</del> using a standard form prescribed by Borsa Italiana conforming with what is provided for in the guidance.
	1012	Following receipt of the application for membership and the participation documentation requested by it in accordance with the provisions of the guidelines, Borsa Italiana approves or rejects such application or approves it subject to the conditions and/or restrictions as it considers appropriate. Borsa Italiana shall notify the applicant of its decision in writing, which in case of approval is admitted to trading.
	1013	Once admitted the intermediary, Borsa Italiana verifies technical requirements and post trade readiness and in case of positive outcome confirms the date of start of operation.

Sec. *Guidance to Rule*

110 **Application for admission and start of operation**

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 specifying whether it takes place through the technical structure of the market intermediary through a DMA or directly through a sponsored access;*
- 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 of indirect participation in the settlement service, a declaration referred to in rule 1100 communicated by the market intermediary and the intermediary participating in the settlement service;*
- g) *in the case referred to in guidance Sec. 100.1(e), a declaration of the legal representative or by a duly authorised person of the company that confirms the compliance with the for the good reputation of the parties indicated therein;*
- h) *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;*
- i) *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.*
- j) *for the market intermediaries that offer the "direct electronic access" service to sponsored customers:*
  1. *request for a specific trading code for each sponsored customer;*
  2. *the declaration by the intermediary confirming that it has verified the suitability of the sponsored customers in accordance with Regulation EU 589/2017 and certifying that the sponsored customer complies with the participation requirements for market intermediaries;*
  3. *the request of activation of appropriate features necessary to suspend the sponsored customer's access, to proceed with the massive cancellation of unexecuted orders entered by the sponsored customer, and to monitor in real time the operation in the sponsored customer's market;*
  4. *for each trading code given to the sponsored customer, a specific list of the trading staff authorised to request the deletion of the orders entered, referring to the trading code given to the sponsored customer. This list must comply with the requirements of Guidance 160.3;*
  5. *the indication of the name of the contact person for the information technology function for the operations of the sponsored customer, available during market hours, if different from the contact person for the information technology function of the market intermediary.*

110.3 *In the case of intermediaries already admitted to trading on a regulated market or a Multilateral Trading Facilities managed by Borsa Italiana requesting to participate in the Euronext Access Milan market, Borsa Italiana reserves the right to consider fulfilled membership requirements referred to in guidance Sec. 120 and not to require the documentation already provided by the intermediary in connection with its participation in other regulated markets or Multilateral Trading Facilities that it manages. The procedure referred to in rules 1011, 1012 and 1013 shall apply insofar as it is compatible.*

110.4 *After the admission and in order to start the operation 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 (TPAA).*

1015	Market intermediaries shall ensure continued satisfaction of the authorisation and other requirements referred to in rule 1010 and of the conditions referred to in rule 1020.
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1016	<p>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:</p> <ul style="list-style-type: none"> <li>a) suspension or cancellation of a stockbroker under Article 201 of the Consolidated Law on Finance;</li> <li>b) extraordinary administration;</li> <li>c) compulsory administrative liquidation;</li> <li>d) another bankruptcy procedure;</li> <li>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,</li> </ul> <p>Borsa Italiana may suspend or exclude the intermediary from trading.</p>
1017	<p>The cessation of direct or indirect participation in the settlement system and in the clearing and guarantee systems of transaction in financial instruments 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.</p>
1018	<p>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.</p>

**Participation requirements**

G	1020	<p>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:</p>
	1020.1	<p>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;</p>
	1020.2	<p>sufficient staff with adequate professional qualifications in relation to the types of activity carried on and the types of interconnection with the market;</p>
	1020.3	<p>adequate internal procedures and controls for trading activity;</p>
	1020.4	<p>adequate clearing and guarantee and settlement procedures;</p>
	1020.5	<p>Intermediaries may entrust the management of technological systems to third parties, subject to the conditions laid down in the guidance Sec. 130;</p>
	1020.6	<p>The participation of intermediaries shall also be subject to verification:</p> <ul style="list-style-type: none"> <li>a) of direct or indirect participation in the settlement systems provided in the Guidance to the Rule Sec. 500 and participation in their accessory systems (trade-checking systems);</li> <li>b) direct participation of the central counterparty system referred to in Guidance to Rules Sec. 501. or for intermediaries that are not participant in the central counterparty, appropriate agreement with a general</li> </ul>

clearing member of the mentioned central counterparty, pursuant to which:

- the general clearing member, at the conclusion of the contract on the market, becomes counterparty of the central counterparty for that contract; and
- the intermediary, at the same time, becomes counterparty of the general clearing member.

The guidance to the rules sec. 135 shall apply.

1020.7 In order to comply with the conditions of this paragraph, intermediaries must satisfy the minimum requirements laid down in the Guidance to Rule

Sec. *Guidance to Rule*

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 Euronext Access Milan 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. *must know the rules governing and the manner of performing the activity of specialists and/or liquidity provider the related technical instruments;*
- d. *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;*
- e. *they have systems, procedures and controls for trading activity including specific procedures for use of the order cancellation function clearing and guarantee and settlement procedures that reflect the characteristics of the firm and activity performed;*
- f. *they have an internal IT unit that is adequate 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;*

- g. 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. The conformance certification must also be completed for each direct connection of sponsored costumers (the so called sponsored access).

120.3 Traders specialists, liquidity provider and market maker 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 120.2 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 Conditions for outsourcing technological systems

130.1 Pursuant to Rule 1020.5, intermediaries may use Borsa Italiana or 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. For 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 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.  
135 *Participation in the settlement service and clearing and guarantee service*
- 135.1 *Pursuant to Article 1020.6 the intermediary must participate directly or indirectly both in the settlement service indicated in the guidelines 500.2.*
- 135.2 *Intermediary, pursuant to Article 1020.6, letter a), must attest:*
- i) in the case of direct participation to the settlement service, the participation to the X-TRM service;*
- ii) in the case of indirect participation to the settlement service, the participation on its behalf of the settlement agent to the X-TRM service.*
- 135.3 *Pursuant to Article 1020.6 b) the intermediary must participate to the clearing and guarantee system managed by Cassa di Compensazione e Garanzia S.p.A.*
- 135.4 *Borsa Italiana reserves the right to limit the financial instruments tradable according to the clearing and settlement modalities communicated by the intermediary.*

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 directly connected to the market through sponsored or segregation of specific trading activities;

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|--------|---|
| 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 rules 1020 and 1050.
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*Sec. Guidance to Rule:*

*140 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 of any change in the conditions referred to in rules 1010 and 1020, as well as any change resulting from corporate actions, including changes to the company's name.*

*140.2 Intermediaries must notify changes referred to in the previous 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 rules 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.
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**Exclusion from trading upon request**

1030	1030.1	Intermediaries admitted to trading on the market may request to be excluded from trading 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.
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**Appeals and complaints**

C	1040	Appeals and complaints shall be conducted in accordance with the procedures set out in the Compliance Procedures.
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**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.
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**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 135.2;
	1100.2	an authorisation for the market intermediary to be suspended by Borsa Italiana, at the request and on the responsibility of 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.

*Sec.           Guidance to Rule*

*150            Declaration*

*150.1        The request for suspension of the intermediary forwarded to Borsa Italiana at request of the intermediary participating in the settlement system is valid for the entire Euronext Access Milan market.*

**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:
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|--------|--|
| 1210.1 | request issuers and market intermediaries to provide all the necessary information and documents concerning transactions carried out on the market;  |
| 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. Market intermediaries are also responsible to Borsa Italiana for compliance by their customers connected directly to the market through sponsored access with the Directive 2014/65/EU and the Regulations 600/2014/EU and 596/2014, as well as the Borsa Italiana Rules.
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1213	Borsa Italiana may co-operate, also by the sharing of information, with other regulated markets and Multilateral Trading Facilities.
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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.
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**Imposition of sanctions for market intermediaries and issuers**

C	1215	Imposition of sanctions shall be conducted in accordance with the procedures set out in the Compliance Procedures.
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**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.
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## Rules of conduct

### Rules of conduct

G	1400	<p>Market intermediaries shall refrain from acts that may prejudice the integrity of the market. <i>Inter alia</i> they may not:</p> <p>1400.1 commit acts that are likely to give a false or misleading impression to other market participants;</p> <p>1400.2 carry out sham transactions, whose objective is not to transfer ownership of the Euronext Access Milan financial instruments traded or to modify their exposure to the market;</p> <p>1400.3 commit acts that may impede specialists and/or liquidity providers in fulfilling their commitments;</p> <p>1400.4 carry out, directly or through a nominee, transactions under a prior agreement for the execution and offsetting thereof;</p> <p>1400.5 Intermediaries applying market making strategies through algorithmic trading techniques on one or more financial instruments, at the occurrence of the conditions indicated in Regulation 2017/578/EU, must inform Borsa Italiana, in accordance to such Regulation, and conclude a market making agreement, in the terms indicated in the present Rules from articles 4020 to 4022. This obligation does not apply to specialists.</p>
	1401	<p>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. If they find they are unable to settle contracts on Euronext Access Milan financial instruments within the prescribed time limits, intermediaries may make new sales of such instrument for own or customer account only if they have forms of cover that ensure the availability of the Euronext Access Milan financial instruments on the settlement day for the transactions and/or liquidity providers.</p>
	1402	<p>Market intermediary may not accept orders involving financial instruments traded in the Professional Segment of the Euronext Access Milan market that do not come from professional investors. To this end, Borsa Italiana shall identify such financial instruments at the level of its IT trading structures. It is to be understood that Borsa Italiana does not carry out checks on the status of investors that deal in such instruments.</p>

Sec. Guidance to the Rules

141 Monitoring of contractual positions for the settlement of contracts

141.1 *In accordance with Article 1401, in order to ensure the monitoring of contractual positions taken and the settlement of traded contracts, where the contracts are grouped into bilateral balances for the purpose*

*of forwarding to settlement systems, intermediaries must adopt internal procedures that enable:*

- a) the reconciliation of contracts concluded on the market with the bilateral balances forwarded to the settlement systems;*
- b) the identification of unsettled contracts;*
- c) if a group balance can only be partially settled, the entry of settlement instructions aimed at maximizing the settlement of contracts concluded on the market, subject to notification to Borsa Italiana.*

## Order entry

### **Transmission of orders to the Euronext Access Milan 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 price, quantity, countervalue or number.
1451	In order to ensure the smooth technical functioning and efficient use of the electronic trading support system, market intermediaries must observe the technical limits for order entry established on a general basis by Borsa Italiana in the Guide to the Parameters. Borsa Italiana may also establish further limits on the entry and modification of orders in terms of daily frequency, total daily number or ratio of orders to contract concluded. Borsa Italiana shall establish such limits and any fees payable by intermediaries where they are exceeded.
1452	Market Intermediary may not allow interconnection to the Professional Segment for its clients other than Professional Investors.
1453	Market intermediaries can request to use more than one trading code to segregate specific trading activities or to segregate different participations in the settlement system <sup>2</sup> . For this purpose market intermediaries must take previous contact with Borsa Italiana.
1454	Intermediaries using trading algorithms must certify, before using them and any time these have undergone substantial changes, that the trading algorithms used were tested, to avoid contributing to or creating disorderly trading conditions, and must indicate the environments used for these tests. To this purpose, they issue to Borsa Italiana a special statement according to the guidelines Sec. 110.2.
1455	Following the procedures indicated in the guidelines, intermediaries must: <ul style="list-style-type: none"> <li>a. transmit the information needed to allow the association between the content of the orders and the information needed to guarantee to Borsa Italiana the completeness of records requested by Regulation 2017/580/EU;</li> </ul>

<sup>2</sup> The possibility to segregate different participations in the settlement system is temporarily suspended.

- 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. make use of a specific logical access to identify the activities to support of the liquidity carried out by specialists, Liquidity Provider and Market Makers;
- d. provide Borsa Italiana with the information on executed contracts needed to comply with transaction reporting obligations, if such obligations pertain to the market;
- e. use a specific logical access code to segregate the activities carried out by customers directly connected to the market through sponsored access. This code is assigned by Borsa Italiana following the approval of the sponsored access application by the market intermediary for its customer.

Sec. *Guidance to Rule:*

145 *Transmission of orders to the market*

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

145.2 *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 or a sponsored access, 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; If the market intermediary becomes aware that a customer connected to the market through "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 sponsored customer is not allowed to set or modify the parameters that apply to the checks on orders entered through the sponsored access mode;*
- *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 of price, size, countervalue or number.*

145.3 *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 following elements:*

- *the price of the last contract;*
- *spread present on the Central Order Book*
- *price, quantity and countervalue limits, possibly by instrument;*
- *possible price impact caused by the order entered;*
- *minimum order quantity, taking into account the economic significance of the order;*

- controls on limit orders in the auction phase, so as to prevent the entry of limit orders at a price that differ substantially from the prevailing market conditions.

145.4 *In particular, market intermediaries must equip themselves with controls and automatic alarm systems that prevent the entry of anomalous orders, whose price, size number or countervalue 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.*

145.5 *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. With particular regard to the Interconnections providing a sponsored access, the market intermediary also provides specific training to the subjects included in the list of authorized subject to request the cancellation of the orders submitted, referable to the access code dedicated to the sponsored customer.

*With regard to the Interconnections providing direct electronic access to the market, market intermediaries shall also assess whether additional checks are necessary for the appropriate management of the orders of the sponsored customers, taking into account the nature and complexity of the activity carried out by them.*

145.6 *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. Notwithstanding the provisions of the paragraphs above, with regard to the Interconnections that require a sponsored access, the market intermediary must be able, in any case, to manage the suspension of the access to the sponsored customer's market and the massive cancellation of orders entered by the sponsored customer, in the event of suspension or disconnection of the customer, loss of the monitoring of the sponsored customer's market operation or disconnection from the market of the intermediary.*

145.7 *Intermediaries have to report the following information via the dedicated portal of Borsa Italiana. This information is necessary to complete the content of orders which Borsa Italiana is required to file pursuant to Regulation No. 2017/580:*

- a) *client identification code*
- b) *code used to identify the person or algorithm used internally by the intermediary responsible for the investment decision;*
- c) *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-indent b) and c) constitute confirmation that the indicated trading algorithms have been tested in advance.*

145.8 *The intermediaries that are not subject to Regulation (EU) 2014/600 must report all the additional information that has not already been reported*

pursuant to guidelines 145.7, 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 and for the access to the market of its sponsored customers.
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. *Guidance to Rule*

160 *Technical breakdowns in market intermediaries' systems*

160.1 *For the purpose of rule 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 or suspension or reduction of the obligations in these rules in case of specialists and/or liquidity provider. 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 code.*

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 Person 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. 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 in Sec. 160.3 and every change to the list itself, through the dedicated portal. Changes to the list will be effective from the effective date indicated in the dedicated portal. Market intermediaries that configure their access to the market using more than one trading code may send the list referred to in Sec. 160.3 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. 610 and guidance Sec. 620.*

# **ORDER BOOK TRADING RULES**

## **Trades**

### **Trading methods and phases**

2010	Trading may be carried on using the auction and continuous trading methods in accordance with Section 1 of the Trading Manual.								
2011	<p>Trading on the Euronext Access Milan market, including the Professional Segment, shall be carried on with the following trading hours:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">07.30– 09.00 (09.00.00 - 09.00.30)</td> <td>Opening auction (call phase, price determination phase)</td> </tr> <tr> <td>09.00 – 17.30</td> <td>Continuous trading</td> </tr> <tr> <td>17.30 – 17.35 (17.35.00 – 17.35.30)</td> <td>closing auction (call phase, price determination phase)</td> </tr> <tr> <td>17.35 (17.35.00 – 17.35.30) - 17.40</td> <td>trading at last</td> </tr> </table> <p>The continuous trading phases shall start at the end of the opening auction phase.</p> <p>The trading at last phase starts at the end of the closing auction phase.</p> <p>Pre-arranged transactions as referred to in article 2050 may also be entered outside of the trading hours, according to the time schedule and parameters specified in the TCS Trading Manual.</p>	07.30– 09.00 (09.00.00 - 09.00.30)	Opening auction (call phase, price determination phase)	09.00 – 17.30	Continuous trading	17.30 – 17.35 (17.35.00 – 17.35.30)	closing auction (call phase, price determination phase)	17.35 (17.35.00 – 17.35.30) - 17.40	trading at last
07.30– 09.00 (09.00.00 - 09.00.30)	Opening auction (call phase, price determination phase)								
09.00 – 17.30	Continuous trading								
17.30 – 17.35 (17.35.00 – 17.35.30)	closing auction (call phase, price determination phase)								
17.35 (17.35.00 – 17.35.30) - 17.40	trading at last								
2012	Borsa Italiana establishes for each Euronext Access Milan market financial instrument a minimum lot, according to the characteristics of the instrument, in order to ensure the regularity of trading.								

### **Trading segments**

2013	<p>Borsa Italiana shall assign the financial instruments referred to in Article 220.1 to the Professional Segment and in the Euronext Access Milan Market, announcing the decision in the <i>start-of-trading</i> Notice.</p> <p>Borsa Italiana may assign individual financial instruments referred to in Article 220 to the Professional Segment and in the Euronext Access Milan Market, announcing the decision in the <i>start-of-trading</i> Notice.</p>
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### **Orders**

2020	Intermediaries shall express their willingness to trade through anonymous orders. Orders shall contain at least the information relative to the Euronext Access Milan financial instrument to be traded, the quantity, the type of transaction, the type of account, the price and the method of execution and include a special indication when originated from an algorithm or entered by a direct electronic access. The orders may also specify different validity parameters based on time and execution of the order and contain the
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additional information necessary for Borsa Italiana to comply with the Regulation 2017/580/EU.

2021

The following types of orders may be entered:

- 2021.1 limit order orders are bid or ask orders that can only be executed at their specified price limit or at a better price as described also in Article 2.1.2 of the Trading Manual. The price limit must be consistent with the tick specified in the Guidelines;
- 2021.2 market order is an order to buy or to sell a stated amount of a security that is to be executed at the best price(s) obtainable when the order reaches the Central Order Book, as described also in Articles 2.1.1 and 2.1.3 of the Trading Manual;
- 2021.3 Stop orders and stop limit orders, are proposals that are automatically activated when a specific price level is reached during trading. In case of stop orders, a market order is automatically generated and added to the Central Order Book; in the case of a stop limit order, a limit order is automatically generated and added to the Central Order Book. Please refer respectively to articles 2.1.4 and 2.1.5 of the Trading Manual;
- 2021.4 iceberg orders, are orders, that may not be less than a size specified, in accordance with the article 8 of Delegated Regulation (EU) 2017/587 and article 4 of Delegated Regulation (EU) 2017/583. Iceberg orders are orders of which only specified tranches are successively entered in the Central Order Book, and disclosed to the market, with the current time stamp following full execution of the preceding tranche. Borsa Italiana sets in the Guide to Parameters the minimum value and the other limits for the entry of iceberg orders (orders with a limit price and with a partial quantity displayed).
- 2021.5 requests for quotes (RFQs), orders that allow to submit binding quotes as per Article 3.2.4 of Trading Manual. The conclusion of contracts, with the procedures indicated in the Trading Manual, takes place at the price included in a percentage deviation with respect to the static and the dynamic prices, indicated in the Guide to Parameters. The execution of the contract resulting from the matching between the RFQ and the answers to the RFQ shall not contribute to the formation of the closing reference price, of the official price and of the static and dynamic reference price referred to in Articles 2070, 2080, 2090 and 2091.

**Matching and execution of orders in the Central Order Book**

2022

The orders for each financial instrument shall be ranked on the book. Orders subject to pre-trade transparency in the Central Order Book shall be executed according to strict price priority. Orders at the same price are ranked and executed according to strict time priority.

2023

Continuous Trading

During continuous trading, each incoming order shall be checked immediately for possible execution against orders on the opposite side of the Central Order Book. Orders in the Central Order Book shall be executed according to the execution priority principle. The traded price shall be determined by the limit price of orders sitting on the book.

2024	<p><u>Auctions</u></p> <p>The auction price shall be determined on the basis of the situation of the Central Order Book at the closing of the call phase and shall be the price which produces the highest executable order volume.</p> <p>Market orders shall have priority over limit orders. If there are several limits with equally high executable volume, the price shall be determined by reference to the price of the last automated trade (adjusted to take account of any corporate event that may have occurred in the interval) or, if such price is not available, another reference price determined in accordance with one or more Notices on the subject, until a single auction price is achieved.</p> <p>The functioning of the auctions is further described in Section 1.3 of the Trading Manual.</p>
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2025	<p>In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish, on a general basis, in the Guide to the Parameters communicated in a Notice, the maximum quantity and countervalue of financial instruments in an order and the maximum quantity and countervalue of financial instruments, or the maximum number of lots that may be entered "at the auction price".</p>
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*Sec. Guidance to Rules*

*201 Orders*

*201.1 The maximum duration that may be specified for orders shall be 1 day.*

*201.2 For a specified trading session as of its entry, an order may be valid until a specified time, period or for the following opening and closing auctions.*

*Sec.*

*202 Prices of orders*

*202.1 Order prices may be multiples of the following ticks:*

<i>Category of residual life</i>	<i>Tick</i>
<i>Residual life ≤ 1 year</i>	<i>1 thousandth</i>
<i>Residual life &gt; 1 year</i>	<i>1 hundredth</i>

*202.2 Contracts shall be valued on the basis of the currency of denomination of the Euronext Access Milan financial instruments, except as otherwise specified in the admission to trading Notice.*

**Functioning of the auction for the Central Order Book**

2030	<p><u>Call Phase</u></p> <p>Each auction shall begin with a call phase in which orders are automatically recorded without giving rise to transactions. During such call phase, Intermediaries may enter new orders as well as modify or cancel existing orders. An indicative price, representing the price which the system matcher would determine on the basis of the given Central Order Book situation, and the executable volume shall be displayed and updated continuously as the Central Order Book situation evolves. The call phase ends at a time within the last 30 seconds of the phase itself.</p>
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**Price determination phase**

Following completion of the call phase, the system shall seek to determine a price so as to produce the maximum executable volume as per Article 2024. During such price determination phase, no new orders may be entered, and existing orders may not be modified or cancelled.

If, at the end of the call phase, the difference between the indicative uncrossing price and the static or dynamic reference prices exceeds the maximum price variations set in the Guide to Parameters, the reservation phase shall be started for a period established by Borsa Italiana in the Guidelines.

**Trading-at-last**

Except for certain types of securities designated by Borsa Italiana, a short period shall be provided at the close of a trading day during which orders can be entered for execution at the last traded price.

The functioning of the auctions is further described in Section 1.3 of the Trading Manual.

**Pre-opening phase**

2031

An opening auction shall be held at the beginning of each Trading Day prior to the commencement of continuous trading.

**Continuous trading**

2032

Trading shall take place on a continuous basis, with each incoming order being checked immediately for possible execution against orders on the opposite side of the Central Order Book and any remaining unexecuted portion of such order being added to the Central Order Book according to validity parameters as specified in the Guidelines.

G 2033

Where, during the continuous trading of an Euronext Access Milan financial instrument, the price of a contract that is being concluded exceeds one of the reservation thresholds referred to in the Guide to the Parameters, the continuous trading of the Euronext Access Milan financial instrument shall be automatically suspended and a reservation period shall be activated, which shall be carried out in the manner provided for the call phase referred to in article 2030.

Sec. *Guidance to the Rules*

204 *Automatic trading controls and volatility auction*

204.1 *For the purpose of the automatic control of the regularity of trading, the following types of price variation limits shall be established:*

a) *order controls upon entry, referred to as price collars, defined as the maximum price variation limits of orders with respect to the static reference price;*

b) reservation thresholds respect to the static reference price, defined as the maximum price variation of trades with respect to the static reference price;

c) reservation thresholds respect to the dynamic reference price, defined as the maximum price variation of trades with respect to the dynamic reference price.

Such limits are specified in the Guide to the Parameters by class of instrument according to the residual life of each instrument.

204.2 The duration of the reservation period shall be equal at least to 3 minutes, plus a variable interval of a maximum of 30 seconds, determined automatically on a random basis by the trading system. This phase may be repeated.

204.3 Where the exceeding of the limits referred to in article 2041 takes place during the last 3 minutes of the continuous trade phase, the suspension of the continuous trading determines automatically the initiation of the closing auction phase.

204.4 The duration of the reservation period exclusively for the closing phase, shall be equal at least to 2 minutes plus a variable interval of up to 30 seconds, determined automatically on a random basis by the trading system. Such phases may be activated only once.

#### **Special procedures for the conclusion of contracts**

2050	it is possible to enter pre-arranged transactions according to the provisions specified in the TCS Trading Manual
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#### **Closing reference price**

2070	The closing reference price is calculated according to the uncrossing closing price or VWAP as described in Article 5.4 of the Trading Manual.
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2071	In order to guarantee the regularity of trading and the significance of prices, Borsa Italiana may establish different methods for the calculation of the closing reference price and announce the decision in a Notice.
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#### **Official price**

2080	The daily official price of each Euronext Access Milan financial instrument shall be the weighted average price of the total quantity of that instrument traded in the Euronext Access Milan market during the session, without taking into account the contracts concluded during the trading at last phase and the contracts concluded with the methods under article 2050
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#### **Static and dynamic reference price**

2090	The static reference price referred shall be given by: a) the reference price of the previous day in the opening auction;
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b) the price at which contracts are concluded in the auction phase after each auction phase; if no auction price is determined, the static price shall be equal to the price of the first contract concluded in the continuous trading phase.

2091

The dynamic reference price referred shall be:

a) the price of the last contract concluded in the current session;

b) the previous day's reference price if no contracts have been concluded in the current session.

2092

Contracts concluded with the methods under articles 2050 do not count towards the formation of the dynamic price.

**Method of collection of acceptances of market takeover bids and exchange offers**

2100

The collection of acceptances of market takeover bids and exchange offers for financial instruments traded on EURONEXT ACCESS MILAN may be carried out using the electronic trading system, unless Borsa Italiana deems that the characteristics of the transaction and/or the offeror do not permit the collection of acceptances using the system. To this end the issuer and/or the offeror shall contact Borsa Italiana without delay.

The collection of acceptances shall be at the price established by the offeror or the person obliged to do so, and entered into a special book. Acceptances and requests to sell shall be entered into the book as orders without a price limit and with the method of execution specified in the Trading Service Manual; they may be cancelled by Borsa Italiana upon receipt of a reasoned request from approved intermediaries.

The contracts concluded shall be matched by the X-TRM service and settled in the settlement services referred to in Guidance to the Rules 500.2, in the manner established on a case-by-case basis by Borsa Italiana and notified to Consob provided the consideration consists exclusively of cash; if even part of the consideration consists of securities, the acceptances shall not be transmitted to the CSD.

# **DISCLOSURE OF INFORMATION**

## **Market Data**

3000	The provision of market data to intermediaries is governed by a separate agreement.
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## **Information provided to the public – General principles**

3010	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 Euronext Access Milan financial instrument.
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3011	Borsa Italiana shall not disclose information to the public on the identity of the parties to trades.
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## **Information provided to the public - Contents**

3020	In the opening pre-auction phase, where provided for, the public shall have access to the following information for each financial instrument, updated in real time:
3020.1	the theoretical opening price and related tradable quantity;
3020.2	the prices and quantities for buy and sell orders,
3020.3	the buy and sell quantities for the best prices.

3021	In the continuous trading phase the public shall have access to the following information for each financial instrument, updated in real time:
3021.1	the prices and quantities of the best buy and sell orders;
3021.2	the aggregate buy and sell quantities and orders for the best prices;
3021.3	prices and quantity of the responses to RFQs, made available when the requiring intermediary confirms its intention to trade;
3021.4	the price of the last contract concluded, the day and time of execution, the quantity traded and the ID data of the financial
3021.5	the cumulative quantity and value traded instrument.

3022	In the closing phase, if envisaged, the following information shall be available to the public in real time for each financial instrument:
3022.1	the theoretical closing price and related tradable quantity;
3022.2	the prices and quantities of the best buy and sell orders;
3022.3	the buy and sell quantities on the book for the best prices.

3023	During trading at last, if envisaged, the following information shall be available to the public in real time for each financial instrument:
3023.1	the last price;
3023.2	the aggregate quantity and number of buy and sell orders on the book;
3023.3	the price, day and the time of execution and quantity of the last contract concluded and the ID of the financial instrument;
3023.4	the cumulative quantity and value traded.
3024	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.

# **PROVISION REGARDING SPECIALIST, LIQUIDITY PROVIDER AND MARKET MAKERS**

## **Specialists and Liquidity Providers**

4000	Trading in Euronext Access Milan market may be carried on with the intervention of a liquidity provider or specialist referred to in rule 4001.
4001	Market intermediaries admitted to Euronext Access Milan market that require Borsa Italiana to be qualified as specialist or liquidity provider may be eligible to engage in the activity of liquidity provider and undertake to support the liquidity of the financial instruments for which they act as liquidity provider or specialist.
4002	With regard to Euronext Access Milan financial instruments whose liquidity they undertake to support, Euronext Access Milan specialists or liquidity providers are required to comply with the listing obligations defined by Borsa Italiana set out in the guidelines and in the Guide to Parameters. Borsa Italiana shall publish and regularly update the list of specialist intermediaries and liquidity providers.
4003	The liquidity provider deals for own account. When the issuer entrusts an intermediary to deal as specialist, pursuant to Article 310, the specialist may deal for third account.
4004	Specialists, and/or Liquidity providers in fulfilling their obligations, shall enter orders, for the minimum quantities identified by Borsa Italiana.
4005	The Intention to cease the specialist and/or liquidity provider activity in the Euronext Access Milan market must be promptly notified to Borsa Italiana that communicates to the intermediary, within 30 days, the date from which the obligations terminate.

## **MARKET MAKERS**

4020	Market Makers are intermediaries admitted to trading that, pursuant to Article 1400.5, sign with Borsa Italiana a market making agreement.
4021	Intermediaries are required to display continuously bids and offers for financial instruments for which they signs an agreement, in compliance with the obligations established by Borsa Italiana in the guidelines and in the Guide to the Parameters.
4022	Borsa Italiana shall publish and regularly update the list of Market Makers and relevant information relating to their activities in accordance with Article 7.1 of the Delegated Regulation (EU)2017/578.

4023	The intermediary that intends to cease its market making strategy must promptly notify Borsa Italiana, that communicates to the intermediary, within 30 days, the date from which the obligations terminate.
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Sec Guidelines

401 Quoting obligations of Specialists, liquidity providers and Mifid2 Market

401.1 *Specialists and market makers fulfil their quoting obligations by submitting simultaneous bids and offers of comparable quantities. These orders must be made at competitive prices, i.e. the bid and offer prices may differ by the maximum spread indicated in the Guide to the Parameters and must comply with the minimum quantity indicated therein. Bid Specialists and/or liquidity providers are subject only to the obligation of quantity.*

401.2 *Specialists, liquidity providers and market makers must comply with the quoting obligations referred to in guidance 401.1, for each trading day as indicated in the Guide to Parameters.*

401.3 *In the stressed market conditions, which may occur in the cases indicated in Sec. 600, specialists, liquidity providers and market makers can quote with reduced obligations indicated in the Guide to the Parameters.*

401.4 *Specialists, liquidity providers and market makers are not required to fulfil the quoting obligations upon occurrence of exceptional circumstances communicated by Borsa Italiana. In the cases envisaged by Article 3, letter d) of Regulation 2017/578/EU, the intermediaries shall give Borsa Italiana written notice of this circumstance, in order to be exempted from these obligations.*

401.5 *Borsa Italiana shall verify compliance with the obligations entered into by the specialists, liquidity providers and the market makers.*

401.6 *In evaluating possible violations of the obligations, Borsa Italiana shall also take account of compliance, on a monthly basis, with the quoting obligations.*

# **CLEARING, GUARANTEE AND SETTLEMENT**

## **Settlement**

5000	Immediately 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 settlement services specified in the guidance to the rules. In the case of the collection of acceptances of market takeover bids and exchange offers referred to in article 2100 where the consideration consists, even partially, of securities, the acceptances collected shall not be transmitted to the CSD indicated in the guidelines.
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*Sec. Guidance to Rule:*

*500 Trade-checking and settlement service*

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

- *Settlement systems of the financial instruments are the services managed by Monte Titoli, or other CSDs using the T2S platform allowing for cross-CSD settlement, as defined in the Monte Titoli Settlement Service Regulations<sup>3</sup>; or*
- *Euroclear and Clearstream Banking Luxembourg.*

*500.2 In the Notice announcing admission to trading, Borsa Italiana shall communicate the settlement systems through which the contracts referred to the admitted financial instruments are settled.*

## **Time of settlement**

5010	Purchase and sale contracts concluded on Euronext Access Milan market shall be settled on the second day following their conclusion
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5011	The settlement time limits shall be determined according to the calendar of the settlement currency of the contract and taking into account the open days of the relevant settlement system.
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5012	Borsa Italiana may specify in the Notice of the admission to trading a different settlement time limit to take account the characteristics of the reference regulated market of the Euronext Access Milan financial instrument.
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G 5015	Purchase and sale contracts concluded on the Euronext Access Milan market and settled through the foreign settlement services shall be cleared and guarantee by the system specified in the Guidance to Rules where involving financial instruments for which that is established in the Notice announcing the start of trading.
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5016	The management companies of the clearing and guarantee systems referred to in Article 5015 shall operate in compliance with these Rules and the provisions of their own rules.
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<sup>3</sup> The entry into force of the amendment will be communicated with a subsequent Notice

Sec. *Guidance to the Rules*

501 Clearing and guarantee system

501.1 *The clearing and guarantee system of the financial instruments referred to in Article 5015 is the system managed by Cassa di Compensazione e Garanzia S.p.A.*

501.2 *In the Notice of the admission to trading, Borsa Italiana establishes whether the financial instrument is entered into the clearing and guarantee system.*

501.3 *For the purposes of forwarding to foreign settlement systems referred to in Article 5015, not guaranteed sale and purchase contracts shall be grouped into bilateral balances that take into account purchases and sales separately. The criteria for calculating bilateral balances are specified in the X-TRM Service Instructions.*

### **Late settlement**

5020	<p>Where the sale and purchase contracts are not settled within the prescribed time limit:</p> <p>a) the provisions provided by the rules of the clearing and guarantee system referred to in Article 5015 shall apply to the guaranteed financial instruments</p> <p>b) the provisions laid down in the following guidance shall apply to the non-guaranteed financial instruments.</p>
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Sec *Guidance to the Rules*

502 Start of the mandatory execution procedure

502.1 *Pursuant to Article 5020 of the Rules, in the event that purchase and sale contracts (or the balances resulting from the grouping of several 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. 503 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. 504 applies.*

502.2 *Pursuant to Article 5020 of the Rules, in the event that purchase and sale contracts (or the balances resulting from the grouping of several contracts) are not settled for lack of cash, at the prescribed settlement date, in case of settlement via Monte Titoli or other CSDs using the T2S platform, or by 10:00 on the third day following the prescribed settlement date, in case of settlement via Euroclear and Clearstream, the seller may initiate the mandatory execution (sell-out) procedure referred to in Sec. 508 against the buyer who has failed to perform.*

502.3 *The calculation of the days for the buy-in and sell-out procedures shall be based on the calendar of the settlement currency of the contract and taking into account the open days of the relevant settlement system; if*

*one of the time limits is a non-trading day, the related formality must be performed on the following trading day.*

502.4 *The notifications referred to in the following articles shall be made by e-mail to the address [ms@euronext.com](mailto:ms@euronext.com).*

Sec.

503 *Buy-in procedure*

503.1 *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 shown in Annex 3. Buy-in notices may be sent from 10:00 on the third day subsequent to the original settlement day (if the notice is sent after such time, it shall be deemed to have been sent on the following day).*

503.2 *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. 506, shall execute the buy-in according to the time limits and in the manner established in the following guidance.*

503.3 *If the seller fails to settle the original transaction by the second 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.*

503.4 *Upon receiving the notification referred to in Sec. 503.3, the buyer, using the form shown in Annex 4, 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.*

503.5 *For contracts to be settled via Monte Titoli or other CSDs using the T2S platform 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.*

503.6 *For contracts to be settled via Euroclear and Clearstream, at the buy-in execution date, the buyer and the seller shall delete the settlement instructions of the original contract from the settlement system (or the balances resulting from the grouping of several contracts).*

503.7 *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. 503.4, 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.*

503.8 *If the buy-in agent does not carry out the buy-in transaction before the securities mature, the buyer shall be entitled to the cash difference between the redemption value and the cum-coupon price of the original contract, (or the balances resulting from the grouping of several contracts) calculated with account taken of any intervening coupon detachments.*

Sec.  
504 Cash settlement procedure

504.1 *Whenever within 30 days calculated starting from the settlement date, the original contract (or the balances resulting from the grouping of several contracts) 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 bonds on the end-of-validity day and the original value of the contract (cash settlement) (or the balances resulting from the grouping of several contracts).*

Sec  
505 Buy-in agent

505.1 *Pursuant to Sec. 503.1, the buyer shall appoint an intermediary satisfying the requirements specified in the following Sec. 505.2 to purchase the securities (the buy-in agent).*

505.2 *The buy-in agent shall be chosen from among the intermediaries admitted to trading on the markets managed by Borsa Italiana that do not control the seller, are not controlled, directly or indirectly, by the seller and do not belong to the same group as the seller.*

505.3 *The buyer or 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  
506 Delivery of the securities during the buy-in procedure

506.1 *The seller may settle the original contract by delivering the securities due up to the second 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.*

506.2 *In the case referred to in Sec. 506.1, the buy-in procedure shall be immediately cancelled.*

506.3 *Partial delivery shall be permitted subject to the buyer's agreement; in such case the seller and the buyer must modify the original settlement instructions in the settlement system and inform Borsa Italiana accordingly.*

506.4 *The seller may deliver all or some of the securities due on the third day subsequent to the day the buy-in notice was sent, provided it has given the buyer and Borsa Italiana one day's notice. The buyer shall inform the buy-in agent.*

506.5 *Except where the buy-in agent has already executed the buy-in, the seller may, subject to the buyer's agreement and notification of Borsa Italiana, deliver some or all of the securities due on the fourth trading day subsequent to the day the buy-in notice was sent or a later day. The buyer shall inform the buy-in agent.*

506.6 *In the cases referred to in Sec. 506.3, Sec. 506.4 and Sec. 506.5, if the seller delivers part of the quantity due, the buy-in shall be executed for the remaining quantity. If the seller delivers the entire quantity due, the buy-in procedure shall be immediately cancelled.*

Sec.  
507 Pass on

507.1 *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 Euronext Access Milan 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. 503, and filling in the pass-on section as well.*

507.2 *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. 503.4, and filling in the pass-on section as well. The seller shall also indicate any price 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 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. 503.*

Sec.  
508 Sell-out procedure

508.1 *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 shown in Annex 3.*

508.2 *With reference to the contracts to be settled via Monte Titoli or other CSDs using the T2S platform, 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). 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.*

508.3 *With reference to the contracts to be settled via Euroclear and Clearstream, sell-out notices may be sent from 10:00 on the third day subsequent to the original settlement day (if the notice is sent after such time, it shall be deemed to have been sent on the following day). If the buyer fails to settle the original transaction by the second day subsequent to the day on which the sell-out notice was sent, on the following day (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.*

- 508.4 *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. 510, shall execute the sell-out according to the time limits and in the manner established in the following guidance.*
- 508.5 *Upon receiving the notification referred to in Sec. 508.2 and Sec. 508.3, the seller, using the form shown in Annex 4, 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, (or the balances resulting from the grouping of several contracts) calculated with account taken of any intervening coupon detachments. If the differential is negative, it shall be payable by the buyer.*
- 508.6 *For contracts to be settled via Monte Titoli or other CSDs using the T2S platform, at the sell-out execution date Borsa Italiana shall request Monte Titoli to delete the settlement Instructions of the original contracts from the settlement system.*
- 508.7 *For contracts to be settled via Euroclear and Clearstream, at the sell-out execution date the buyer and the seller shall delete the settlement instructions of the original contract (or the balances resulting from the grouping of several contracts) from the settlement system.*
- 508.8 *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 of the sell-out transaction. The seller shall notify Borsa Italiana of the sending of the settlement instructions. In the case referred to in Sec. 508.5, 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.*
- 508.9 *If the sell-out agent does not execute the sell out before the securities mature, the seller shall be entitled to the cash difference between the cum-coupon price of the original contract (or the balances resulting from the grouping of several contracts) and the redemption value, calculated with account taken of any intervening detachments.*

Sec

509 Sell out agent

- 509.1 *Pursuant to Sec. 508.1, the seller shall appoint an intermediary satisfying the requirements specified in the following Sec. 509.2 to sell the securities (the sell-out agent).*
- 509.2 *The sell-out agent shall be chosen from among the intermediaries admitted to trading on the markets managed by Borsa Italiana that do not control the seller, are not controlled, directly or indirectly, by the seller and do not belong to the same group as the seller.*
- 509.3 *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 the buyer and Borsa Italiana, except at least one day's notice of the revocation and*

*of the appointment of another sell-out agent.*

Sec

510 *Delivery of cash during the sell-out procedure*

510.1 *With reference to the contracts to be settled via Monte Titoli or other CSDs using the T2S platform, 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.*

510.2 *With reference to the contracts to be settled via Euroclear and Clearstream, the buyer deliver the cash due up to the second day subsequent to the day the sell-out notice was sent and shall inform Borsa Italiana and the seller accordingly. The seller shall inform the sell-out agent. In such case the sell-out procedure shall be immediately cancelled.*

**Management procedures for failed transactions in case of corporate events**

5100

In the event that purchase and sale contracts are not settled within the prescribed time limits and a coupon detachment or partial/total repayment occur in the meantime:

- a) the discipline provided in the rules of the clearing and guarantee system referred to in Article 5015 shall apply to the sale and purchase contracts of the guaranteed financial instruments;
- b) the discipline provided in the following guidance shall apply to the sale and purchase contracts of the non-guaranteed financial instruments.

Sec. *Guidance to the Rules*

511 *Management procedure for failed transactions in case of corporate actions*

511.1 *Pursuant to article 5100, letter b), where purchase and sale contracts are not settled within the prescribed time limits and a coupon detachment or partial or total repayment of bonds or other corporate actions occur in the meantime, the discipline provided for by the clearing and guarantee system referred to in article 5000 applies. Where the settlement system does not provide for a procedure for the management of corporate actions, market intermediaries shall deliver the coupons or repayments to the counterparty based on the original settlement date of each contract executed on the market, adjusted to reflect any financial or tax effect.*

511.2 *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.*

*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**

6000	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.
6001	In carrying out its supervisory functions, with the aim of ensuring orderly trading, Borsa Italiana shall, <i>inter alia</i> :
6001.1	monitor the behaviour of approved intermediaries in the market and compliance with the obligations of specialists, of liquidity providers and of Market Makers;
6001.2	may intervene on the quoting obligations of the intermediaries where needed;
6001.3	apply to issuers and to approved intermediaries for information deemed necessary in relation to particular market conditions in accordance with rules 340 and 1210;
6001.4	verify the updating of records, including the content of the proposals and information required by Regulation (EU) No. 2017/580 procedures and any other matters necessary to ensure orderly trading;
6001.5	monitor the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems;
6001.6	promptly inform the market of the measures it adopts that affect trading in the market or the performance of Euronext Access Milan financial instruments;
6001.7	promptly suspend the intermediary at the request of the intermediary participating in the settlement service referred to in rule 1100 and immediately inform Consob.
6001.8	shall promptly suspend the intermediary following the latter's suspension or exclusion by the management company of the clearing and guarantee system;
6001.9	may suspend intermediaries at the request of the management company of the clearing and guarantee system.

### **Measures concerning trading parameters, hours and phases**

6010	In particular market conditions, Borsa Italiana may, with reference to categories of Euronext Access Milan financial instruments or individual Euronext Access Milan financial instruments:
6010.1	prolong the duration or delay the start of one or more phases of trading;

6010.2	modify the maximum price variation limits, the static reference price, the dynamic reference price and the other trading conditions ("parameters");
6010.3	suspend or reactivate trading.
6011	Borsa Italiana may adopt the measures referred to in the rule 6010:
6011.1	Where the price variation limits are exceeded;
6011.2	where anomalous trading conditions are observed for Euronext Access Milan financial instruments in terms of prices or volumes;
6011.3	where it is necessary to obtain information on particular market situations concerning Euronext Access Milan financial instruments;
6011.4	where there are technical reasons or other circumstances that do not guarantee the regular operation of the market;
6011.5	where detailed complaints are submitted by approved intermediaries that consider they have been damaged by irregular behaviour on the part of other approved intermediaries.
6012	In adopting the measures referred to in rule 6010, Borsa Italiana shall take account:
6012.1	of the volumes of the Euronext Access Milan financial instruments traded and of the prices recorded in the last three months, as well as their variations;
6012.2	of the liquidity of the instrument and the significance of the trading;
6012.3	of the dissemination or lack of dissemination of information available to the market
6013	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.

Sec *Guidelines*

600 *Stressed market conditions*

600.1 *Stressed market conditions exist on a financial instrument, in the time interval following the resumption of trading following its interruption for volatility indicated in the Guide to the Parameters.*

600.2 *Borsa Italiana may declare, by means of a notice to intermediaries, that stressed market conditions occur where, changes in the price and volumes of individual financial instruments or groups of financial instruments over a certain period of time exceed specific thresholds as indicated in the Guide to the Parameters.*

600.3 *Borsa Italiana may also declare, with Notice to the intermediaries, that stressed market conditions occur if the situations related to the trading of the instruments involved required so.*

600.4 *In the cases referred to in the guidelines 600.2 and 600.3 cases, intermediaries shall be informed when the stressed market condition ceases with reference to the current session, with a free text message.*

**Handling of input errors**

G	6020	Borsa Italiana may order or effect:
	6020.1	the cancellation of contracts concluded in the market upon receipt of a joint explained request from the approved intermediaries concerned;
	6020.2	the cancellation of transactions erroneously entered in the trade-checking service referred to in the rule 5000 up to the day following that of the conclusion of the contracts for contracts of not guaranteed financial instruments and up to the day of the conclusion of the contracts for contracts of guaranteed financial instruments, upon receipt of a explained request from approved intermediaries.

G	6021	In order to reduce or eliminate the effects of entry errors, Borsa Italiana may provide for or take one of the following actions:
	6021.1	entry of a transaction of the opposite sign offsetting all or part of the original transaction;
	6021.2	transfer of positions in financial instruments between the approved intermediaries concerned;
	6021.3	transfer of liquidity (cash adjustment) between the approved intermediaries concerned;
	6021.4	correction of the prices of transactions concluded as a result of errors;
	6021.5	cancellation of contracts in the market or in the trade-checking service referred to in the rule 5000.

	6022	In order to permit the handling, in the trade-checking service referred to in the rule 5000, of contracts deriving from entry errors, Borsa Italiana may inform authorised intermediaries of the identities of counterparties, if they are not displayed.
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	6023	The measures referred to in rule 6020 shall normally be adopted where:
	6023.1	the approved intermediary that made the entry error applies promptly;
	6023.2	the applicant made an obvious material error;
	6023.3	the applicant stands, in the event that the contracts concluded as a direct consequence of the error are settled, to lose an amount exceeding the limit established on a general basis by Borsa Italiana in the guidance Sec. 620.2.

G	6024	For the purpose of identifying transactions which may be the subject the measures referred to in rule 6021 and rule 6022, with special reference to those Borsa Italiana may adopt on its own authority, the latter shall establish the procedure for handling them in the guidance Sec. 600 and subsequent, determining on a general basis for each category of Euronext Access Milan financial instruments:
	6024.1	the theoretical market prices ("reference prices");

	6024.2	the differences between the prices of the contracts concluded and the reference prices.
G	6025	In determining the theoretical prices and the differences referred to in rule 6024 and specified in the guidance Sec. 630 and Sec. 640, Borsa Italiana shall take account of the nature, liquidity and volatility of Euronext Access Milan financial instruments.
	6026	The promptness of the application for the remedy of an error by its author referred to in rule 6023 shall be assessed <i>inter alia</i> in relation to the emergence of new information or changes in market conditions between the time of the error and the time the application was made.
	6027	Where approved intermediaries conclude contracts by mistake at anomalous prices and agree to annul them, they are required to inform Borsa Italiana, which shall cancel them.
	6028	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	6029	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 guidance Sec. 650.

Sec. *Guidance to the Rule:*

604 *General principles*

604.1 *An approved 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.*

604.2 *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](mailto:ms@euronext.com); The requests for the handling of mistakes must contain the details of the transactions.*

604.3 *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.*

604.4 *The cost of contacting the counterparties in connection with the adoption of corrective measures shall normally be borne by the approved 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.*

604.5 *The manner of determining the fees for the error handling procedure referred to in rule 6029 is specified in guidance Sec. 650.*

- Sec.  
610 Ordinary procedure
- 610.1 *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 material error.*
- 610.2 *Borsa Italiana shall promptly inform the applicant where the request for activation of the ordinary procedure is refused, giving the reasons for the refusal.*
- 610.3 *One or more of the corrective measures referred to in rule 6021 may be adopted directly within the scope of their authority by the parties or by Borsa Italiana subject to the agreement of the parties.*
- Sec.  
620 Extraordinary procedure
- 620.1 *Borsa Italiana may arrange or implement one or more of the actions referred to in rule 6021 where, for the different types of errors, the conditions specified respectively in guidance Sec. 620.2, Sec. 620.3 and 620.4 are met.*
- 620.2 *In the case of mistakes involving the same instrument made as a result of the entry of a single order that leads to the conclusion of one or more contracts, the conditions shall be the following: the error handling request must be submitted to Borsa Italiana as promptly as possible:*
- a) *the error correction request must be submitted to Borsa Italiana as promptly as possible;*
  - b) *the transactions to which the request refers must originate from an evident material error;*
  - c) *the transactions to which the request refers must have prices above or below the levels established on a case-by-case basis by Borsa Italiana by calculating the theoretical "reference" prices referred to in guidance Sec. 630 and by applying to those prices the maximum divergence thresholds beyond which prices are to be considered abnormal, referred to in guidance Sec. 640.*
- 620.3 *Borsa Italiana shall promptly inform the applicant where the request for activation of the extraordinary procedure is refused, giving the reasons for the refusal.*
- 620.4 *Prices derived by applying maximum deviation thresholds to theoretical reference prices shall be rounded to the trading tick of the same financial instrument.*
- Sec.  
630 Determination of the theoretical "reference" prices
- 630.1 *The theoretical price shall be determined by Borsa Italiana taking into account one or more of the following values:*
- *the arithmetic mean of the prices of a minimum of three and a maximum of ten consecutive contracts concluded on the same day, chosen among those preceding or following the error;*

- the opening-auction price of the same session referred to in article 2031,
- the last reference price referred to in article 2070;
- other objective reference values available to the market.

Sec.  
640

Determination of the maximum divergence thresholds

640.1 Following the determination of the theoretical prices, the prices of the contracts at which the extraordinary error handling procedure may be applied shall be calculated, i.e. all the prices respectively above or below the theoretical reference price reduced or increased by the maximum divergence threshold, as determined in the following guidance.

640.2 The maximum divergence threshold for each financial instrument shall be equal to:

- Errors occurred during the continuous trading phase: dynamic collars;
- Errors occurred during the uncrossing phase (opening, closing, intraday) at the end of the auctions: static collars<sup>4</sup>;

Where:

- Static collars: the reservation thresholds with respect to the static reference price, as referred to in Guideline 204.1, letter b);
- Dynamic collars: the reservation thresholds with respect to the dynamic reference price, as referred to in Guideline 204.1, letter c).

Sec.  
650

Determination of the fee for handling errors

650.1 Borsa Italiana shall use the following formula to determine the fee referred to rule 6029:

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

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.

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

**Handling of technical breakdowns**

G	6040	<i>Inter alia</i> with the aim of ensuring equal access to the market by approved intermediaries in conditions of adequate transparency, Borsa Italiana:
	6040.1	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;

<sup>4</sup> [This provision will entry into force after the introduction of the uncrossing, following the migration to Optiq]

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|--------|---|
| 6040.2 | may order the temporary suspension of trading where technical breakdowns affect a significant number of approved intermediaries   |
| 6040.3 | shall inform the market of the measures adopted in accordance with this rule where they impinge on approved intermediaries' operations or the trading of Euronext Access Milan financial instruments. |

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

- 660.1 *In monitoring the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems referred to in rule 6001.5, Borsa Italiana shall continuously verify:*
- a) *approved 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.*
- 660.2 *Where the controls reveal anomalies involving a significant number of approved intermediaries, Borsa Italiana may adopt one of the following measures for an individual Euronext Access Milan 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.*
- 660.3 *Borsa Italiana shall also assess the significance of the number of approved intermediaries affected by technical breakdowns referred to in rule 6040.2 in relation to:*
- a) *the nature of the breakdowns and the operational limitations (access or information) observed;*
  - b) *the procedures for connecting the approved intermediaries affected to the market;*
  - c) *the fact that the breakdowns concerned all or part of the technical resources available to approved intermediaries;*
  - d) *the market share of the approved intermediaries affected.*
- 660.4 *The duration of the suspensions and postponements referred to in guidance Sec. 660.2 shall be fixed in a transparent manner and in a way that allows a significant number of approved intermediaries to assess their contractual positions and re-establish regular connections with the market.*
- 660.5 *Trading may be restarted:*
- a) *with a phase which permits approved intermediaries to annul unexecuted orders they had entered in the market before the suspension.*
  - b) *with the auction method;*
  - c) *with the continuous trading procedure.*

# **COMPLIANCE PROCEDURES**

## **Measures against market intermediaries and issuers**

C010	<p>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:</p> <p>C010.1 a written warning to observe the Rules and accompanying guidance;</p> <p>C010.2 a written censure;</p> <p>C010.3 a fine of between 5,000 and 500.000 euros;</p> <p>C010.4 suspension from trading in the market;</p> <p>C010.5 exclusion from trading in the market.</p>
C011	<p>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.</p>
C012	<p>In order to adopt the measures referred to in the rule C010, Borsa Italiana shall take the following criteria into account:</p> <p>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;</p> <p>C012.2 the size, duration and nature of the violation;</p> <p>C012.3 how Borsa Italiana became aware of the violation;</p> <p>C012.4 the benefits accrued by the issuer or market intermediary from the violation;</p> <p>C012.5 The issuer's or market intermediary's reaction to Borsa Italiana's requests and its actual and previous behavior;</p> <p>C012.6 magnitude of fraud and negligence;</p> <p>C012.7 functioning of system used for internal control and prevention of violations;</p>

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 there is a violation of quotation obligations by specialists and/or liquidity providers, Borsa Italiana may initiate the procedure referred to in rule C020.
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C014	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.
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C015	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.
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C016	In derogation to the provision at article C010, in the case of breach of the provisions of articles 1400.5 and 4021, and the obligations contained in the guidelines Sec. 401 and in the Guide to the Parameters, Borsa Italiana shall apply the written notice, the communication to the public of the failure to comply with obligations and reporting to the Authorities. Articles from C020 to C050 shall not apply.
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**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.
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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.
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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
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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 Operators (art. 1000 and following) these Regulations will be applied in accordance with Italian law.

### **Disputes submitted to the courts**

C070 Disputes concerning the fees referred to in rule 1300 and 1451, and the

amounts referred to in guidance Sec. 650 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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