GUIDE TO THE PARAMETERS

for trading on the markets organised and managed by Borsa Italiana

VERSION 84

IN FORCE FROM 23 NOVEMBER 2026

BORSA ITALIANA

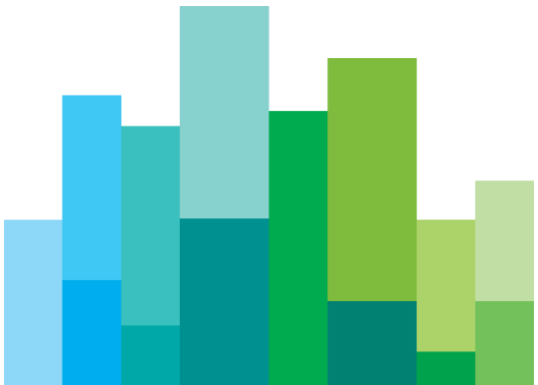
TABLE OF CONTENTS

1. Equity MARKETS 4
   A – Price variation limits 5
   B - Limits to the quantity and countervalue of orders 6
   C - Obligations of specialists, liquidity providers and market makers 7
   D – Stressed market conditions 8
2. ETFplus MARKET 10
   A - Price variation limits 11
   B - Limits to the quantity and countervalue of orders 12
   C – RFQ 12
   D – Obligations of market makers 12
   E – Stressed market conditions 14
3. Fixed Income MARKETS 15
   A - Price variation limits 16
   B - Limits to the quantity and countervalue of orders 19
   C – RFQ 20
   D – Obligations of specialists, liquidity providers and market makers 20
   E – Stressed market conditions 23
4. Securitised Derivatives MARKETS 24
   A - Price variation limits 25
   B - Limits to the quantity and countervalue of orders 28
   C - Refresh period for RFE model 29
   D - Obligations of liquidity providers, secondary liquidity providers and market makers 29
   E - Stressed market conditions 31
5. Trading Ticks FOR EuroTLX MARKET 32
   A - Trading Ticks for EuroTLX Market 33
6. Euronext Derivatives Milan MARKET 34
   A - Price variation limits 35
   B – Limits to the quantity of orders 39
   C – Deviation limits and minimum thresholds for negotiated transactions (*wholesales*) 40
   D – RFC Orders: price limits, quantity limits and duration 40

E – Obligations of market makers and liquidity providers 41
F – Stressed market conditions 43
G – Conversion Factors for Bond Future Contracts 44
7. ORDER TO TRADE RATIO 46
A - OTR METHODOLOGY 47
8. DETERMINATION OF THE ERROR HANDLING FEE 48
A – Fee for the error handling procedure 49

1. EQUITY MARKETS

EURONEXT MILAN, EURONEXT MIV MILAN, EURONEXT GROWTH MILAN, EURONEXT GEM, TRADING AFTER HOURS, EUROTLX EQUITY SEGMENT



A – Price variation limits

1. For the purpose of automatic control of the regularity of trading, the following trading conditions are established:

   a) maximum price variation limits of the orders with respect to the static reference price (X parameter);
   b) maximum price variation limits of the trades respect to the static reference price (Y parameter);
   c) maximum price variation limits of the trades respect to the dynamic reference price (Z parameter).

Instruments	X	Y	Z
FTSE MIB index shares	±50%	±5%	±3%
Other shares	±50%	±10%	±5%
Shares of closed-end funds	±50%	±7.5%	±3.5%
Warrants	±90%	±30%	±5%
Rights	±90%	±30%	±15%
Convertible bonds	±25%	±5%	±2.5%
TAH market	±30%	±5%	±3%
Euronext MIV Milan (Generalist)	±30%	±10%	±5%
Euronext MIV Milan (Private Debt)	±30%	±7.5%	±2.5%
Euronext MIV Milan (Private Equity)	±50%	±15%	±5%
Euronext MIV Milan (Venture Capital)	±50%	±20%	±5%

2. The trading conditions referred to in paragraph 1 may be altered or temporarily disabled.

B - Limits to the quantity and countervalue of orders

1. The maximum countervalue (amount) limits of the orders are set in the following table.

Markets and instruments	**Maximum countervalue (EUR) in continuous phase**	**Maximum countervalue (EUR) in call phase**
Euronext Milan market	50,000,000	50,000,000
Euronext Milan market, Euronext STAR Milan segment	50,000,000	50,000,000
Euronext MIV Milan, Euronext Growth Milan, Euronext GEM and TAH markets	10,000,000	10,000,000
Un-exercised rights	Set in the start of trading Notice	Set in the start of trading Notice
Instruments of Euronext Milan and Euronext MIV Milan markets traded in a single call phase	10,000,000	10,000,000
EuroTLX Equity segment	15,000,000	15,000,000

2. The maximum quantities of financial instruments in an order are computed on the basis of the maximum countervalues referred to in paragraph 1 and adjusted periodically on the basis of the price of the individual financial instrument.

3. For instruments traded in currencies other than the euro, the limits referred to in paragraph 1 shall be periodically adjusted on the basis of the exchange rate against the euro.

4. In order to guarantee the regularity of trading, Borsa Italiana can establish different countervalues or maximum quantities even at instrument level.

5. The maximum quantities and countervalues referred to in the previous paragraphs are made available through the static data files of the trading platform.

6. For iceberg orders the following limits are set:

Minimum order amount in EUR	**Disclosed quantity (*minimum disclosed lots* * *instrument lot size*)**
10,000	10 * instrument lot size

C - Obligations of specialists, liquidity providers and market makers

1. The obligations of specialists (SPE), liquidity providers (LPU) and market makers (MMA, MMS, MMX) on Equity markets are set as follows:

Markets and instruments	**Minimum countervalue of the orders (EUR)**	**Maximum spread (%)**	**Minimum time presence (%) (SPE*)**	**Minimum time presence (%) (LPU*)**	**Minimum time presence (%) (MMA**, MMS*, MMX*)**	**Obligations time (CET/ CEST)**
Euronext Milan: FTSE MIB index shares	10,000	0.5%	-	60%	55% **(MMA, MMS)**	8:50:00 – 17:35:30
Euronext Milan: Euronext STAR Milan shares	2,500	3%	60%	60%	55% **(MMA, MMS)**	8:50:00 – 17:35:30
Euronext Milan: other shares	2,500	3%	60%	60%	55% **(MMA, MMS)**	8:50:00 – 17:35:30
Euronext Milan: convertible bonds	2,500	4.5%	-	60%	55% **(MMA, MMS)**	8:50:00 – 17:35:30
Euronext MIV Milan	2,500	4.5%	60%	60%	55% **(MMA, MMS)**	8:50:00 – 17:35:30
Euronext Growth Milan	2,500	4.5%	60%	60%	55% **(MMA, MMS)**	8:50:00 – 17:35:30
Euronext GEM	2,500	3%	-	60%	55% **(MMA, MMS)**	8:50:00 – 17:35:30
TAH	2,500	3%	-	60%	50% **(MMA, MMS)**	18:00:00 – 20:30:00
EuroTLX Equity segment	2,500	3%	-	-	50% (**MMX**)	9:00:00 – 17:30:00

* with relaxed obligations during stressed market conditions
** with normal obligations during stressed market conditions

2. The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).

3. Borsa Italiana may adapt the table referred to in paragraph 1 in any circumstance that requires technical interventions or if market conditions have changed.

4. The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.

5. Quotation obligations during stressed market conditions are defined in paragraph D.

6. OTR (*Order to Trade ratio*) limits for members with quotation obligations are set in the dedicated chapter.

D – Stressed market conditions

1. A financial instrument negotiated in the Equity Markets is subject to stressed market conditions in the 15 minutes following the restart of trading after a volatility interruption.

2. Borsa Italiana may declare stressed market conditions, with communication to the market, when the price and volume changes in a given timeframe on single or multiple financial instruments jointly exceed the following thresholds:

Instruments	**Conditions that shall occur jointly**	
FTSE MIB shares and liquid shares	Change of the average price over the last 30 minutes respect to the closing price exceeding 15% in absolute value	Traded countervalue > 2.5 times the average countervalue of the previous 5 days
Euronext GEM market, EuroTLX Equity segment, other shares	Change of the average price over the last 30 minutes respect to the closing price exceeding 25% in absolute value	Traded countervalue > 3.5 times the average countervalue of the previous 5 days
TAH market	Change of the average price over the last 30 minutes respect to the closing price exceeding 4% in absolute value	Traded countervalue > 3 times the average countervalue (TAH) of the previous 5 days

3. Borsa Italiana may also declare stressed market conditions, with communication to the market, if required by the trading conditions of the affected instruments.

4. During stressed market conditions, specialists, liquidity providers and market makers (if provided for in the market making agreements) are required to quote with halved quantities and with doubled spreads.

2. ETFPLUS MARKET



A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading the following trading conditions are established:

   a) maximum price variation limits of the orders with respect to the static reference price, defined by instrument type (X parameter);
   b) maximum price variation limits of the trades respect to the static reference price, defined by instrument type (Y parameter);
   c) maximum price variation limits of the trades respect to the dynamic reference price, defined by instrument type (Z parameter).

Underlying type	X	Y	Z
Commodities, with leverage	±60%	±12.5%	±5%
Commodities, without leverage	±40%	±7.5%	±3.75%
Currencies, with leverage	±40%	±7.5%	±3.75%
Currencies, without leverage	±20%	±3.5%	±1.75%
Equity Indices, with leverage	±75%	±15%	±5%
Equity Indices, without leverage	±30%	±5%	±2.5%
Single Stocks or Basket, with leverage	±75%	±30%	±15%
Single Stocks or Basket, without leverage	±50%	±10%	±5%
Fixed Income with maturity up to one year, money market	±5%	±0.5%	±0.25%
Fixed Income, with leverage	±30%	±5%	±2.5%
Fixed Income Emerging Markets, High Yield, Inflation, without leverage	±20%	±3.5%	±1.75%
Other Bonds, Credit, without leverage	±10%	±2%	±1%
Other underlyings	±75%	±15%	±5%
Multi asset	±10%	±2%	±1%

2. In cases where the static reference price is below 0.05, the X limit is set at 0.04 in absolute value.

3. For financial instruments traded in the ETFplus market, Borsa Italiana may establish, with communication to the market, price variation limits other than those referred to in paragraph 1, taking into account the historical volatility of the underlying and the presumable liquidity of the financial instrument.

4. The trading conditions referred to in the previous paragraphs may be altered or temporarily disabled.

B - Limits to the quantity and countervalue of orders

1. The maximum countervalue (amount) limits of the orders are set in the following table.

Instruments	Maximum countervalue (EUR) of orders and RFQ in continuous phase	Maximum countervalue in call phase (EUR)
ETF	50,000,000	50,000,000
ETC/ETN	30,000,000	30,000,000

2. The maximum quantities of financial instruments in an order are calculated on the basis of the maximum countervalues referred to in paragraph 1 and adjusted periodically on the basis of the price of the individual financial instrument.

3. In order to guarantee the regularity of trading, Borsa Italiana can establish different countervalues or maximum quantities even at instrument level.

4. The maximum quantities and countervalues referred to in the previous paragraphs are made available through the static data files of the trading platform.

5. For the iceberg orders the following limits are set:

Minimum order amount in EUR	Disclosed quantity (*minimum disclosed lots * instrument lot size*)
10,000	10 * instrument lot size

C – RFQ

1. RFQ proposals may be executed at prices within the Y and Z limits set in Chapter A.

2. RFQ proposals can be entered without minimum size constraints.

D – Obligations of market makers

1. The obligations of market makers agreement (MMA) and market makers scheme (MMS) on the ETFplus market are set as follows:

		MMS (*) **Obligations time (CET/CEST)** **09:02:00 – 17:35:30**		**MMA (**)** **Obligations time (CET/CEST)** **09:04:00 – 17:30:00**	
Underlying category	**Maximum spread (%)**	**Minimum amount (EUR)**	**Minimum time presence (%)**	**Minimum amount (EUR)**	**Minimum time presence (%)**
ETF-Bond	2.00%	50,000	50%	50,000	50%
ETF-Equity	3.00%	50,000	50%	50,000	50%
ETF-Structured	3.00%	50,000	50%	50,000	50%
ETC/ETN with leverage	6.00%	25,000	50%	25,000	50%
ETC/ETN without leverage	3.00%	50,000	50%	50,000	50%

* with relaxed obligations during stressed market conditions
** with normal obligations during stressed market conditions

2. The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).

3. Borsa Italiana may adapt the obligations referred to in the previous paragraphs in any circumstance requiring technical interventions or in case of changed market conditions.

4. The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.

5. Quotation obligations during stressed market conditions are defined in paragraph E.

6. OTR (*Order to Trade ratio*) limits for members with quotation obligations are set in the dedicated chapter.

E – Stressed market conditions

1. A financial instrument traded in the ETFplus market is subject to stressed market conditions in the 15 minutes following the restart of trading after a volatility interruption.

2. Borsa Italiana may declare stressed market conditions, with communication to the market, when the price and volume changes in a given timeframe on single or multiple financial instruments jointly exceed the following thresholds:

Instruments	**Conditions that shall occur jointly**	
Instruments of the ETFplus market	Change of the average price over the last 30 minutes respect to the closing price exceeding 1.5*Y% in absolute value [where Y represents the price variation limit set in chapter A]	Traded countervalue > 3 times the average countervalue of the 5 previous days

3. Borsa Italiana may also declare stressed market conditions, with communication to the market:

   - for ETFs on Italian stocks indexes, in case of declaration of stressed market conditions on the related index derivatives traded on Euronext Derivatives Milan market;

   - for all the instruments, if required by the trading conditions of the instruments.

4. During stressed market conditions, market makers - if provided for in the market making agreements - are required to quote with halved quantities and with doubled spreads.

3. FIXED INCOME MARKETS

MOT, EURONEXT ACCESS MILAN, EUROTLX BOND-X SEGMENT



A - Price variation limits

1. For the purpose of automatic control of the regularity of trading, the following trading conditions are established:

   a) maximum price variation limits of the orders with respect to the static reference price, set by class of instrument and residual life (X parameter):

Class of residual life	**DomesticMOT** (Italian government securities class)	**DomesticMOT** (Other debt securities) **Bond-X** (Corporate and Financials, Government Bonds)	**EuroMOT** (Eurobond, ABS, securities of foreign issuers and other debt securities class)	**Euronext Access Milan** **Bond-X** (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD)
0 – 180 (6 months)	5.00%	5.00%	5.00%	5.00%
181 - 365 (1 year)	5.00%	10.00%	10.00%	10.00%
366 – 730 (2 years)	5.00%	10.00%	10.00%	10.00%
731 – 1095 (3 years)	10.00%	10.00%	10.00%	15.00%
1096 – 1825 (5 years)	10.00%	15.00%	15.00%	15.00%
1826 – 2556 (7 years)	10.00%	15.00%	15.00%	15.00%
2557 – 3650 (10 years)	15.00%	15.00%	15.00%	15.00%
3651 – 5475 (15 years)	15.00%	15.00%	15.00%	20.00%
5476 and more	15.00%	20.00%	20.00%	20.00%

   b) maximum price variation limits of the trades respect to the static reference price, set by class of instrument and residual life (Y parameter):

Class of residual life	**DomesticMOT** (Italian government securities class)	**DomesticMOT** (Other debt securities) **Bond-X** (Corporate and Financials, Government Bonds)	**EuroMOT** (Eurobond, ABS, securities of foreign issuers and other debt securities class)	**Euronext Access Milan** **Bond-X** (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD)
0 – 180 (6 months)	0.25%	1.00%	1.00%	2.00%
181 - 365 (1 year)	0.50%	1.25%	1.25%	2.00%
366 – 730 (2 years)	0.75%	1.50%	1.50%	3.00%
731 – 1095 (3 years)	1.50%	2.00%	2.00%	3.00%
1096 – 1825 (5 years)	2.00%	2.50%	2.50%	4.00%
1826 – 2556 (7 years)	2.00%	3.00%	3.00%	5.00%
2557 – 3650 (10 years)	2.00%	3.00%	3.00%	5.00%
3651 – 5475 (15 years)	2.50%	3.50%	3.50%	5.50%
5476 and more	2.50%	4.00%	4.00%	7.00%

c) maximum price variation limits of the trades respect to the dynamic reference price, set by class of instrument and residual life (Z parameter):

Class of residual life	**DomesticMOT** (Italian government securities class)	**DomesticMOT** (Other debt securities) **Bond-X** (Corporate and Financials, Government Bonds)	**EuroMOT** (Eurobond, ABS, securities of foreign issuers and other debt securities class)	**Euronext Access Milan** **Bond-X** (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD)
0 – 180 (6 months)	0.25%	1.00%	1.00%	1.50%
181 - 365 (1 year)	0.25%	1.00%	1.00%	1.50%
366 – 730 (2 years)	0.50%	1.00%	1.00%	2.50%
731 – 1095 (3 years)	0.75%	1.50%	1.50%	2.50%
1096 – 1825 (5 years)	1.00%	1.50%	1.50%	3.00%
1826 – 2556 (7 years)	1.00%	1.50%	1.50%	4.00%

Class of residual life	**DomesticMOT** (Italian government securities class)	**DomesticMOT** (Other debt securities) **Bond-X** (Corporate and Financials, Government Bonds)	**EuroMOT** (Eurobond, ABS, securities of foreign issuers and other debt securities class)	**Euronext Access Milan** **Bond-X** (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD)
2557 – 3650 (10 years)	1.00%	2.00%	2.00%	4.00%
3651 – 5475 (15 years)	1.50%	2.00%	2.00%	4.50%
5476 and more	1.50%	2.50%	2.50%	5.00%

2. The following trading conditions are established on the Professional segment of Euronext Access Milan market:

Instruments	**X**	**Y**	**Z**
Euronext Access Milan Professional segment	30.00%	5.00%	2.50%

3. The trading conditions referred to in the previous paragraphs may be altered or temporarily deactivated.

B - Limits to the quantity and countervalue of orders

1. The maximum countervalue (amount) and quantity limits of the orders are set in the following table:

Instruments	Maximum countervalue (EUR) of orders and RFQ in continuous phase	Maximum countervalue in call phase (EUR)	Maximum quantity (nominal value in EUR) of orders and RFQ in continuous phase	Maximum quantity (nominal value in EUR) in call phase
MOT market	50,000,000	50,000,000	50,000,000	50,000,000
Euronext Access Milan market	25,000,000	25,000,000	25,000,000	25,000,000
Bond-X segment of EuroTLX market	25,000,000	25,000,000	25,000,000	25,000,000

2. For instruments traded in currencies other than the euro, the limits referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.

3. In order to guarantee the regularity of trading, Borsa Italiana can establish different countervalues or maximum quantities even at instrument level.

4. The maximum quantities and countervalues referred to in the previous paragraphs are made available through the static data files of the trading platform.

5. For the iceberg orders the following limits are set:

Minimum nominal order amount in EUR	Disclosed quantity (*minimum disclosed lots * instrument lot size*)
10,000	10 * instrument lot size

C – RFQ

1. RFQ proposals may be executed at prices within the Y and Z limits set in Chapter A.

2. RFQ proposals can be entered without minimum size constraints.

D – Obligations of specialists, liquidity providers and market makers

1. The obligations of specialists (SPE), liquidity providers (LPU) and market makers (MMA, MMX) in the Fixed Income markets are set as follows:

Table A: minimum quantity (nominal value)

Markets	**TABLE A.1.a** Government securities Italy	**TABLE A.2.a** Other debt securities guaranteed by central counterparty	**TABLE A.3.a** Other debt securities not guaranteed by central counterparty
MOT, Euronext Access Milan	50,000 EUR	50,000 EUR	25,000 EUR

Markets	**TABLE A.1.b** Debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD	**TABLE A.2.b** Corporate and Financials, Government Bonds	**TABLE A.3.b** Branded bonds, Emerging Markets Bonds
Bond-X segment of EuroTLX market	25,000 EUR	50,000 EUR	25,000 EUR

Table B: maximum spread (MOT and Euronext Access Milan markets)

Residual life	**TABLE B.1** Government securities Italy	**TABLE B.2** Other debt securities guaranteed by central counterparty	**TABLE B.3** Other debt securities not guaranteed by central counterparty
0 -180 (6 months)	1.00%	1.00%	3.00%
181 - 365 (1 year)	1.00%	1.50%	3.00%
366 - 730 (2 years)	1.00%	2.50%	5.00%
731 - 1095 (3 years)	2.00%	3.00%	5.00%

Residual life	**TABLE B.1** Government securities Italy	**TABLE B.2** Other debt securities guaranteed by central counterparty	**TABLE B.3** Other debt securities not guaranteed by central counterparty
1096 - 1825 (5 years)	2.00%	3.00%	6.00%
1826 - 2556 (7 years)	3.00%	4.00%	6.00%
2557 - 3650 (10 years)	3.00%	5.00%	7.00%
3651 - 5475 (15 years)	3.50%	5.00%	7.00%
5476 and more	3.50%	6.00%	8.00%

Table C: maximum spread (Bond-X segment of EuroTLX market)

Residual life	**TABLE C.1** Debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD	**TABLE C.2** Corporate and Financials, Government Bonds	**TABLE C.3** Branded bonds, Emerging Markets Bonds
0 -180 (6 months)	3.00%	1.00%	2.00%
181 - 365 (1 year)	3.00%	2.00%	2.00%
366 - 730 (2 years)	6.00%	2.00%	3.00%
731 - 1095 (3 years)	6.00%	3.00%	4.00%
1096 - 1825 (5 years)	7.00%	3.00%	6.00%
1826 - 2556 (7 years)	8.00%	5.00%	7.00%
2557 - 3650 (10 years)	8.00%	6.00%	8.00%
3651 - 5475 (15 years)	9.00%	6.00%	10.00%
5476 and more	11.00%	7.00%	11.00%

Table D: minimum time obligations and quoting hours

Market	**Minimum time presence %** **(Specialist*)**	**Minimum time presence %** **(Liquidity Provider*)**	**Minimum time presence %** **(Market Maker Agreement MMA*, Market Maker MMX*)**	**Obligations time (CET/CEST)**
MOT	50% (bid-ask, bid-only, **SPE**)	50% (bid-only, **LPU**)	50% (bid-ask, **MMA**)	09:00:00 – 17:30:00
Euronext Access Milan	50% (bid-ask, bid-only, **SPE**)	50% (bid-only, **LPU**)	50% (bid-ask, **MMA**)	09:00:00 – 17:30:00
Bond-X segment of EuroTLX market	50% (bid-ask, bid-only, **SPE**)	-	50% (bid-ask, bid-only, **MMX**)	09:00:00 – 17:30:00

* with relaxed obligations during stressed market conditions

2. For instruments traded in currencies other than the euro, the obligations set in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.

3. The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).

4. Bid-only specialists comply with the obligations related to the minimum quantity set in paragrah 1, table A.

5. Borsa Italiana may adapt the obligations referred to in paragraph 1, in case of amendments to the minimum lot size and in case of any other circumstances requiring technical interventions or in case of changed market conditions.

6. The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.

7. Quotation obligations during stressed market conditions are defined in paragraph E.

8. OTR (Order to Trade ratio) limits for members with quotation obligations are set in the dedicated chapter.

E – Stressed market conditions

1. A financial instrument negotiated in the Fixed Income markets is subject to stressed market conditions in the 15 minutes following the restart of trading after a volatility interruption.

2. Borsa Italiana may declare stressed market conditions, with communication to the market, when the price and volume changes in a given timeframe on single or multiple financial instruments jointly exceed the following thresholds:

Instruments	**Conditions that shall occur jointly**	
MOT market, Euronext Access Milan market, Bond-X segment of EuroTLX market	Change of the average price over the last 30 minutes respect to the closing price exceeding 2*Y% in absolute value [where Y represents the price variation limit set in chapter A]	Traded countervalue > 3 times the average countervalue of the 5 previous days

3. Borsa Italiana may also declare stressed market conditions, with communication to the market, if required by the trading conditions of the affected instruments.

4. During stressed market conditions, specialists, liquidity providers and market makers (if provided for in the market making agreements) are required to quote with halved quantities and with doubled spreads. Members with bid-only obligations are required to quote with halved quantities.

4. SECURITISED DERIVATIVES MARKETS

SEDEX, EUROTLX CERT-X SEGMENT



A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading, the following trading conditions are established:

   a. X parameter: maximum price variation limit of the orders with respect to the static reference price, equal in general to the previous Closing Price or to the Valuation Price.

Table 1.a: X parameter for the instruments other than *leverage certificates*, class B (SeDeX, Cert-X)

Static reference price	X parameter
Less than or equal to 0.03	0.6 (in trading currency)
0.0301 – 0.1	2500%
0.1001 – 0.3	2000%
0.3001 – 1.5	900%
1.5001 - 5	400%
5.0001 - 10	250%
10.0001 - 30	150%
30.0001 – 100	60%
100.0001 – 10000	30%
Above 10000	20%

Table 1.b: X parameter for *leverage certificates*, class B (SeDeX)

Underlying type	Static reference price	X parameter (Leverage 1,2,3)	X parameter (Leverage 4,5)	X parameter (Leverage 6,7)
Commodities	Less than or equal to 0.01	180%	240%	300%
	0.01 – 0.05	120%	160%	200%
	Above 0.05	60%	80%	100%
Volatility indices	Less than or equal to 0.01	300%	300%	-
	0.01 – 0.05	200%	200%	-
	Above 0.05	100%	100%	-
Bonds and FX rates	Less than or equal to 0.01	90%	120%	150%
	0.01 – 0.05	60%	80%	100%
	Above 0.05	30%	40%	50%
Equities	Less than or equal to 0.01	240%	300%	300%
	0.01 – 0.05	160%	200%	200%
	Above 0.05	80%	100%	100%
Other underlyings	Less than or equal to 0.01	180%	240%	300%
	0.01 – 0.05	120%	160%	200%
	Above 0.05	60%	80%	100%

2. For instruments traded in currencies other than the euro, the limits referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.

3. Compliance with the maximum deviation limits of order prices from the static reference price is verified exclusively at the time of their initial entry. Orders with a validity longer than one day are therefore not subject to this check on a daily basis.

4. During the continuous phase, the Valuation Price is computed and disseminated at least every 5 minutes, provided that at the end of the calculation period the quotes of the liquidity provider are displayed on the orderbook.

5. The trading conditions referred to in the previous paragraphs may be altered or temporarily disabled.

6. In case of bid-only liquidity provider, the upper price limit for the execution of trades (Virtual Offer Price, VOP) is set in function of the bid price (b) of the liquidity provider as per the following table:

Bid price (b) of the liquidity provider	**Upper price limit for the execution of trades** **(VOP = b + price difference expressed in trading currency)**
b < 0.0003	b + 0.0005
0.0003 ≤ b < 0.001	b + 0.002
0.001 ≤ b < 0.003	b + 0.005
0.003 ≤ b < 0.03	b + 0.015
0.03 ≤ b < 0.1	b + 0.04
0.1 ≤ b < 0.2	b + 0.05
0.2 ≤ b < 0.3	b + 0.07
0.3 ≤ b < 0.75	b + 0.1
0.75 ≤ b < 1.5	b + 0.2
1.5 ≤ b < 3	b + 0.3
3 ≤ b < 5	b + 0.5
5 ≤ b < 10	b + 0.8
10 ≤ b < 30	b + 1.5
30 ≤ b < 70	b + 4
70 ≤ b < 90	b + 7
90 ≤ b < 110	b + 9
110 ≤ b < 200	b + 12.5
200 ≤ b < 300	b + 20
300 ≤ b < 500	b + 30
500 ≤ b < 750	b + 50
750 ≤ b < 1,000	b + 75
1,000 ≤ b < 5,000	b + 90
5,000 ≤ b < 10,000	b + 150
10,000 ≤ b < 25,000	b + 200
25,000 ≤ b < 50,000	b + 500
50,000 ≤ b < 80,000	b + 1,000
80,000 ≤ b < 100,000	b + 1,600
100,000 ≤ b < 500,000	b + 2,000

Bid price (b) of the liquidity provider	Upper price limit for the execution of trades (VOP = b + price difference expressed in trading currency)
500,000 ≤ b < 1,000,000	b + 10,000
b ≥ 1,000,000	b + 20,000

7. The attempt to execute trades at prices exceeding the VOP determines the automatic activation of a reservation phase with a minimum duration of 30 seconds. This phase can be reiterated.

B - Limits to the quantity and countervalue of orders

1. The maximum quantity and countervalue (amount) limits of the orders are set in the following table.

Maximum quantity of the orders (number of instruments)	Maximum countervalue of the orders (euro)
50,000,000	25,000,000

2. For instruments traded in currencies other than the euro, the maximum countervalue limit referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.

3. In order to guarantee the regularity of trading, Borsa Italiana can establish different countervalue or quantity limits even at instrument level.

4. The maximum quantity and countervalue limits referred to in the previous paragraphs are made available through the static data files of the trading platform.

5. For the iceberg orders the following limits are set:

Minimum order amount in EUR	Disclosed quantity (*minimum disclosed lots* * *instrument lot size*)
10,000	10 * instrument lot size

C - Refresh period for RFE model

1. In case of potential matching between an order and the passive quote of the liquidity provider, the liquidity provider can update the quotes until the end of the RFE refresh period set for the instrument. The refresh periods are configurable as per the below table:

Configuration	RFE refresh period
RFE0	0 seconds
RFE1	0.6 seconds
RFE2	3 seconds

D - Obligations of liquidity providers, secondary liquidity providers and market makers

1. Quotation obligations of liquidity providers (LPU), secondary liquidity providers (LPS, SLM) and market makers (MMA, MMS) on securitised derivatives markets are defined as follows:

   Table 1.a: minimum amount of the orders or quotes, maximum applicable spread and time presence obligations

Session	Instruments	Minimum amount (EUR)	Maximum spread (%)	Minimum time presence % (Liquidity Provider*)	Minimum time presence % (Secondary Liquidity Provider*)	Minimum time presence % (Market Maker*, only on SeDeX market)
Trading session until 09:05 (CET/CEST)	SeDeX	2,500	Maximum spread 2	80% (bid-ask, bid-only, **LPU**) Phases with obligations: - continuous; - Reserved waiting for LPU; - Reserved due to VOP breach	50% (bid-ask **SLM**, bid-only **LPS**) Phases with obligations: - continuous	50% (bid-ask **MMA,** all trading sessions) (bid-ask **MMS,** 09:05-17:30 CET/CEST trading session) Phases with obligations: - continuous
Trading session from 09:05 to 17:30 (CET/CEST)	SeDeX and Cert-X	5,000	Maximum spread 1			
Trading session from 17:30 (CET/CEST)	SeDeX	2,500	Maximum spread 2			

* with relaxed obligations during stressed market conditions

Table 1.b: spread tables

Previous closing price (EUR)	**Maximum spread 1 (SeDeX and Cert-X)**	**Maximum spread 2 (SeDeX)**
Less than or equal to 0.003	200%	270%
0.0031 – 0.3	60%	75%
0.3001 – 1.5	25%	30%
1.5001 – 3	17.5%	25%
3.0001 – 30	7.5%	10%
Above 30	3.5%	5%

2. For instruments traded in currencies other than the euro, the obligations referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.

3. The minimum quotation amount defined in paragraph 1, table 1.a, in any case shall not exceed 20,000 instruments.

4. The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).

5. Borsa Italiana, taking into account the characteristics of the instrument, can establish different obligations from those indicated in the tables in paragraph 1, communicating it with a Notice.

6. Borsa Italiana may adapt the obligations referred to in the previous paragraphs in any other circumstance requiring technical interventions or in case of changed market conditions.

7. The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.

8. Quotation obligations during stressed market conditions are defined in paragraph E.

9. OTR (Order to Trade ratio) limits for members with quotation obligations are set in the dedicated chapter.

E - Stressed market conditions

1. Stressed market conditions on the financial instruments traded on the securitised derivatives markets occur in the following circumstances:

Instruments on shares traded on the Euronext Milan market	During the 15 minutes of continuous trading following a volatility trading interruption of the underlying shares; in cases where stressed market conditions on the underlying have been declared
Instruments on other shares	During the 15 minutes of continuous trading following the activation of the Reservation phase on securitises derivatives, due to the volatility trading interruption of the underlying shares in the reference market
Instruments on Italian stock indices	In cases where stressed market conditions on index derivatives traded on Euronext Derivatives Milan market have been declared

2. Borsa Italiana may also declare stressed market conditions, with communication to the market, if required by the trading conditions of the affected instruments.

3. During stressed market conditions liquidity providers, secondary liquidity providers and market makers (if provided for in the market making agreements) are required to quote with halved quantities and with doubled spreads. Members with bid-only obligations are required to quote with halved quantities.

5. TRADING TICKS FOR EUROTLX MARKET



A - Trading Ticks for EuroTLX Market

1. Pursuant to EuroTLX market Rules, the prices of orders shall be multiples of the ticks established for financial instruments in relation to the order prices as follows:

a) **Equity** segment: ticks defined in Commission Delegated Regulation (EU) 2017/588 are applied, determined considering liquidity classes and price ranges of the orders;

b) **Cert-X** segment:

Order prices	**Tick**
Below or equal to 0.0029	0.0001
0.0030 – 0.2995	0.0005
0.300 – 1.499	0.001
1.500 – 2.995	0.005
Equal to or above 3.00	0.01

c) **Bond-X** segment:

Residual life	**Tick**
All instruments	0.01

The prices of responses to RFQs shall be multiples of the tick value 0.01.

6. EURONEXT DERIVATIVES MILAN MARKET



A - Price variation limits

1. For the purpose of the automatic control of the regularity of trading, Borsa Italiana establishes the following price limits:

    a. Dynamic Collar: maximum price variation limit for orders and trades respect to the Dynamic Collar Reference Price (DCRP). Buy orders are rejected if entered at prices higher than the upper Dynamic Collar; sell orders are rejected if entered at prices lower than the lower Dynamic Collar. Any attempt to execute trades at prices outside the Dynamic Collar triggers a reservation;

    b. Static Collar: maximum price variation limit for the execution of trades respect to the Static Collar Reference Price (SCRP). Any attempt to execute trades at prices outside the Static Collar triggers a reservation;

    c. Semi-static Collar: maximum price variation limit for the execution of trades respect to the semi-static price (Future Limit Interruption Protection, FLIP functionality). Any attempt to execute trades at prices outside the Semi-static Collar triggers a reservation.

A.1 – Dynamic Collar

2. The Dynamic Collar is applied to all instruments traded on the Euronext Derivatives Milan market and is defined as the product of the following factors: market making spread,[1] Collar Multiplier, Collar Expansion Factor.

3. The Dynamic Collar defined in the previous paragraph determines the maximum range of price variation for orders and trades around the DCRP.[2]

4. The default values of the multipliers referred to in paragraph 2 and the maximum number of reopening attempts as per Article 5.3.8, paragraph 2, of the Rules (TPV mechanism) are established in the following table:

[1] Also known as Reference Spread or Market Quality Spread (MQS).
[2] As an example, a Dynamic Collar of 10% with a DCRP of 100 determines a lower limit of 95 and an upper limit of 105. Similarly, a Collar of 0.1 euro with a DCRP of 0.4 determines a lower limit of 0.35 and an upper limit of 0.45.

Contracts	Reference Spread	Collar Multiplier (*)	Collar Expansion Factor (default value)	Maximum number of reopening attempts in case of Dynamic Collar breach (TPV mechanism)
FTSE MIB index futures, mini-futures and micro-futures	Market making spread determined based on the DCRP price and expiry of the instrument (*)	20	1	232
FTSE Italia PIR PMI TR index futures		10	1	232
Bond Futures		between 10 and 60, set at contract level	1	232
Inter Contract Spreads (ICS) and Ratio ICS on Bond Futures		between 2 and 15, set at contract level	1	232
FTSE MIB index options		3	1	15
Single stock futures		between 2 and 20, set at contract level	1	232
Single stock options		between 2 and 5, set at contract level	1	15
FTSE MIB Dividend index and stock dividend futures		between 2 and 5, set at contract level	1	232

(*) Values disseminated in the Reference Spreads file of the standing data files.

5. Borsa Italiana updates the DCRP along the trading session taking into account the following elements:
   - trading phases;
   - market prices;
   - market *bid-ask* spread;
   - theoretical prices computed based on widely accepted models;
   - trading conditions.

6. The market bid-ask spread is taken into account for DCRP calculation if the bid-ask spread is lower than the Reference Spread multiplied by the following factors: Actual Quality Spread (AQS) Multiplier and AQS Expansion Factor.

7. According to the trading conditions, Borsa Italiana may interrupt, modify or limit the update of the DCRP, even for a single financial instrument.

8. The DCRP for strategies is calculated as a linear combination of the DCRPs of the instruments that are part of the strategy. The dynamic collar for strategies is calculated taking into account the Reference Spread of the instrument with the furthest expiry date within the strategy.

9. Any changes to the Collar Expansion Factor and AQS Expansion Factor parameters are disseminated in real-time through the public market data (MDG) at contract level.

10. For the determination of the maximum deviation thresholds in case of an extraordinary error handling procedure referred to in Article IA.9.1.3, Table 2, of the Instructions to the Rules, any changes to the Collar Expansion Factor occurring during the day are applied. In the event that the AQS Multiplier[3] is equal to one, a Collar Expansion Factor equal to one is applied.[4]

A.2 – Static Collars

11. Pursuant to Article 5.3.8, paragraph 1, of the Rules, notwithstanding what is established in the preceding paragraphs, Borsa Italiana applies static collars to futures contracts.

12. The static collar is defined as a static price range (Static Spread) relative to the SCRP (Static Collar Reference Price).

13. The SCRP on the first futures expiry is initialized with the Official Closing Price (OCP) from the previous day and updated at the end of the opening call phase with the uncrossing price. The SCRP for subsequent expiries is calculated considering the price difference between expiries (Inter-Month Spread, IMS).

14. The Static Spread[5] is defined in general as follows:

---

[3] Parameter referred to in paragraph E.2.
[4] As an illustrative example, the dynamic collar for futures contracts on the FTSE MIB index – assuming a spread obligation of 30 index points – is calculated at the beginning of the session as follows: Reference Spread * Collar Multiplier * Collar Expansion Factor = 30 * 20 * 1 = 600 index points. The upper dynamic limit in this example is equal to DCRP + 300 points (i.e. 600 / 2) and the lower limit is DCRP – 300 points.
In the event of an intraday modification of the Collar Expansion Factor from 1 to 3 with an AQS Multiplier of 1, the new upper dynamic limit becomes DCRP + 900 points, and the lower limit becomes DCRP – 900 points. The deviation threshold for the error handling procedure in this example remains unchanged at 300 points respect to the theoretical reference price. In the event the AQS multiplier parameter referred to in paragraph E.2 is also modified, the deviation threshold for the error handling procedure is recalculated taking into account the Collar Expansion Factor, resulting in 900 in the example.
[5] As an illustrative example, a Static Spread of 10% with an SCRP of 1000 points determines a lower limit of 950 and an upper limit of 1050 points; a Static Spread of 1000 points with an SCRP of 30000 determines a lower limit of 29500 and an upper limit of 30500 points.

Contracts	Static Spread
Futures, mini-futures, micro-futures on FTSE MIB index	8%
FTSE Italia PIR TR index futures	8%
Bond Futures, 10-year contracts	6%
Bond Futures, 30-year contracts	8%
Single stock futures	15%
FTSE MIB Dividend index futures	20%
Stock dividend futures	20%

15. The maximum and minimum permissible prices with respect to the Static Collar are published through market data (MDG).

A.3 – Semi-static Collars (FLIP functionality)

16. Pursuant to Article 5.3.8, paragraph 1 of the Rules, notwithstanding what is established in the preceding paragraphs, Borsa Italiana applies the FLIP functionality to futures, mini-futures, and micro-futures contracts on the FTSE MIB index.

17. The FLIP functionality consists of a semi-static collar defined as the maximum price range (FLIP spread) of the trades relative to the FLIP Reference Price.

18. The FLIP Reference Price is calculated as the average of a sample of DCRP prices observed over a significant time interval. The FLIP spread[6] is generally established as follows:

Contracts	FLIP Spread
Futures, mini-futures, micro-futures on FTSE MIB index	4%
Bond Futures, 10-year contracts	4%
Bond Futures, 30-year contracts	5%

[6] The functioning of the FLIP Spread is similar to that of the Static Spread.

19. Any changes to the FLIP spread made during the trading session are not published in the market data.

A.4 – General provisions

20. Pursuant to Article 5.3.8 of the Rules, the trading conditions outlined in the previous paragraphs can be modified or temporarily deactivated.

B – Limits to the quantity of orders

1. For the purpose of the automatic control of the regularity of trading, Borsa Italiana establishes the following quantity limits for orders:

Contracts	Single orders (Central OrderBook, Request for Cross, Strategies different from calendar spreads)	Strategy orders on calendar spreads	Negotiated transactions (Wholesales)
FTSE MIB index futures	500	2,500	5,000
FTSE MIB index mini-futures	500	2,500	25,000
FTSE MIB index micro-futures	500	2,500	50,000
FTSE Italia PIR TR index futures	500	2,500	2,500
Bond Futures (futures) and related Inter Contract Spreads	500	2,500	5,000
Bond Futures (mini futures) and related Inter Contract Spreads	500	2,500	20,000
Ratio Inter Contract Spreads on Bond Futures	250	-	2,500
FTSE MIB Dividend index futures	500	2,500	5,000
Stock futures	10,000	10,000	60,000
Stock dividend futures	5,000	5,000	30,000
FTSE MIB index options	5,000	25,000	30,000
Stock options	10,000	10,000	30,000

2. The maximum quantities as referred to in the previous paragraph are made available through the trading platform's standing data files.

C – Deviation limits and minimum thresholds for negotiated transactions (*wholesales*)

1. The price of negotiated transactions as per Article 5.3.5, paragraph 1, of the Rules, must fall within at least one of the following price limits:

    a. Dynamic collars as specified in Section A, paragraph 1, letter a;
    b. Range determined by the maximum and minimum prices of the trades executed in the same trading session on the Central Order Book.

2. The minimum size for the execution of negotiated transactions must be at least equal to the quantity specified by Borsa Italiana for each contract and, if applicable, for each expiry. These values are published on Euronext website.

3. The minimum size of negotiated transactions as per the previous paragraph is also available in the standing data files of the trading platform.

4. The price of each leg part of Package Orders as per Article 5.3.5, paragraph 2, of the Rules, must fall within the deviation limits specified in paragraph 1. Each leg must also comply with the minimum quantity specified in paragraph 2, except for strategies considered illiquid as indicated in Article 4.5.8 of Euronext Derivatives Trading Procedures.

D – RFC Orders: price limits, quantity limits and duration

1. RFC orders are eligible only for options and their related strategies.

2. The following limits are defined for RFC orders as per Article 5.3.2, paragraph 5, of the Rules:

    a. Initiator Minimum Volume: the minimum quantity limit for placing RFC orders, set at 1 lot;

    b. Maximum quantity limits for RFC orders, equal to the maximum limits defined in Section B, paragraph 1, for single orders.

3. The price of the RFC proposal - on a single instrument or on a strategy - must be included within the Dynamic Collars referred to in Section A, paragraph 1. The price of the RFC proposal, in the presence of proposals on the Central Orderbook, must also be included within the best market bid-ask prices, extremes included.

4. The duration of the RFC order (Period Duration) is made available in the standing data files.

E – Obligations of market makers and liquidity providers

E.1 – Market making obligations and roles

1. The obligations of Market Maker Agreement (MMA), Market Maker Scheme (MMS), and Market Maker Extended (MME) in the Euronext Derivatives Milan market are defined as follows:

Minimum obligations	MMA (**)	MMS (*)	MME (*)
Obligations time on FTSE MIB futures, mini-futures, micro-futures and Bond Futures (CET/CEST)	08:00 – 22:00	08:00 – 17:30	17:30 – 22:00
Obligations time on the other products (CET/CEST)	09:01 – 17:30	09:01 – 17:30	N.A.
Phases with obligations	Continuous trading	Continuous trading	Continuous trading
Minimum time presence (%)	All products: 50%	Index futures, index options, Bond Futures: 70% Stock derivatives and dividend futures: 60%	Futures, mini-futures and micro-futures on FTSE MIB index: 70% Bond Futures: 60%

* with relaxed obligations during stressed market conditions

** with normal obligations during stressed market conditions

E.2 – Obligations related to spread, quantities and expiries to quote

2. The expiries to quote, the maximum spread obligations and the minimum quantity obligations are defined for each derivative contract and are made available on Euronext website.

3. With reference to index and single stock futures contracts, the rolling of quoting obligations to the next expiration date occurs on the day prior to the expiration itself.

4. With reference to Bond Futures contracts, halved quantities and doubled spreads apply on the last trading day.

5. With reference to option contracts:

    a. quotation obligations on monthly index or stock option contracts do not apply on the day prior to expiration and on the expiration day;

    b. limited to weekly index or stock option contracts, halved quantities and doubled spreads apply on the day prior to expiration; quotation obligations do not apply on weekly options on the expiration date;

    c. limited to daily index option contracts, quoting obligations shall remain applicable through and including expiry day; on the day preceding expiry and on expiry day, half quantities and double spreads shall apply.

6. Spread obligations can be defined in absolute value or as a percentage, based on the market maker's bid price.

7. Percentage spread obligations are checked against the market maker's bid-ask average.[7]

8. Spread obligations can be modified during the session through a multiplier called AQS multiplier, published in real-time in the MDG market data.

E.3 – Definition of the minimum number of series subject to quotation obligations per expiry for option contracts

9. The minimum number of series subject to quotation obligations for option contracts is defined based on the Near-The-Money (NTM) area, calculated separately for each expiry subject to obligations.

10. The NTM area is defined as the ±10% range around the underlying price and is continuously updated throughout the trading session based on the underlying price.[8]

11. The minimum number of series subject to obligations is determined at start of day as a percentage *X%* of the number of series falling within the NTM area, computed on the basis of the previous day's closing price of the underlying. The number of series to quote is rounded up to the nearest whole number, cannot be less than the minimum number *N* and cannot exceed the number of series within the NTM area.[9]

---

[7] As an example, let's consider a 10% spread obligation applicable to bid prices ranging from 0.2 to 1 euro. If a bid-ask of 0.5 - 0.55 euros is entered, the spread measured for compliance with quoting obligations is 9.5%, calculated as $\frac{0.55-0.5}{(0.5+0.55)/2}$. In this example, the spread obligation is considered to be correctly met.

[8] At start of day, the NTM area is defined as ±10% of the option's underlying previous day closing price; afterwards, it is dynamically updated based on the last trading price of the underlying shares or the last index fixing in case of index options.

[9] As an example, consider a derivative contract that has 10 series in the NTM area at the market opening (5 calls and 5 puts) for a specific expiry, based on the last available closing price. Also, consider X% = 60% and N = 4. In this case, the minimum number of series to be quoted in the NTM area is 6. This number of series includes both call and put options. In the same example, if N = 8, the number of series to quote is 8. If N = 12, all 10 series falling within the NTM area for the relevant expiry must be quoted.

12. Without prejudice to the minimum number of series subject to obligations within the NTM area, market maker and liquidity provider operators can quote series that are not necessarily consecutive or symmetric with respect to the at-the-money strike.

13. The parameters *X%* and *N* mentioned in the previous paragraph are made available on Euronext website.

14. The minimum number of series to be quoted, determined as described in the previous paragraphs, remains unchanged throughout the session, while the NTM area, defining the eligible series to quote, is continuously updated during the trading session based on the underlying price.

E.4 – General provisions

15. Borsa Italiana may adjust the obligations outlined in the previous paragraphs in any circumstance requiring technical actions or when market conditions change.

16. Daily and monthly performance values are made available to each market maker through the "*Market Making Performance Report*" service. Daily performance reports are generated on T+1.

17. Quotation obligations during stressed market conditions are defined in Section F.

18. Order to Trade ratio (OTR) limits for market makers are established in the dedicated chapter.

F – Stressed market conditions

1. Stressed market conditions occur on financial instruments traded on the Euronext Derivatives Milan market when the conditions outlined in the following table are met:

Contracts	Stressed market conditions
Equity derivatives	In the 15 minutes following the resumption of continuous trading after the volatility interruption in the underlying shares. In any other case of declaring stressed market conditions in the underlying shares.

2. Borsa Italiana may declare, through a communication to market participants, that stressed market conditions occur if, for individual financial instruments or groups of financial instruments, price and volumes variations in a given time frame are above the following thresholds:

Contracts	Conditions that shall occur jointly		Other conditions
Index derivatives	Change in the average price of the first expiry of the futures contract in the last 30 minutes compared to the Daily Settlement Price of the previous session exceeding 5% in absolute value	Traded lots > 3 times the average traded lots in the previous 5 days.	Change in the underlying index exceeding 3.5% in absolute value. Volatility reservation on a number of index constituents with a total weight of at least 30% of the index.
Bond Futures	Change in the average price of the first expiry of the futures contract in the last 30 minutes compared to the Daily Settlement Price of the previous session exceeding 3% in absolute value	Traded lots > 3 times the average traded lots in the previous 5 days.	

3. Borsa Italiana may also declare, through communication to market participants, that stressed market conditions occur based on the trading activity in derivatives or underlying instruments.

4. During stressed market conditions, where specified in the market making agreements, market makers and liquidity providers are required to quote with halved quantities and doubled spreads.

G – Conversion Factors for Bond Future Contracts

1. For Bond Futures contracts, the conversion factors (conversion factor, CF) are defined as follows.

2. Definitions:

Symbol	Description or Calculation	Note
DD	*Delivery Date*	The tenth calendar day of the quarterly expiry month (March, June, September, December), provided it is an exchange trading day; otherwise, the next available exchange trading day
LCD	*Last Coupon Date* (before DD)	Date of the last coupon prior to the DD. If the bond's first coupon date falls after the DD, the LCD corresponds to the start of the interest accrual period
NCD	*Next Coupon Date* (after DD)	Date of the first coupon following the DD
NCD_{-1cp}	One coupon period before NCD	

Symbol	Description or Calculation	Note
NCD_{-2cp}	One coupon period before NCD_{-1cp}	
δ_e	$NCD_{-1cp} - DD$	
act_1	$NCD - NCD_{-1cp}$, if $\delta_e < 0$ $NCD_{-1cp} - NCD_{-2cp}$, if $\delta_e \geq 0$	
δ_j	$NCD_{-1cp} - LCD$	
act_2	$NCD - NCD_{-1cp}$, if $\delta_j < 0$ $NCD_{-1cp} - NCD_{-2cp}$, if $\delta_j \geq 0$	
f	$1 + \frac{\delta_e}{act_1}$	
C	Annual coupon	e.g. 4 for an annual coupon of 4%
cn	Notional coupon	e.g. 6 for a notional coupon of 6%
k	Coupon frequency	1 = annual; 2 = semi-annual; 4 = quarterly coupons
N	Number of full coupon periods between NCD and the maturity of the bond	
i	i-th coupon period between NCD and the maturity of the bond	e.g. $i = 0$ refers to NCD
AID	Accrued Interest at Delivery	Percentage of accrued interest at delivery, rounded to seven decimal places for BTPs
d_i	Number of calendar days between the regular and effective payment date of the coupon i (adjusts for holidays or weekends)	
$t_{i,i+1}$	Number of calendar days between the regular payment dates of the coupons	
$t_{N,N+1}$	Number of calendar days between the maturity of the bond and the maturity date plus a coupon period	

3. Conversion factors are computed as follows:

$$CF = a \times [FirstCouponAdj + S] - AID$$

Where:

$$a = \frac{1}{\left(1+\frac{cn}{100}\right)^{f/k}}$$

$$FirstCouponAdj = \frac{C}{100 \times k} \times \frac{\delta_j}{act_2}$$

$$AID = \frac{C}{100 \times k} \times \left(\frac{\delta_j}{act_2} - \frac{\delta_e}{act_1}\right)$$

For Bond Future contracts on BTPs ($k = 2$):

$$S = \frac{C}{100 \times k} \times \sum_{i=0}^{N} \frac{1}{\left(1 + \frac{cn}{100}\right)^{\frac{i}{k} + \frac{d_i}{k \times t_{i,i+1}}}} + \frac{1}{\left(1 + \frac{cn}{100}\right)^{\frac{N}{k} + \frac{d_N}{k \times t_{N,N+1}}}}$$

For other Bond Future contracts ($k = 1$):

$$S = \frac{C}{cn} \times \left(1 + \frac{cn}{100} - \frac{1}{\left(1 + \frac{cn}{100}\right)^{N}}\right) + \frac{1}{\left(1 + \frac{cn}{100}\right)^{N}}$$

4. For each Bond Future contract maturity, the composition of the bond basket and the related conversion factors are made available on Euronext web site.

7. ORDER TO TRADE RATIO



A - OTR METHODOLOGY

Pursuant to Borsa Italiana Rules, the ratio between non-executed orders and trades for each intermediary ("OTR") is defined in terms of volume and number of transactions. The rules for the calculation of OTR ratios are defined pursuant to the guidelines provided in Annex I of CDR 566/2017.

The OTR, both in terms of volumes and number of transactions, is calculated daily for (i) every instruments (i.e. ISIN code), (ii) every market participant, (iii) trading venue where the instrument is traded and (iv) separately for the order flow transmitted by a participant to the trading venue under a market making role.

Markets and asset classes	OTR type	Max. OTR Permitted Value	Floor Value	Max. OTR Permitted Value for members with a market making role (1)	Floor Value for members with a market making role (1)
Equity Markets	Number terms	2,000	75,000 ord.	10,000	150,000 ord.
	Volume terms	10,000		50,000	
Index futures	Number terms	2,000	75,000 ord.	10,000	150,000 ord.
	Volume terms	10,000		50,000	
Bond Futures	Number terms	2,000	75,000 ord.	10,000	150,000 ord.
	Volume terms	10,000		50,000	
Index options	Number terms	2,000	75,000 ord.	10,000	150,000 ord.
	Volume terms	10,000		50,000	
Single name derivatives[2]	Number terms	1,000	75,000 ord.	10,000	150,000 ord.
	Volume terms	5,000		50,000	
ETFPlus	Number terms	75,000	200,000 ord	150,000	400,000 ord.
	Volume terms	20,000,000		100,000,000	
Fixed Income Markets	Number terms	75,000	150,000 ord	150,000	300,000 ord.
	Volume terms	750,000		1,500,000	
Securitised Derivatives Markets	Number terms	20,000	50,000 ord	250,000	600,000 ord.
	Volume terms	20,000,000		100,000,000	

(1) Participants providing liquidity pursuant the rules under a specific agreement with Borsa Italiana, such as Specialists, Liquidity Providers, Secondary Liquidity Providers and Market Makers; (2) Stock options, stock futures and stock dividend futures.

8. DETERMINATION OF ERROR HANDLING FEE



A – Fee for the error handling procedure

The fee payable upon activation of the error handling procedure shall be EUR 250 for each contract cancelled or amended, subject to a maximum aggregate amount of EUR 500 where the cancellations or amendments result from the entry of a single trading proposal (order or quote).

Where the error handling procedure is carried out pursuant to Guidance Sec. 620, "Extraordinary Procedure", paragraph Sec. 620.3, of the SeDeX Market Rules, or Guidance 8.3(3), "Extraordinary Procedure", paragraph 3, of the EuroTLX Market Rules, the applicable fee shall be EUR 1,000.

For the purposes of this section, any modification to the price or quantity of an order or quote shall be treated as the entry of a new trading proposal.



borsaitaliana.it