

The Italian text of this Notice version shall prevail over the English version



***“Guide to the Parameters” for
trading on the regulated markets
organised and managed by Borsa Italiana***

Version 13

INTRODUCTION

The Guide to the Parameters contains in Part 1 the rules governing the price variation limits (control parameters) and the quantity limits for orders (quantity parameters) for each of the regulated markets organised and managed by Borsa Italiana.

More specifically, each section dedicated to one of the markets (MTA, MOT, etc.) is identified by cardinal numbers and divided into two parts:

- ❖ **part A**, concerning price variation limits;
- ❖ **part B**, concerning quantity limits, where applicable.

Moreover, the Guide to the Parameters contains in Part 2 the technical limits for the order entry regarding the markets operating on the MillenniumIT Trading Platform.

The Guide to the Parameters:

1. must be read jointly with the Market Rules and the accompanying Instructions;
2. is published in a Notice on Borsa Italiana's website (www.borsaitaliana.it);
3. is updated constantly, again in a Borsa Italiana Notice.

PART 1

1 - MTA AND MIV MARKETS

A – Price variation limits

1. For the purposes of the automatic control of the regularity of trading the following price variation limits shall apply:
 - a) maximum price variation limit of orders with respect to the static price, referred to in Article 4.1.4, paragraph 7, of the Rules:
 - shares making up the FTSE MIB index $\pm 50\%$;
 - other shares $\pm 50\%$;
 - shares of closed-end funds $\pm 50\%$
 - warrants and rights $\pm 90\%$;
 - convertible bonds $\pm 25\%$;
 - b) maximum variation of the price of the contracts with respect to the static price referred to in Articles 4.1.5, paragraph 4, and 4.1.10, paragraph 2, of the Rules:
 - shares making up the FTSE MIB index $\pm 5\%$;
 - other shares $\pm 10\%$;
 - shares of closed-end funds $\pm 7.5\%$
 - warrants and rights $\pm 30\%$;
 - convertible bonds $\pm 5\%$;
 - c) maximum variation of the price of the contracts with respect to the dynamic price referred to in Article 4.1.10, paragraph 2 of the Rules:
 - shares making up the FTSE/MIB index $\pm 3.5\%$;
 - other shares $\pm 5\%$;
 - shares of closed-end funds $\pm 3.5\%$;
 - warrant $\pm 5\%$;
 - rights $\pm 15\%$;
 - convertible bonds $\pm 2.5\%$
2. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. The maximum number of financial instruments in an order referred to in article 4.1.4, paragraph 10, of the Rules shall be
 - MTA market 2000*EMS;
 - MTA market, Star segment 2000*EMS
 - MTA market, MTA International segment 400*EMS;

- MIV market 400*EMS;
 - Un-exercised rights 400*EMS;
 - Instruments traded in MB2 and MV2 segments on TradElect platform 400*EMS².
2. The maximum number of financial instruments that may be entered at the auction price referred to in Article 4.1.4, paragraph 10, of the Rules shall be
- MTA market 2000*EMS;
 - MTA market, Star segment 2000*EMS
 - MTA market, MTA International segment 400*EMS;
 - MIV market 400*EMS;
 - Un-exercised rights 400*EMS;
 - Instruments traded in MB2 and MV2 segments on TradElect platform 400*EMS².
3. Borsa Italiana, on March, June, September and December, shall calculate and publish on its website the quantity, defined as number of financial instruments, with reference to each instrument (EMS – Exchange Market Size).

2 – SEDEX MARKET

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading the following price variation limits shall apply:
- a) maximum price variation limit of orders with respect to the static price, referred to in Article 4.2.3, paragraph 7, of the Rules:

<i>Static price (euro)</i>	<i>Maximum variation</i>
<i>Less than or equal to 0.003</i>	-
<i>0.0031 – 0.3</i>	<i>±900 %</i>
<i>0.3001 – 1.5</i>	<i>±500%</i>
<i>1.5001 – 3</i>	<i>±300 %</i>
<i>3.0001 – 30</i>	<i>±150 %</i>
<i>30.0001 - 70</i>	<i>±50 %</i>

² The list of segments set up on TradElect platform is available at the following address <http://www.borsaitaliana.it/borsaitaliana/intermediari/gestione-mercati/mercatibit-tradelect/mercatibit-tradelect.htm> (refer to technical specifications “TIS105 - Market Configuration Matrix”).

70.0001 – 100	±30 %
100.0001 – 300	±25 %
more than 300	±20 %

- b) maximum price variation limit of contracts with respect to the static price, referred to in Articles 4.2.4, paragraph 4, and Article 4.2.9, paragraph 2, of the Rules:

<i>Static price (euro)</i>	<i>Maximum variation</i>
<i>Less than or equal to 0.003</i>	<i>±200 %</i>
<i>0.0031 – 0.3</i>	<i>±70 %</i>
<i>0.3001 – 1.5</i>	<i>±50 %</i>
<i>1.5001 – 3</i>	<i>±50 %</i>
<i>3.0001 – 30</i>	<i>±50 %</i>
<i>30.0001 - 70</i>	<i>±30 %</i>
<i>70.0001 – 100</i>	<i>±20 %</i>
<i>100.0001 – 300</i>	<i>±15 %</i>
<i>More than 300</i>	<i>±10 %</i>

- c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.2.9, paragraph, 2 of the Rules:

<i>Static price (euro)</i>	<i>Maximum variation</i>
<i>Less than or equal to 0.003</i>	<i>±150 %</i>
<i>0.0031 – 0.3</i>	<i>±50 %</i>
<i>0.3001 – 1.5</i>	<i>±30 %</i>
<i>1.5001 – 3</i>	<i>±25 %</i>
<i>3.0001 – 30</i>	<i>±10 %</i>
<i>30.0001 - 70</i>	<i>±5 %</i>
<i>70.0001 – 100</i>	<i>±5 %</i>
<i>100.0001 – 300</i>	<i>±3.5 %</i>
<i>more than 300</i>	<i>±2.5 %</i>

2. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. The maximum number of financial instruments that may be the subject of an order shall be 5.000*EMS.
2. Borsa Italiana, almost on January, April, July and October, shall calculate and publish on its website the quantity, defined as number of financial instruments, with reference to each instrument (EMS – Exchange Market Size).

3 – MOT MARKET

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading the following price variation limits shall apply:

- a) maximum price variation limit of orders with respect to the static price referred to in Article 4.4.3, paragraph 6, of the Rules, specified by class of instrument according to the residual life of each instrument:

Class of residual life	Italian government securities class	Debt securities in euros and other currencies class	Eurobond, ABS, securities of foreign issuers and other debt securities class
0 – 180 (6 months)	5.00%	10.00%	10.00%
181 - 365 (1 year)	5.00%	10.00%	10.00%
366 – 730 (2 years)	5.00%	10.00%	10.00%
731 – 1095 (3 years)	10.00%	20.00%	20.00%
1096 – 1825 (5 years)	10.00%	20.00%	20.00%
1826 – 2556 (7 years)	10.00%	20.00%	20.00%
2557 – 3650 (10 years)	15.00%	30.00%	30.00%
3651 – 5475 (15 years)	15.00%	30.00%	30.00%
5476 and more	15.00%	30.00%	30.00%

- b) maximum price variation limit of the contracts with respect to the static price referred to in Article 4.4.4, paragraph 4, and Article 4.4.9, paragraph 2, of the Rules, specified by class of instrument according to the residual life of each instrument:

Class of residual life	Italian government securities class	Debt securities in euros and other currencies class	Eurobond, ABS, securities of foreign issuers and other debt securities class
0 - 180 (6 months)	0.25%	1.00%	1.00%
181 - 365 (1 year)	0.50%	1.25%	1.25%
366 – 730 (2 years)	0.75%	1.25%	1.25%
731 – 1095 (3 years)	1.50%	2.50%	2.50%
1096 – 1825 (5 years)	2.00%	2.50%	2.50%
1826 – 2556 (7 years)	2.00%	3.50%	3.50%
2557 – 3650 (10 years)	2.00%	3.50%	3.50%
3651 – 5475 (15 years)	2.50%	3.50%	3.50%
5476 and more	2.50%	3.50%	3.50%

- c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.4.9, paragraph 2 specified by class of instrument according to the residual life of each instrument:

Class of residual life	Italian government securities class	Debt securities in euros and other currencies class	Eurobond, ABS, securities of foreign issuers and other debt securities class
0 - 180 (6 months)	0.25%	1.00%	1.00%
181 - 365 (1 year)	0.25%	1.00%	1.00%
366 - 730 (2 years)	0.50%	1.00%	1.00%
731 - 1095 (3 years)	0.75%	1.50%	1.50%
1096 - 1825 (5 years)	1.00%	1.50%	1.50%
1826 - 2556 (7 years)	1.00%	2.00%	2.00%
2557 - 3650 (10 years)	1.00%	2.00%	2.00%
3651 - 5475 (15 years)	1.50%	2.00%	2.00%
5476 and more	1.50%	2.00%	2.00%

2. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. The maximum number in an order shall be 500*EMS..
2. The maximum number that may be entered at the auction price referred to in Article 4.4.3, paragraph 8, of the Rules shall be 500*EMS.
3. Borsa Italiana shall calculate and publish on its website the quantity, defined as nominal value, with reference to each instrument (EMS – Exchange Market Size).

4 - ETFPlus MARKET

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading the following price variation limits shall apply:
 - a) maximum price variation limit of orders with respect to the static price referred to in Article 4.5.3, paragraph 8, of the Rules:
 - open-end structured funds *class 2*: $\pm 20\%$;
 - open-end index funds *class 2* and open-end structured funds *class 1*: $\pm 10\%$;
 - open-end index funds *class 1*: $\pm 10\%$;
 - ETCs *class 1*, without a leverage effect: $\pm 20\%$;
 - ETCs *class 2*, with a leverage effect: $\pm 30\%$;
 - b) maximum price variation limit of contracts with respect to the static price referred to in 4.5.4, paragraph 4, and Article 4.5.9, paragraph 2, of the Rules:
 - open-end structured funds *class 2*: $\pm 10\%$;
 - open-end index funds *class 2* and open-end structured funds *class 1*: $\pm 5\%$;

- open-end index funds *class 1*: $\pm 3.5\%$;
 - ETCs *class 1*, without a leverage effect: $\pm 10\%$;
 - ETCs *class 2*, with a leverage effect: $\pm 15\%$;
- c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.5.9, paragraph, 2 of the Rules:
- open-end structured funds *class 2*: $\pm 5\%$;
 - open-end index funds *class 2* and open-end structured funds *class 1*: $\pm 2.5\%$;
 - open-end index funds *class 1*: $\pm 2\%$;
 - ETCs *class 1*, without a leverage effect: $\pm 5\%$;
 - ETCs *class 2*, with a leverage effect: $\pm 7.5\%$.
2. For financial instruments traded in the ETFplus market, Borsa Italiana may lay down in the Notice announcing the date of the start of trading 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.
3. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. The maximum number of financial instruments in an order shall be 50*EMS.
2. Borsa Italiana, almost on April and October, shall calculate and publish on its website the quantity, defined as number of financial instruments, with reference to each instrument (EMS – Exchange Market Size).

5 – IDEM MARKET

5.1 “FTSE MIB index futures”

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall apply the following trading parameters:
 - a) maximum variation of the price of orders with respect to the static control price, referred to in Article 4.7.5, paragraph 13, of the Rules: $\pm 7.5\%$;
 - b) maximum variation of the price of contracts with respect to the static control price, referred to in Articles 4.7.6, paragraph 3, and 4.7.11, paragraph 2, of the Rules: $\pm 3.5\%$;
 - c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.7.11, paragraph 2, of the Rules: $\pm 0.5\%$.
2. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts in an order is equal to 500 contracts for single orders and 2,500 contracts for combination orders. The quantity limit shall not be applied for “**cross**” and “committed” orders.
2. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for “cross” and “committed” orders shall be equal to 5,000.

5.2 “FTSE MIB index miniFutures”

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall apply the following trading parameters:
 - a) maximum variation of the price of orders with respect to the static control price, referred to in Article 4.7.5, paragraph 13, of the Rules: +/- 7.5%;
 - b) maximum variation of the price of contracts with respect to the static control price, referred to in Articles 4.7.6, paragraph 3, and 4.7.11, paragraph 2, of the Rules: +/- 3.5%;
 - c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.7.11, paragraph 2, of the Rules: +/- 0.5%.
2. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts in an order is equal to 500 contracts for single orders and 2,500 contracts for combination orders.

5.3 “FTSE MIB Dividend futures”

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall apply the following trading parameters:
 - a) maximum variation of the price of orders with respect to the static control price referred to in Article 4.7.5 , paragraph 13, of the Rules: +/- 25%;
 - b) maximum variation of the price of contracts with respect to the static control price, referred to in Articles 4.7.6, paragraph 3, and 4.7.11, paragraph 2, of the Rules: +/- 5%;
 - c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.7.11, paragraph 2, of the Rules: +/- 2.5%.

3. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts in an order is equal to 500 contracts for single orders and 2,500 contracts for combination orders. The quantity limit shall not be applied for “cross” and “committed” orders.
2. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for “cross” and “committed” orders shall be equal to 5,000.

5.4 “FTSE MIB index options”

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish the following trading parameters:
 - a) maximum variation of the price of orders with respect to the static control price, referred to in Article 4.7.5, paragraph 13, of the Rules: not applied;
 - b) maximum variation of the price of contracts with respect to the static control price, referred to in Articles 4.7.6, paragraph 3, and 4.7.11, paragraph 2, of the Rules: parameter Y of Table 1;
 - c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.7.11, paragraph 2, of the Rules: parameter Z of Table 1.

Table 1 - Call and Put FTSE MIB Index Options (in %, upper and lower limits)

Strike	Parameter Y		Parameter Z
	Current expiration (% upper limit – % lower limit)	Following expirations (% upper limit – % lower limit)	All expirations (% upper limit – % lower limit)
From 8 th OTM on	900 - 80	890 - 70	450 - 50
7 th OTM	700 - 80	690 - 70	350 - 50
From 5 th to 6 th OTM	500 - 80	490 - 70	200 - 50
From 3 rd to 4 th OTM	250 - 80	240 - 70	100 - 50
2 nd OTM	200 - 80	190 - 70	70 - 50
1 st Out of the Money (OTM)	150 - 80	140 - 70	50 - 50
Strike At the Money	100 - 80	90 - 70	40 - 40
1 st In the Money (ITM)	80 - 80	70 - 70	30 - 30
2 nd ITM	70 - 70	60 - 60	30 - 30
From 3 rd to 4 th ITM	60 - 60	50 - 50	25 - 25
From 5 th to 6 th ITM	40 - 40	30 - 30	15 - 15
From 7 th to 11 th ITM	35 - 35	25 - 25	10 - 10

From 12 th ITM on	25 - 25	15 - 15	5 - 5
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- Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

- For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for an order is equal to 5,000 contracts for both single orders and combination orders. The quantity limit shall not apply to “cross” and “committed” orders.
- For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for “cross” and “committed” orders shall be equal to 30,000.

C – Obligations for quotation of market makers for the FTSE MIB index options contract

Pursuant to the Article IA.9.3.7, paragraph 7, with reference to the updating of the at-the-money series, it is provided that the system will update the at-the-money series with the frequency of twice a day. This updating will happen at 9.00 and at 15.45.

5.5 “Stock options”

A - Price variation limits

- For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish the following trading parameters:
 - maximum variation of the price of orders with respect to the static control price referred to in Article 4.7.5, paragraph 13, of the Rules: not applied;
 - maximum variation of the price of contracts with respect to the static control price referred to in Articles 4.7.6, paragraph 3, and 4.7.11, paragraph 2, of the Rules: parameter Y of Table 2;
 - maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.7.11, paragraph 2, of the Rules: parameter Z of Table 2.

Table 2 - Call and Put Stock Options (in %, upper and lower limits)

Strike	Parameter Y		Parameter Z
	Current expiration (% upper limit – % lower limit)	Following expirations (%upper limit – % lower limit)	All expirations (% upper limit – % lower limit)
From 8 th OTM on	900 - 80	890 – 70	450 - 50
7 th OTM	700 - 80	690 – 70	350 - 50
From 5 th to 6 th OTM	500 - 80	490 – 70	200 - 50

From 3 rd to 4 th OTM	400 - 80	390 – 70	100 - 50
2 nd OTM	350 - 80	340 – 70	70 - 50
1 st Out of the Money (OTM)	250 - 80	240 – 70	60 - 50
Strike At the Money	150 - 80	140 – 70	50 - 50
1 st In the Money (ITM)	80 - 80	70 – 70	40 - 40
2 nd ITM	70 - 70	60 – 60	35 - 35
From 3 rd to 4 th ITM	60 - 60	50 – 50	30 - 30
From 5 th to 6 th ITM	50 - 50	40 – 40	20 - 20
From 7 th to 11 th ITM	45 - 45	35 – 35	15 - 15
From 12 th ITM on	30 - 30	20 – 20	10 - 10

3. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

- For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for an order is equal to 10,000 contracts for both single orders and combination orders. The quantity limit shall not apply to “cross” and “committed” orders.
- For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for “cross” and “committed” orders shall be equal to 30,000.

C - Obligations for quotation of market makers for the stock options contracts

Pursuant to the Article IA.9.3.10, paragraph 11, with reference to the updating of the at-the-money series, it is provided that the system will update the at-the-money series with the frequency of twice a day. This updating will happen at 9.00 and at 15.45.

5.6 “Stock futures”

A - Price variation limits

- For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish the following trading parameters:
 - maximum variation of the price of orders with respect to the static control price, referred to in Article 4.7.5, paragraph 13, of the Rules: +/- 20%;
 - maximum variation of the price of contracts with respect to the static control price, referred to in Articles 4.7.6, paragraph 3, and 4.7.11, paragraph 2, of the Rules: +/- 7.5%;
 - maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.7.11, paragraph 2, of the Rules: +/- 3.5%.
- Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for an order is equal to 10,000 contracts for both single orders and combination orders. The quantity limit shall not apply to “cross” and “committed” orders.
2. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for “cross” and “committed” orders shall be equal to 60,000.

5.7 “Energy futures”

A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish the following trading parameters:
 - a) maximum variation of the price of orders with respect to the static control price, referred to in Article 4.7.5, paragraph 13, of the Rules:

	Variation
<i>monthly futures</i>	20%
<i>quarterly futures</i>	20%
<i>annual futures</i>	20%

- b) maximum variation of the price of contracts with respect to the static control price, referred to in Articles 4.7.6, paragraph 3, and 4.7.11, paragraph 2, of the Rules:

	Variation
<i>monthly futures</i>	10%
<i>quarterly futures</i>	7.5%
<i>annual futures</i>	5%

- c) maximum price variation limit of contracts with respect to the dynamic price, referred to in Article 4.7.11, paragraph 2, of the Rules:

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	Variation
<i>monthly futures</i>	5%
<i>quarterly futures</i>	5%
<i>annual futures</i>	3.5%

2. Pursuant to Article 4.9.2 of the Rules the trading parameters referred to in paragraph 1 may be altered or temporarily deactivated.

B - Quantity limits

1. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for an order is equal to 150 contracts. The quantity limit shall not apply to “cross” and “committed” orders.
2. For the purposes of the automatic control of the regularity of trading, Borsa Italiana shall establish that the maximum number of contracts for “cross” and “committed” orders shall be equal to 10,000 for *monthly futures*, 3,000 for *quarterly futures* and 1,500 for *annual futures*.

PART 2

TECHNICAL LIMITS FOR THE ORDER ENTRY

Markets operating on the MillenniumIT Trading Platform

With the aim of respecting the rules of conduct on transmission of orders to the market, provided for in article 1451 of the TAH MTF Market Rules, the technical limits for the order entry are applied depending on the chosen configuration for the access to the market, indicated hereinafter:

Comp ID*	Transactions per second (“tps”)
CompID Base	25 tps
CompID Base Supervisor	10 tps
CompID Standard	50 tps
CompID Advance	150 tps
CompID Supervisor	50 tps

* CompID means the typology of logical connection to the single market available to the operator.