

Market Model Description

BME MTF Equity

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BXS-EE

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1 Introduction

1.1 Institutional Market Configuration

BME MTF Equity is a Multilateral Trading Facility (MTF) managed by BME and subject to the supervision of the CNMV. It consists of three segments: BME Growth, BME IICs, and BME ECR.

The BME Growth segment includes:

- SMEs (Small and Medium Enterprises): These are small-cap companies seeking expansion.
- SOCIMIs (Listed Real Estate Investment Companies): These are anonymous companies whose corporate purpose is the ownership of urban assets for leasing (through acquisition or promotion) or of shares or stakes in the share capital of other SOCIMIs or foreign entities with similar activities (known as "REITs").

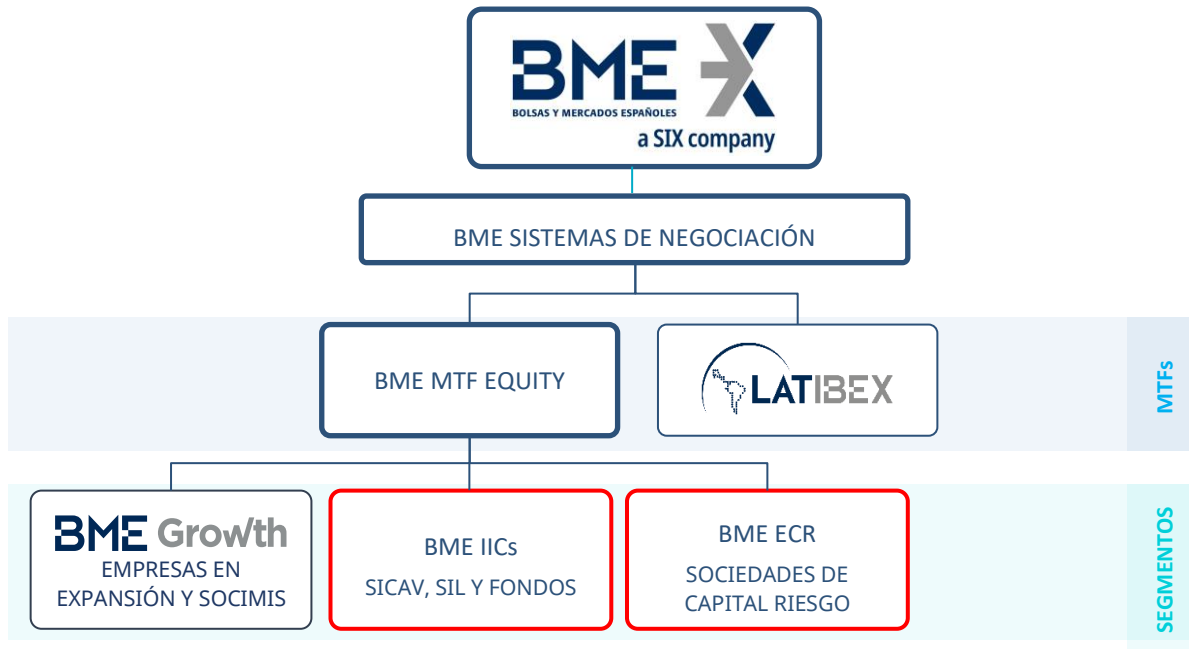
The BME IICs segment is designed for:

- SICAVs (Variable Capital Investment Companies): These are collective investment entities with the exclusive purpose of acquiring, holding, managing in general, and disposing of securities and other financial assets.
- SILs (Free Investment Companies and IICs of IICs of Free Investment Companies): These are financial Collective Investment Institutions.
- Investment Funds.

The BME ECR segment is aimed at:

- ECRs (Venture Capital Companies): These are companies that take minority, but significant, stakes in the capital of companies they find attractive due to their growth potential. They operate with a temporary horizon, aiming to enhance their management and consequently their value, with the intention of subsequently divesting from the participation to obtain returns on their investment.

In this document, we will address the specificities of SICAVs and SILs in the BME IICs segment, as well as the BME ECR segment for Venture Capital Companies. The BME Growth segment and the funds within the BME IICs segment are developed in their own Market Models.



1.2 Market Model Structure

This document is divided into various sections through which an overview of BME IICs and BME ECR is provided, both of which utilize the SIBE-SMART electronic trading platform. BME MTF Equity is a market that displays real-time information on its screens and automatically disseminates trade information.

There are several trading modalities within these segments, which are described in section 2.

2 Trading Modalities

2.1 Single Price Fixing Modality (Fixing)

In this modality, SICAVs, SILs, and ECRs are traded. An order book is gradually formed, and the trading system operates through auctions. Auctions are periods during which orders are entered, modified, and canceled, but no trades are executed until the end of the auction. Throughout this period, in real-time, an equilibrium price is calculated based on supply and demand, and negotiations occur at the end of the auction at the last calculated equilibrium price (allocation of securities).

Specifically, two auctions are conducted in this modality:

- **First auction** (opening auction): From the start of the session (8:30 am) until 12:00 pm (with a random closing time of 30 seconds).
- **Second auction** (closing auction): From the end of the allocation of the first auction until 4:00 pm (with a random closing time of 30 seconds). In the case of SICAVs, this auction will not allocate securities when the Management Company or the company itself has not communicated the corresponding net asset value (see section 3.3). For SILs, the Fixing market will always remain active regardless of the communication of the Net Asset Value.

During each auction, market participants receive information about the auction price, and if applicable, the volumes (and number of orders) associated with that price for both buying and selling. If there is no equilibrium price, the best buying and selling prices with associated volumes (and number of orders) would be displayed. The order book depth is not public in this modality. When the equilibrium price exists, and once the allocation of securities is completed, members receive information about the total or partial execution of their orders. All orders not executed in the allocation of securities will remain in the order book. After the allocation of securities (matching of trades at the last equilibrium price), the market is informed of the trading price, traded volume, and time of each trade.

The resulting price from the second auction is the closing price of the session. In the event that there is no auction price, or fewer than 200 securities are traded in the auction, the closing price will be selected from the prices corresponding to the last 200 trading units negotiated, the one closest to its weighted average price, and in the event of two prices having the same difference from that weighted average price, the last traded one. In the case that 200 trading units were not negotiated during the session, the closing price will be:

For SICAVs: the net asset value or the reference price of the session.

For SILs: the reference price of the session and consequently, the last reported net asset value by the Management Company.

For ECRs: the previous session's price.

These auctions are governed by the price fixing rules detailed in section 5.1.

2.2 Net Asset Value Modality

Specifically designed for SICAVs and SILs, this modality allows for the introduction of positions and execution of trades at the net asset value reported by Management Companies or the companies themselves. Unlike the previous modality, no order book is configured here. Market members input positions (orders) that await a price (the Net Asset Value provided by the Management Company or the company itself). Trades are then matched at this price, with the counterparty to the trade being the market member designated by the company.

The operation of SICAVs at Net Asset Value is detailed in section 2.2.1, and the operation of SILs at Net Asset Value is detailed in section 2.2.2.

2.2.1 Operational procedure of SICAVs at Net Asset Value

We distinguish 3 types of SICAVs based on the date on which they report the Net Asset Value (one, two, or three business days after the position introduction date at net asset value):

2.2.1.1 SICAV D+1

In the case of a SICAV D+1, market members can input positions¹ (orders) at net asset value throughout the ongoing session (referred to as session D) between 8:30 am and 4:00 pm. These positions only indicate the direction (buy or sell) and the securities (not the price). Once introduced on day D, they remain pending until the net asset value is reported by the management company or the company (until 3:11 pm on day D+1). In general, this net asset value will be reported before 3:11 pm on the next business day (day D+1) and will be allocated to each of the positions (orders) introduced on day D. This generates a trade with a price equal to the reported net asset value (on day D+1), and the counterparty will be the market member designated for this purpose by the management company (see section 7.1).

The following diagram aims to summarize and clarify the operation of the "Net Asset Value" modality for SICAV D+1 in a single and complete cycle*:

D	8:30 AM - 4:00 PM	Introduction of positions at Net Asset Value in the Market by market members. These positions are entered on day D and will be traded on day D+1 at the net asset value of day D reported on D+1.
D+1	Until 8:15 AM	First option for sending the Net Asset Value by the management company.
	8:15h AM	First option for reading the Net Asset Value of day D.
	8:16 AM - 3:11 PM	Second option for sending the Net Asset Value by the management company.
	3:11 PM	Second option for reading the Net Asset Value of day D.

¹ Technically, these are referred to as "positions at net asset value." In reality, they share nearly identical characteristics to an order on the SIBE-SMART system. In essence, the fields for direction (buy or sell), security (the specific security in question), and number of shares are entered. However, unlike a standard order, the price field is not entered. Instead, this data is provided subsequently through the net asset value communicated by the Management Company.

	From 3:15 PM onwards	Matching of trades with a price equal to the Net Asset Value recorded at 8:15 am or 3:11 pm, and the orders are the positions entered on day D. The counterpart to these orders is the counterpart members.
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**Notes: This diagram aims to depict the progression of a single cycle. Clearly, situations throughout the days overlap, but we have refrained from depicting these overlaps in this diagram to keep it simple. Similarly, for the sake of clarity, we have assumed that no Net Asset Value proposals are introduced on day D+1. If such proposals were present, they would be matched on D+2 and so forth.*

Regarding the net asset value operations on D+1 as explained in the previous diagram, it's important to note that the transaction date will be D (the day when positions were entered). In the event that the net asset value is not received throughout D+1, the system will not execute the operations corresponding to that net asset value, nor those that could have occurred in the order market (Fixing). Furthermore, until the management company of the SICAV communicates the net asset value in a timely manner, the order market will remain inactive for that SICAV, although positions at net asset value can still be entered.

2.2.1.2 SICAV D+2

In the case of a SICAV D+2, market members can input positions (orders) at Net Asset Value throughout the ongoing session (referred to as session D) between 8:30 am and 4:00 pm. These positions only indicate the direction (buy or sell) and the securities (not the price). Once introduced on day D, they remain pending until the Net Asset Value is reported by the management company or the company (until 3:11 pm on day D+2). In general, this Net Asset Value will be reported on the second business day following day D (day D+2) before 3:11 pm, and it will be allocated to each of the positions (orders) introduced on day D. This generates a trade with a price equal to the reported Net Asset Value (on day D+2), and the counterparty will be the market member designated for this purpose by the management company. The counterpart to these positions will be the counterpart members (see section 7.1).

The following diagram aims to summarize and clarify the operation of the "Net Asset Value" modality for SICAV D+2 in a single and complete cycle*:

D	8:30 AM - 4:00 PM	Introduction of positions at Net Asset Value in the Market by market members. These positions are entered on day D and will be traded on day D+2 at the Net Asset Value of day D reported on D+2.
D+1		
D+2	Until 8:15 AM	First option for sending the Net Asset Value by the management company.
	8:15h AM	First option for reading the Net Asset Value of day D.
	8:16 AM - 3:11 PM	Second option for sending the Net Asset Value by the management company.
	3:11 PM	Second option for reading the Net Asset Value of day D.
	From 3:15 PM onwards	Matching of trades with a price equal to the Net Asset Value recorded at 8:15 am or 3:11 pm, and the orders are the positions entered on day D. The counterpart to these orders is the counterpart members.

**Notes: This diagram aims to depict the progression of a single cycle. Clearly, situations throughout the days overlap, but we have refrained from depicting these overlaps in this diagram to keep it simple. Similarly, for the sake of clarity, we have assumed that no Net Asset Value proposals are introduced on day D+1. If such proposals were present, they would be matched on D+3 and so forth.*

Regarding the net asset value operations on D+2 as explained in the previous diagram, it's important to note that, in order to comply with the settlement cycle, the transaction date will be D+1 (the next business day after the introduction of positions). In the event that the net asset value is not received throughout D+2, the system will not execute the operations corresponding to that net asset value, nor those that could have occurred in the order market (Fixing). Furthermore, until the management company or the company communicates the net asset value in a timely manner, the order market will remain inactive for that SICAV, although positions at net asset value can still be entered.

2.2.1.3 SICAV D+3

In the case of a SICAV D+3, market members can input positions (orders) at Net Asset Value throughout the ongoing session (referred to as session D) between 8:30 am and 4:00 pm. These positions only indicate the direction (buy or sell) and the securities (not the price). Once introduced on day D, they remain pending until the Net Asset Value is reported by the management company or the company (until 3:11 pm on day D+3). In general, this Net Asset Value will be reported on the third business day following day D (day D+3) before 3:11 pm, and it will be allocated to each of the positions (orders) introduced on day D. This generates a trade with a price equal to the reported Net Asset Value (on day D+3), and the counterparty will be the market member designated for this purpose by the management company. The counterpart to these positions will be the counterpart members (see section 7.1).

The following diagram aims to summarize and clarify the operation of the "Net Asset Value" modality for SICAV D+3 in a single and complete cycle*:

D	8:30 AM - 4:00 PM	Introduction of positions at Net Asset Value in the Market by market members. These positions are entered on day D and will be traded on day D+3 at the Net Asset Value of day D reported on D+3.
D+1		
D+2		
D+3	Until 8:15 AM	First option for sending the Net Asset Value by the management company.
	8:15h AM	First option for reading the Net Asset Value of day D.
	8:16 AM - 3:11 PM	Second option for sending the Net Asset Value by the management company.
	3:11 PM	Second option for reading the Net Asset Value of day D.
	From 3:15 PM onwards	Matching of trades with a price equal to the Net Asset Value recorded at 8:15 am or 3:11 pm, and the orders are the positions entered on day D. The counterpart to these orders is the counterpart members.

**Notes: This diagram aims to depict the progression of a single cycle. Clearly, situations throughout the days overlap, but we have refrained from depicting these overlaps in this diagram to keep it simple. Similarly, for the sake of clarity, we have assumed that no Net Asset Value proposals are introduced on day D+1 or D+2. If such proposals were present, they would be matched on D+4, D+5 respectively, and so forth.*

Regarding the net asset value operations on D+3 as explained in the previous diagram, it's important to note that, in order to comply with the settlement cycle, the transaction date will be D+2 (two business days after the introduction of positions). In the event that the net asset value is not received throughout D+3, the system will not execute the operations corresponding to that net asset value, nor those that could have occurred in the order market (Fixing). Furthermore, until the management company or the company communicates the net asset value in a timely manner, the order market will remain inactive for that SICAV, although positions at net asset value can still be entered.

2.2.2 Operation of Free Investment Funds or Free Investment Funds of Investment Funds (SIL) at Net Asset Value

The procedure for conducting subscription and redemption operations at Net Asset Value for a SIL is similar to what was mentioned earlier for SICAVs, with minor differences.

In this case, it's necessary to differentiate between the Net Asset Value calculation period and the communication date of the Net Asset Value:

- **Net Asset Value calculation period:** Applicable regulations state that a SIL must publish the Net Asset Value at least once per quarter. Each SIL will establish the Net Asset Value calculation period in its prospectus.
- **Net Asset Value communication date:** Regardless of the Net Asset Value calculation date, the management company must define in the system the communication date, setting a "Product Type" from the three available options: D+1, D+2, or D+3.

The management company will assess the number of days it needs to communicate the Net Asset Value with sufficient time to execute market operations.

Additionally, the management company will need to designate a counterpart member, and the system will automatically generate executions corresponding to the counterparty of the operation.

The actions of the management company will include:

Gathering and validating subscription and redemption requests received through internal channels during the Net Asset Value calculation period.

On the D-3, D-2, or D-1 date, depending on the "Product Type" identified by the Management Company for the SIL and as soon as the Management Company becomes aware of the Net Asset Value communication date (day D), it must notify the market members involved in the subscription and redemption requests received during the Net Asset Value calculation period. They must input positions at Net Asset Value in the market on the corresponding session, depending on whether it's a D+1, D+2, or D+3 SIL.

Before publishing the Net Asset Value, the management company must review the orders entered in the Market by the members, which should match the subscription and redemption requests received during the Net Asset Value calculation period.

Publish the Net Asset Value on day D so that positions at Net Asset Value introduced on D-1, D-2, or D-3 can be automatically executed and matched on day D.

The following details the procedure for each of the three types of SIL:

2.2.2.1 SIL D+1

In the case of a D+1 SIL, market members must input positions² (orders) at Net Asset Value throughout the ongoing session (referred to as session D) between 8:30 am and 4:00 pm. These positions, which have previously been communicated to the management company for validation during the Net Asset Value calculation period, only indicate the direction (buy or sell) and the securities (not the price). Once introduced on day D, they remain pending until the Net Asset Value is reported by the management company or the company (until 3:11 pm on day D+1). In general, this Net Asset Value will be reported before 3:11 pm on the next business day (day D+1), and it will be allocated to each of the positions (orders) introduced on day D. This generates a trade with a price equal to the reported Net Asset Value, and the counterparty will be the market member designated for this purpose by the management company (see section 7.1).

The following diagram aims to summarize and clarify the operation of the "Net Asset Value" modality for D+1 SIL:

Net Asset Value Calculation Period		The management company will gather the subscription and redemption requests communicated by market members.
Period prior to day D		The management company will notify market members, who have previously communicated their subscription and redemption requests, to input their positions at Net Asset Value in the Market on day D.
D	8:30 AM - 4:00 PM	Introduction of positions at Net Asset Value in the market by market members, previously agreed upon with the management company. These positions are entered on day D and will be traded on day D+1.
D+1	Until 8:15 AM	First option of Net Asset Value communication by the management company.
	8:15h AM	First option of reading the Net Asset Value of day D.
	8:16 AM - 3:11 PM	Second option of Net Asset Value communication by the management company.
	3:11 PM	Second option of reading the Net Asset Value of day D.
	From 3:15 PM onwards	Matching of trades with a price equal to the Net Asset Value recorded at 8:15 am or 3:11 pm, and the orders are the positions introduced on day D. The counterparty to these orders is the counterpart members.

**Notes: This diagram aims to depict the progression of a single cycle. Naturally, situations over the days overlap, but we have refrained from overlapping in this diagram to keep it simple. Similarly, to avoid complexity in the*

² Technically, these are referred to as "positions at net asset value." In reality, they share nearly identical characteristics to an order on the SIBE-SMART system. In essence, the fields for direction (buy or sell), security (the specific security in question), and number of shares are entered. However, unlike a standard order, the price field is not entered. Instead, this data is provided subsequently through the net asset value communicated by the Management Company.

diagram, we have assumed that no Net Asset Value proposals are introduced on day D+1. If such proposals were to exist, they would be matched on D+2 and so forth.

Regarding the Net Asset Value operations on D+1 as explained in the previous diagram, it's important to note that the date of the operation will be D (the day the positions were introduced). In the event that the Net Asset Value is not received throughout the entire day D+1, the system will not execute the operations that correspond to that Net Asset Value. Unlike SICAVs, the Fixing market will remain active regardless of the communication of the Net Asset Value (refer to section 2.1).

2.2.2.2 SIL D+2

In the case of a SIL D+2, market members are required to input positions (orders) at Net Asset Value throughout the ongoing session (referred to as day D) between 8:30 AM and 4:00 PM. These positions would have been communicated to the management company during the Net Asset Value calculation period for their confirmation. These positions only indicate the direction (buy or sell) and the number of units (not the price). Once introduced on day D, they remain pending until the Net Asset Value is provided by the management company or the entity (up until 3:11 PM on day D+2). Generally, and unlike SIL D+1, this Net Asset Value will be communicated before 3:11 PM on the second business day after (day D+2). It will be assigned to each of the positions (orders) introduced on day D, generating a transaction with a price at the Net Asset Value, and the counterparty will be the market member designated for this purpose by the management company (refer to section 7.1).

The following diagram aims to summarize and clarify the functioning of the "Net Asset Value" Modality for SIL D+2:

Net Asset Value Calculation Period		The management company will gather the subscription and redemption requests communicated by market members.
Period prior to day D		The management company will notify market members, who have previously communicated their subscription and redemption requests, to input their positions at Net Asset Value in the Market on day D.
D	8:30 AM - 4:00 PM	Introduction of positions at Net Asset Value in the Market by market members, previously agreed upon with the management company. These positions are entered on day D and will be traded on day D+2.
D+1		
D+2	Until 8:15 AM	First option of Net Asset Value communication by the management company.
	8:15h AM	First option of reading the Net Asset Value of day D.
	8:16 AM - 3:11 PM	Second option of Net Asset Value communication by the management company.
	3:11 PM	Second option of reading the Net Asset Value of day D.
	From 3:15 PM onwards	Matching of transactions with a price equal to the Net Asset Value recorded at 8:15 AM or 3:11 PM, and the orders involved are the positions entered on day D. The counterparty for these orders are the counterpart market members.

**Notes: This diagram aims to illustrate the progression of a single cycle. Clearly, the situations across days overlap, but we've avoided complicating the diagram by not showing these overlaps. Similarly, for the sake of simplicity, we've assumed that no Net Asset Value proposals are entered on day D+1. Such proposals, if they existed, would be matched on D+3 and so forth.*

Regarding the operations at Net Asset Value (NAV) on D+2, as explained in the previous diagram, it's important to note that, in order to adhere to the settlement cycle, the date of the transaction will be D+1 (the business day following the introduction of positions). If the Net Asset Value is not received throughout D+2³, the system will not execute operations corresponding to that Net Asset Value. Unlike SICAVs, the Fixing market will remain active regardless of the communication of Net Asset Value (see section 2.1).

2.2.2.3 SIL D+3

In the case of a T+3 NAV Settlement, market participants are required to enter positions (orders) at Net Asset Value (NAV) throughout the ongoing trading session (referred to as session D) between 8:30 AM and 4:00 PM. These positions, which convey the direction (buy or sell) and the securities involved (but not the price), must have been communicated to the fund manager during the NAV calculation period for approval. Once entered on day D, these positions remain pending until the NAV is reported by the fund manager or the entity itself (up until 3:11 PM on day D+3). In general, the NAV is typically reported before 3:11 PM on the third business day following (day D+3), and it is assigned to each of the positions (orders) entered on day D. This generates a transaction where the price is the stated NAV, and the counterparty is the market member designated for this purpose by the fund manager (see section 7.1).

The following diagram aims to summarize and clarify the operation of the "NAV Settlement" mode for T+3 settlements:

Net Asset Value Calculation Period		The management company will gather the subscription and redemption requests communicated by market members.
Period prior to day D		The management company will notify market members, who have previously communicated their subscription and redemption requests, to input their positions at Net Asset Value in the Market on day D.
D	8:30 AM - 4:00 PM	Introduction of positions at Net Asset Value in the Market by market members, previously agreed upon with the management company. These positions are entered on day D and will be traded on day D+3.
D+1		
D+2		
D+3	Until 8:15 AM	First option of Net Asset Value communication by the management company.
	8:15h AM	First option of reading the Net Asset Value of day D.

³ No later than 3:11 PM.

	8:16 AM - 3:11 PM	Second option of Net Asset Value communication by the management company.
	3:11 PM	Second option of reading the Net Asset Value of day D.
	From 3:15 PM onwards	Matching of transactions with a price equal to the Net Asset Value recorded at 8:15 AM or 3:11 PM, and the orders involved are the positions entered on day D. The counterparty for these orders are the counterpart market members.

**Notes: This diagram aims to illustrate the progression of a single cycle. Clearly, the situations across days overlap, but we've avoided complicating the diagram by not showing these overlaps. Similarly, for the sake of simplicity, we've assumed that no Net Asset Value proposals are entered on day D+1 or D+2. Such proposals, if they existed, would be matched on D+4 and D+5 respectively, and so forth..*

Regarding the Net Asset Value transactions on D+3 as explained in the previous diagram, it's important to note that in order to adhere to the settlement cycle, the transaction date will be D+2 (two business days after the introduction of positions). In the event that the Net Asset Value is not received throughout the entire day of D+3, the system will not execute the transactions associated with that Net Asset Value. Unlike SICAVs, the Fixing market will remain active regardless of the communication of the Net Asset Value (see section 2.1).

2.3 Block Trading

This trading modality allows Market members to execute pre-agreed transactions outside of the order book, without the possibility of interacting with it, provided that the specified volume requirements are met. Only valid orders for a single day and originating from a single client can be entered, considering as such those received from individuals or legal entities with decision-making authority over the entire order; groupings are explicitly prohibited.

The details of executed transactions will be disseminated through the Market's technical channels.

Under this framework, shares of SICAVs, securities issued by ECR, and securities issued by Free Investment IICs and Free Investment IICs of IICs can be traded.

The system will allow for the execution of transactions with a minimum amount of 15,000 euros.

Transactions under this modality can be executed during the entire open market hours, excluding auction periods.

2.4 Out-of-Hours Trading

This trading modality allows Market members to execute transactions within the System outside the regular trading hours, specifically between 5:40 PM and 8:00 PM. During this period, transactions resulting from the execution of options contracts and transactions meeting the LIS-pre volume criteria will be entered.

2.5 Reference Price

– SICAV

At the beginning of each session, the closing price from the previous session will be taken as the reference price. In the event that fewer than 200 shares have been traded in the fixing process, the latest communicated Net Asset Value (NAV) by the Management Entity of each SICAV or by the SICAV itself will be used as the reference price. Operational instructions will outline the maximum timeframes for these entities to communicate the NAV of the corresponding SICAV.

The Market will establish mechanisms for the automatic incorporation of Net Asset Values communicated by management entities as the reference price for the session.

– Securities issued by ECR

At the beginning of each session, the closing price from the previous session will be taken as the reference price.

– Securities issued by Free Investment IICs or Free Investment IICs of IIC

For securities issued by Free Investment IICs or Free Investment IICs of IICs listed on the BME IIC segment of the BME MTF Equity, the last communicated Net Asset Value (NAV) of each Free Investment IIC or Free Investment IIC of IICs will be taken as the reference price at the beginning of each session.

3 Órdenes

3.1 Types of Orders

Within the fixing modality, the following types of orders can be entered:

3.1.1 Limit Orders

These are orders to be executed at their limit price or better. Limit orders allow expressing the desire to trade at or better than a specific price. Once placed in the order book, a limit order is always executed at its limit price unless the auction price is more favorable, in which case it will be executed at that more favorable auction equilibrium price.

These orders enable expressing the desire to trade at or better than a specific price, not worse than the limit price, with any unexecuted portion remaining in the market at the limit price indicated at the time of its entry.

It's not allowed to enter orders with a price exceeding the maximum limit for buy orders or falling below the minimum limit for sell orders within the static range. However, orders with a price below the minimum for buy orders or above the maximum for sell orders within the static range will be allowed.

3.1.2 Market Orders

Market orders are orders where no price limit is specified. They hold the highest priority in auctions, along with orders at the best price. When two market orders for the same security are present in the order book, their priority is determined by their entry time: the order that arrived first takes precedence over the other.

Market orders are executed at the price set in the auction. If they are partially executed or not executed at all, they remain in the order book as a market order⁴.

3.1.3 Market to Limit Orders

Market orders are orders without a price limit and, along with market orders, hold the highest priority in auctions. They also maintain the same time-based priority at the moment of their introduction to the market.

These orders are traded at the price set in the auction. If they are partially executed or not executed, they will remain in the order book as limit orders at the price set in the auction⁵.

⁴ If this were to occur during the closing auction, it would also remain temporarily positioned. However, orders are valid for the day, so after the market closes, it will be removed from the system just like any other orders.

⁵ In the case of the closing auction, orders are also capped at the auction equilibrium price, but they remain valid for the day. Therefore, after the market closes, they will be removed from the system, just like the rest of the orders.

Both market orders and best orders always take priority over limit orders⁶.

3.2 Order Conditions

Iceberg orders allow participants to enter orders without revealing the entire quantity to the market. This feature is particularly useful for large orders, with a minimum order volume at the time of entry of 10,000 euros. This approach enables traders to avoid adverse price movements.

When entering the order, the trader must display a portion of the order volume ("displayed volume"), which must be a minimum of 250 shares. This displayed volume is added to the order book based on its entry time.

Adding new displayed volumes to a hidden volume order maintains price priority but not time priority. Once the first unit of displayed volume is traded, the subsequent units of displayed volume can be randomized by specifying the "High Displayed Volume" field in the order. This way, the units entering the market will have a random volume within the specified range of "Displayed Volume" to "High Displayed Volume" (see example).

If there are multiple hidden volume orders in the order book for a specific security, the displayed volumes are placed in the order book based on their price-time priority.

It's also important to note that in auctions, hidden volume orders participate with their total volume. Additionally, hidden volume orders can be limit orders, market orders, or best orders.

Illustrative Example of How Hidden Volume Orders Work:

Let's consider a market scenario with the following order book:

BID			ASK		
ICEBERG VOL.	QUANTITY	PRICE	PRICE	QUANTITY	ICEBERG VOL.
	1.000	12,00	12,50	250	4.000
	5.000	11,90	12,50	100	

There is An iceberg volume sell order for 4.250 shares, with a displayed volume set at 250 shares and a high displayed volume set at 500 shares upon entry. This order is positioned at the top of the order book due to its time-based priority (it was entered before the existing sell order for 100 shares at 12.50€). In case of the same price, the order entered earlier takes precedence.

A buy order for 200 shares at 12.50€ is entered, matching with the 200 shares at 12.50€ from the displayed portion of the hidden volume order. The order book now looks as follows:

⁶ To determine the priority among multiple market orders and orders "by the best," you should consider their temporal priority (the one entered first takes precedence).

BID			ASK		
ICEBERG VOL.	QUANTITY	PRICE	PRICE	QUANTITY	ICEBERG VOL.
	1.000	12,00	12,50	50	4.000
	5.000	11,90	12,50	100	

Only 50 shares are displayed because until all the displayed volume is traded, no further shares are shown (another random unit of displayed volume does not appear). Following this, a buy order for 100 shares at 12.50€ is entered. Two trades occur: 50 shares at 12.50€ from the displayed portion of the hidden volume order, and 50 shares at 12.50€ from the limit order below it. The order book now appears as follows:

BID			ASK		
ICEBERG VOL.	QUANTITY	PRICE	PRICE	QUANTITY	ICEBERG VOL.
	1.000	12,00	12,50	50	
	5.000	11,90	12,50	300	3.700

The iceberg order now displays 300 shares, as a new random unit of displayed volume falls within the range set upon its entry (250-500 shares). This change leaves only 3,700 shares hidden, and the order loses its time-based priority.

3.3 Positions at Net Asset Value (NAV)

In addition to the order types mentioned earlier, there are "Positions at Net Asset Value" which are a special type of order. Upon their entry, only the direction (buy or sell), the security, and the number of shares are entered, with no price indicated. These positions at Net Asset Value are introduced by market members under the "Net Asset Value" modality (see section 2.2). This modality is only applicable to SICAVs and SILs.

3.4 Order Validity Periods

Orders for SICAVs, ECRs, and SILs will have a single validity period for the day, until the end of the current session. In other words, if the order is not traded during the session, the order or the remaining untraded portion will be automatically canceled after the definitive market close

3.5 Order Modifications

Once an order is entered into the system, it is assigned an order number, which remains unchanged throughout its existence. Each modification made to an order will be assigned a new history number generated consecutively to track its evolution. In cases where modifying an order impacts its priority, a new priority number will be generated.

4 Minimum Price Variation (Tick)

In the fixing modality, according to the Delegated Regulation (EU) 2017/588 of the Commission dated July 14, 2016, securities may be traded with the following minimum price variations (ticks) as set out below.

Price ranges	Tick
$0 \leq \text{price} < 0,1$	0,0005
$0,1 \leq \text{price} < 0,2$	0,001
$0,2 \leq \text{price} < 0,5$	0,002
$0,5 \leq \text{price} < 1$	0,005
$1 \leq \text{price} < 2$	0,01
$2 \leq \text{price} < 5$	0,02
$5 \leq \text{price} < 10$	0,05
$10 \leq \text{price} < 20$	0,1
$20 \leq \text{price} < 50$	0,2
$50 \leq \text{price} < 100$	0,5
$100 \leq \text{price} < 200$	1
$200 \leq \text{price} < 500$	2
$500 \leq \text{price} < 1000$	5
$1000 \leq \text{price} < 2000$	10
$2000 \leq \text{price} < 5000$	20
$5000 \leq \text{price} < 10000$	50
$10000 \leq \text{price} < 20000$	100
$20000 \leq \text{price} < 50000$	200
$50000 \leq \text{price}$	500

For securities whose price is equal to or less than 0.01 euros, there will be a requirement for trading in a minimum lot of securities. The minimum lot established for each affected security will apply when entering orders into the System, allowing, if necessary, for a breakdown into a smaller number of securities in the subsequent stages of trading. The change to trading in a minimum lot of securities will be communicated in advance through Operational Instructions.

In the "Net Asset Value" modality, the Net Asset Value reported by the management company or the company itself has 6 decimal places, although visually in the SIBE-SMART price, it will appear rounded to 2 decimal places. In any case, the traded value of a transaction will be calculated as the product of the shares entered in the position (order) multiplied by the price, considering the 6 decimal places.

5 Basic Trading Rules

Orders are arranged in the order book based on **price-time priority**. In other words, orders with a better price (higher in buys and lower in sells) are placed at the top. If prices are equal, orders placed first (older orders) take priority.

It's worth noting that orders can be traded in their entirety (in one or multiple executions), partially, or not executed at all.

In terms of **auction allocation**, priority is given to market orders and best orders, followed by limit orders with a better price than the auction equilibrium price, and finally, limit orders at the auction equilibrium price.

Auctions are periods during which orders are entered, modified, and canceled, but no trades are executed until the end of the auction. During this period, a real-time equilibrium price is calculated based on supply and demand, and trades occur at the end of the auction at the last calculated equilibrium price (allocation of securities).

5.1 Rules for Determining the Equilibrium Price in Auctions

Regarding the rules for determining the equilibrium price in auctions, the following four rules apply:

- The price at which the highest number of units is traded is selected.
- If there are two or more prices at which the same number of units can be traded, the price with the least imbalance is chosen. Imbalance is defined as the difference between the offered volume and the demanded volume that can be traded at the same price.
- If the two previous conditions coincide, the price on the side with higher volume will be chosen.
- If all three of the above conditions coincide, the auction price closest to the last traded price will be selected, with the following exceptions:
 - If that price is within the potential auction price range (upper and lower limit), the last traded price will be taken.
 - If there is no last traded price, or if it falls outside the price range of the static range, the static price will be chosen as the last price.

6 Price Ranges

Static ranges define the maximum allowable symmetric variation from the static price and are expressed as a percentage. The static price is the price set in the last auction (auction allocation price). The static ranges are active throughout the session.

SICAVs have a unique static range of 2% for all of them, ECRs have an 8% range, and SILs have a static range of 2%.

7 Participants in the Market

7.1 Counterparty Members

The SICAV and SIL segment includes the figure of the counterparty member, responsible for providing counterparty to all transactions within the "Net Asset Value" trading modality. Counterparty members can be:

- Market Members
- Participating Entities: Management Companies or self-managed SICAVs

All these entities must be previously admitted to BME MTF Equity, without which they cannot operate in this market.

7.2 Liquidity Providers

In the case of ECR, a necessary role is that of the Specialist or Liquidity Provider. This entity must be an investment services firm or a credit institution that is a market member and has a liquidity provision contract with the listed company. The specialist's role is to enhance transaction liquidity, achieve sufficient trading frequency, and reduce price variations that are not caused by market trends. They must enter buy and sell positions in the market with a minimum amount and within a maximum spread between bid and ask prices relative to the reference price of each security.

7.3 Market Makers

Market members engaging in algorithmic trading to implement a market-making strategy or those wishing to become market makers, must sign a market-making agreement with BME Sistemas de Negociación, S.A., in accordance with Articles 48.2.a) and 48.3 of Directive 2014/65/EU of the European Parliament and of the Council.

Furthermore, BME Sistemas de Negociación, S.A. may establish liquidity provision contracts with market members as agreed, even if they are not obligated as specified in the preceding paragraph, under the presence conditions determined by the Market through corresponding Operational Instructions.

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BME
Plaza de la Lealtad,1
Palacio de la Bolsa
28014 Madrid

www.bolsasymercados.es

