



MARKET SECURITIES FRANCE SA

Market Securities (France) SA **Organised Trading Facility**

Rulebook

version :19 March 2019



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1 Overview

- 1.1 The Market Securities (France) SA Organised Trading Facility (“**MS France OTF**”) is an organised trading facility as defined by article L. 425-1 of *Code monétaire et financier* (the “**FMC**”).
- 1.2 Market Securities (France) SA (“**MS France**”) is the operator of the MS France OTF and is registered and authorised in France as an investment firm within the meaning of Directive 2014/65/UE (“**MiFID II**”) by the *Autorité de contrôle prudentiel et de résolution* (“**ACPR**”).
- 1.3 MS France OTF was authorised by the *Autorité des Marchés Financiers* (“**AMF**”) on 19th of March 2019.
- 1.4 These Rules “MS France OTF’s Rulebook” was approved by the AMF on 19th of March 2019.
- 1.5 The MS France OTF consists of one or more Market Segments, each with defined Trading Systems and rules for Transactions in “**Instruments**”) to be Arranged and Executed.
- 1.6 The scope of Instruments made available for trading on the MS France OTF is set out in Section 18 (Market Segment Rules) of these Rules.
- 1.7 MS France OTF is operated separately and independently from any Affiliate including any organised trading facility operated by any Affiliate. An Order introduced by an Affiliate can be Arranged and Executed within MS France OTF only if that Affiliate has retracted the order from their organised trading facility.
- 1.8 Updated versions of the MS France OTF ‘s Rulebook and other Organised Trading Facility’s documentation and policies can be found online at: www.market-securities.fr

2 OTF Rules

- 2.1 These are the Rules of the MS France OTF which comprise generic rules as well as specific rules that are applicable to each Market Segment (“**Market Segment Rules**”). The Market Segment Rules are set out in Section 18 of these Rules.
- 2.2 In the event of any conflict or inconsistency between the generic rules and the Market Segment Rules, the Market Segment Rules shall take precedence. Together, the Rules and Market Segment Rules (as amended from time to time) are referred to as the **OTF Rules**.
- 2.3 MS France may issue a Market Notice, operational procedures and information amending or supplementing the OTF Rules from time to time. The OTF Rules and any substantial amendment to the Rules within the meaning of Article 8 of Commission Implementing Regulation (EU) 2016/824 of 25 May 2016 are subject to the approval of the AMF.
- 2.4 The OTF Rules form part of the contractual arrangements between MS France and the Client. The Rules supplement the Terms of Business. In the event of a conflict between the provisions of the Terms of Business and the OTF Rules, the OTF Rules shall prevail.
- 2.5 To the extent that any Rule, sentence or any part of the Rules is void, voidable or unenforceable, this shall not affect the validity of any other Rule.

- 2.6 The rights and remedies, powers and privileges contained in the Rules are cumulative and not exclusive of any rights or remedies provided for by law. No failure to exercise or delay in exercising the same shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof.
- 2.7 These OTF Rules set out the terms and conditions that apply to each Client's access to the MS France OTF and the exercise of Trading Privileges on one or more Market Segments. A Client or Responsible Person may only exercise Trading Privileges on the Market Segments for which it has been granted access from time to time. The ability of a Client or Responsible Person to access the MS France OTF does not of itself constitute membership of, nor does it confer rights of participation in, the MS France OTF.
- 2.8 A Client or Responsible Person shall comply with the OTF Rules and conduct all activity in relation to the MS France OTF in a manner consistent with the OTF Rules. Compliance with the OTF Rules is a condition for access to Trading Privileges. Acceptance of the OTF Rules and agreement to comply with the OTF Rules shall be deemed to be communicated each time such services are requested by a Client or Responsible Person. OTF Rules are published on the Website of MS France.
- 2.9 Trading Privileges are granted exclusively to a Client or Responsible Person and each Client acknowledges and agrees that it will take full responsibility for its access to, or use of the MS France OTF, and compliance with these OTF Rules.
- 2.10 These OTF Rules, their execution and any other obligation arising out of or in connection with them shall be governed by and be construed in accordance with the laws of France regardless of the laws that would otherwise apply under applicable choice-of-law principles.
- 2.11 The courts of Paris in France shall have exclusive jurisdiction to determine any dispute with respect to any matter arising under or in connection with the operation of MS France or the OTF Rules.
- 2.12 In the event that a Client or Responsible Person has a complaint in relation to the service provided by MS France, the Client or Responsible Person shall inform in writing MS France who will assess whether the complaint is consistent and will raise the matter to MS France's management staff as appropriate.

Complaints should be addressed to this address:

Market Securities (France) SA
25 rue Balzac
75008 Paris
[or by email to: compliance@market-securities.com]

3 Definitions and Interpretation

In these Rules, the following terms shall have the following meanings:

ACPR means the *Autorité de Contrôle Prudenciel et de Résolution*;

Affiliate means with respect to an undertaking, any other undertaking which directly or indirectly, controls, is controlled by, or is under common control with that undertaking within the meaning

of Article L. 233-3 of the French Commercial code;

Affirmation Hub means a third-party service designated by MS France to route Transactions to a Clearing House and which may provide Clients with the opportunity to affirm Transactions;

Algorithmic trading means algorithmic trading within the meaning of article 4(1) (39) of MiFID II;

AMF means the *Autorité des Marchés Financiers* and any successor thereto;

APA means “Approved Publication Arrangements” as defined in Article 4 (52) of MiFID II;

API means “Application Programming interface”;

Applicable Law means, with respect to any Person, any statute, law, regulation, rule or guidance of any Regulatory Authority applicable to such Person, including, but not limited to, RGAMF and, to the extent applicable to such Person, similar foreign laws or regulations as amended from time to time;

ARM means “Approved Reporting Mechanism” as defined in Article 4 (54) of MiFID II;

Arrange means the bringing together of buying and selling interests on the MS France OTF;

Business Day means any day on which the OTF or a Market Segment is open for trading;

Cleared Instrument means an instrument that Clients intend to submit to a Clearing House for clearing;

Clearing House means a financial institution in accordance with Article L. 440-1 of the FMC which provides clearing and settlement services in relation to transactions in financial instruments;

Client means a person qualifying either as a Professional Client or an Eligible Counterparty as defined by MiFID II that has entered into the OTF Rules with MS France and is approved to participate in the OTF, meeting the Eligibility criteria and having completed all the admission requirements;

Committee means the Membership and Rules Committee responsible for certain matters within the OTF including, but not limited to, maintenance of the OTF rulebook, deciding which instruments should be admitted to trading, halting trading or suspending instruments, and issuing Market Notices and investigations;

Confirmation means a record of the terms of a Transaction as required by Applicable Law;

CTP means “Consolidated Tape Provider” as defined in Article 4 (53) of MiFID II;

Deferral means approval granted to MS France by the AMF authorising deferred publication of Post-Trade Data in accordance with Article 11 of MiFIR and Article 532-4 of RGAMF;

EEA means European Economic Area.

Eligibility criteria means the criteria that determine eligibility to be a Client and access the MS France OTF;

Emergency means any occurrence which, in the reasonable opinion of the Committee, requires immediate action, including but not limited to: any potential market abuse or otherwise abusive behaviour; any circumstances which may materially affect the performance of any Instrument, including failure of the payment system or bankruptcy or insolvency of any other Person; any action taken by any Regulatory Authority or any other market, facility or system which may have a direct impact on trading on the OTF or clearing or settlement of an Instrument; and any other circumstance which may have a severe, adverse effect upon the functioning of the business or the OTF;

Error Trade means a transaction executed at a price which is substantially different from the prevailing market price for the Instrument and which appears to have been entered in error; or a transaction executed in a size, volume or notional amount which is substantially different from the normal market size for the Instrument and which appears to have been entered in error; or a transaction executed on other terms which appears to have been undertaken in error or otherwise detrimental to a fair and orderly market.

Execute means the act of concluding a Transaction;

Financial Instrument means financial instruments pursuant to Annex I Section C of MiFID II.

GUI means “Graphic User Interface”;

Indication of Interest ‘IOI’ means a Trade Request that does not include all the necessary information to execute the Transaction on the OTF;

Insolvency means, in respect of a Person, any proceedings mentioned in book VI of the French Commercial code or the equivalent under any law applicable to a Person including (i) that an order is made by a court of competent jurisdiction, or a resolution is passed, for the liquidation, bankruptcy or administration of the Person or a notice of appointment of a bankruptcy trustee or administrator of the Person is filed with a court of competent jurisdiction; (ii) the appointment of a manager, receiver, administrative receiver, administrator, trustee or other similar officer of the Person or in respect of any part or any of its assets; (iii) the Person convenes a meeting of its creditors generally or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors generally (otherwise than in the course of a reorganisation or restructuring previously approved in writing by the Person); (iv) the Person is unable to pay its debts as they become due or admits in writing its inability to pay its debts as they are due; (v) a petition is presented for the winding up of the Person, provided that Insolvency shall not be deemed to have occurred due to the filing of a winding-up petition which is discharged, stayed or dismissed within thirty (30) days of commencement; or (vi) any action occurs in respect of the Person in any jurisdiction which is analogous to any of those set out in subparagraphs (i) through (v);

Instrument means a Financial Instrument or any other instrument, asset or contract made available for trading on the MS France OTF;

MS France means Market Securities France, a Société Anonyme with its registered office at 25

rue Balzac 75008 Paris with company registration number 844 845 750;

Market Abuse means Market Abuse Regulation or Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse;

Market Notice means a communication described as such and published on the Website and/or issued by MS France;

Market Segment has the meaning given to it in Rule 2.1;

Market Segment Rules has the meaning given to it in Rule 2.2;

Matched Principal Trading means matched principal trading within the meaning of Article 4(1) (38) of MiFID II;

MiFID II means the Directive no 2014/65/UE of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments amending Directives 2002/92/EC and Directive 2011/61/EU of the European Parliament and of the Council, together with ancillary legislation, rules and binding technical standards;

MiFIR means Regulation (EU) no 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;

Order means a Trade Request with all transaction components included and that the Client wishes to execute a Transaction on the OTF (including, without limitation, actionable indications of interest ‘IOI’ within the meaning of MiFID II);

OTF means a discretionary electronic, voice and other trading system for the trading of financial instruments that constitutes an “organised trading facility” as defined in Article 4(1) (15) of MiFID II and the operation of which is subject to regulation by the AMF;

OTF Data means all data relating to trade requests, IOIs, orders, transactions, prices and volumes displayed on, generated by or derived from the OTF; together Pre- and Post- Trade Data;

OTF Rules has the meaning given to it in Rule 2.2;

Person means any natural person, association, partnership, limited liability company, joint venture, trust or corporation;

Post-Trade Data has the meaning given to it in Rule 14.1;

Pre-Trade Data has the meaning given to it in Rule 14.2;

Regulatory Authority means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity with authority or jurisdiction over the trading of, or Persons engaged in the trading of, Instruments made available for trading on the OTF;

Responsible Person means any individual that acts on a Client's behalf with respect to activities and conduct on the OTF;

RGAMF means the *Règlement Général* of the AMF;

Rule means a rule of the OTF Rules;

Settlement Rules means the rules issued by the MS France OTF pertaining to the settlement of transactions;

Settlement System means the settlement systems through which transactions are to be settled in accordance with Directive 98/26/EC of 19 May 1998 on settlement finality in payment and securities settlement systems;

Static Data means the information and documentation required for each Client and Responsible Person including express consent form, client sensitive data, eligible counterparty data, standard settlement instructions and other information required from time to time;

Terms of Business means MS France's Terms of Business (available at www.market-securities.fr), as amended from time to time;

Trade Request means a buying or selling interest communicated by a Client or Responsible Person in the form of an Order or an IOI;

Trading Privileges means the privileges granted to a Client or Responsible Person to access the MS France OTF for the purpose of submitting Trade Requests in respect of Instruments made available on one of more Market Segments;

Trading System means a system through which Trade Requests can be submitted, Arranged or Executed on a Market segment;

Transaction means the conclusion of a contract in an Instrument on the MS France OTF;

Transaction Reporting means the obligations described in Article 26 of MiFIR;

Transparency Waiver means a waiver granted to MS France by the AMF, in accordance with Article 9 of MiFIR and Article 532-3 of RGAMF as specified in Section 15;

Website means MS France's website (www.market-securities.fr)

4 Eligibility and Access

4.1 To be eligible to use the Market Securities France (MS France) OTF Clients must be accepted as such and must not be a natural person or a retail client (as defined in Article 4(1) (12) of MiFID II). MS France must further be satisfied that Clients have met and will continue to meet the following requirements:

(a) Clients are either:

- (i) an EEA-regulated investment firm or credit institution (each as defined in MiFID II); or
- (ii) regulated entities outside the EEA which authorisation is equivalent in MS France reasonable view, to that of EEA regulated investment firm or credit institution (each as defined in MiFID II).

And:

- (b) Clients are fit and proper to use the MS France OTF, with adequate organisational arrangements in place and a sufficient level of trading ability and competence;
- (c) have agreed to comply, and will continue to comply, with the OTF Rules, the Terms of Business and Applicable Law when using the MS France OTF and otherwise in connection with it;
- (d) have the legal capacity to trade in Instruments on the MS France OTF;
- (e) have the financial resources sufficient to support the trading activity undertaken;
- (f) have appropriate arrangements for the orderly settlement of transactions in OTF instruments;
- (g) have all registrations, authorisations, approvals and/or consents required by Applicable Law in connection with trading in Instruments;
- (h) have designated one or more Responsible Persons;
- (i) Responsible Persons have adequate experience, knowledge and competence to transact in Instruments;
- (j) meet the onboarding requirements for connection to the relevant Market Segment;
- (k) have adequate internal controls that are reasonably designed to promote fair and orderly trading on the MS France OTF, minimise trading errors, preserve the integrity and stability of the MS France OTF and prevent breaches of the Rules and of Applicable Law; and
- (l) agree to meet such other criteria as we may reasonably specify from time to time.

5 Application Procedure

- 5.1 Applications for admission to participate on the MS France OTF shall be made through the completion of the MS France OTF application pack.
- 5.2 The application pack, which incorporates supporting documentation, is available upon request from onboarding@market-securities.com.
- 5.3 The MS France OTF application pack includes the requirement to provide certain express consents required under MiFID II, to identify all Responsible Persons and to provide certain data to facilitate trade execution, confirmation and settlement.

6 Client Obligations

- 6.1 Clients will be responsible for all Orders and actions taken on their account by Client's Responsible Persons or any other officer, employee or agent of the Client possessing a valid access permission that would allow such person to submit an Order on to the MS France OTF.
- 6.2 Clients must at all times have adequate systems and controls intended to minimise the risk of error in relation to offers or bids submitted (including cancellations and modifications).
- 6.3 Clients shall ensure that only Client's Responsible Persons are able to access and use the MS France OTF. No Client shall allow unauthorised third parties to use a Trading System to access or access the MS France OTF for any purpose.
- 6.4 Clients are responsible for ensuring that their staff are adequately trained to use the MS France OTF, including all segments for which Responsible Persons have been granted Trading Privileges.
- 6.5 Subject to other provisions in this Rulebook, Clients are responsible for settling Transactions executed on the MS France OTF. In the event that such Transactions are in relation to Cleared Instruments, Clients shall be bound by the rules and procedures of the relevant Clearing House.
- 6.6 Clients must not, in respect of any of their business on the MS France OTF:
 - (a) commit any act or engage in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price of, any Financial Instrument; or
 - (b) do or engage in any act or course of conduct which is likely to harm the integrity or stability of a Trading System (including without limitation trading in a disruptive manner).
- 6.7 Clients must inform MS France, as soon as reasonably practicable, upon the occurrence of any of the following:
 - (a) becoming aware that they or any Responsible Persons are unable to comply with these Rules;
 - (b) the occurrence of any Insolvency relating to the Client;
 - (c) a material breach of these Rules; or
 - (d) ceasing to meet any of the Eligibility Criteria.

- 6.8 Clients will synchronise the business clocks used to record the date and time of any reportable event in accordance with MiFID II.
- 6.9 Each Client will timestamp the Orders from the moment they place them on MS France OTF. If a Client receives Orders from an ordering third party, it still timestamp such Orders from their reception in accordance with Applicable Law.
- 6.10 Clients are responsible for retaining records of all Orders and Transactions entered into on the MS France OTF for a minimum of 5 years.
- 6.11 Clients must continue to meet the Eligibility Criteria at all times whilst a Client.
- 6.12 Each Client acknowledges that the OTF Rules constitute a framework agreement within the meaning of article 1111 of the French Civil code (*Code civil*). It acknowledges to be bound by these OTF Rules and by any decision of the Membership and Rules Committee or MS France OTF made pursuant to these Rules.
- 6.13 Each Client acknowledges and has full knowledge of the Applicable Law, including but not limited to the provisions of the FMC and the RGAMF, and agrees to be bound by its provisions, in particular those relating to organised trading facilities.

7 Suspension or Termination

- 7.1 MS France may, in its sole and absolute discretion, suspend, impose conditions on or terminate access the MS France OTF in the following circumstances:
 - (a) any Client or Responsible Persons is in breach of the Rules, the Terms of Business, or Applicable Law;
 - (b) failure to pay any dues, assessments or fees due to MS France within thirty (30) calendar days of the date of the applicable invoice;
 - (c) Insolvency;
 - (d) Failure to meet any of the Eligibility criteria for admission as a Client;
 - (e) in the event of an Emergency;
 - (f) where such action is, in MS France reasonable opinion, necessary to preserve the security or integrity of the MS France OTF and/or to protect its users; or
 - (g) for any other reason specified in these Rules.
- 7.2 Notice may be given to cease being a Client of the MS France OTF by giving not less than 5 business days' notice in writing.
- 7.3 From the time a Client's suspension or termination is effective:
 - (a) all rights and privileges terminate, including the ability of Clients Responsible Persons to access the MS France OTF;
 - (b) all unmatched Orders must immediately be withdrawn by Clients Responsible Persons
 - (c) Client will remain liable for:

- (i) any contractual obligations relating to any transactions in Instruments entered into by the Client Responsible Persons;
 - (ii) the payment of any fees, costs, or charges incurred prior to such suspension or termination;
 - (iii) acts and omissions made by the Client Responsible Persons; and
 - (iv) compliance with any reasonable requests for information in relation to any period as a Client of the MS France OTF; and
- (d) any other consequences specified in these Rules may apply.

8 Execution on the MS France OTF

- 8.1 Trade Requests should be identifiable as either an Order or an IOI and may be submitted by:
- (a) Voice to a broker; or
 - (b) Through a GUI or API.
- 8.2 When a Trade Request is submitted to buy or sell an Instrument, discretion will be exercised as to whether to execute some or all of it through the MS France OTF or by other means (Order Discretion), in accordance with the Order Execution Policy, which is published on the Website. However, if it is specified that the Trade Request should be executed through the MS France OTF, it will be treated as a specific instruction to do so. The OTF Rules apply where any Trade Request (or part thereof) is executed through the MS France OTF and from the point at which the Trade Request (or part thereof) is submitted to the MS France OTF. Otherwise, the Terms of Business apply.
- 8.3 Where a Trade Request is executed through the MS France OTF, discretion will be exercised by deciding whether, when and how much of the Order to match with another Order and on what terms at a given time (Execution Discretion). This discretion will be exercised on a case by case basis consistent with the MS France Order Execution Policy, including the trading interests in the system and the different execution mechanisms that are available. The execution mechanisms could include voice trading and/or use of an electronic system to enable the matching of Trade Requests. Clients agree to the exercise of discretion in accordance with the Order Execution Policy.
- 8.4 Discretion will also be exercised by deciding whether to retract or adjust some or all of an Order from the MS France OTF. MS France may review a trade based on its analysis of market conditions or upon a request for review by a Client. MS France may adjust trade prices or cancel trades when such action:
- is necessary to mitigate market disruptive events caused by the improper or erroneous use of a Trading System or by system defects; or
 - if MS France determines that allowing the trade to stand as executed may have an adverse effect on the integrity of the market or to comply with Applicable Law or OTF Rules.
- 8.5 If discretion is applied in this way, these Rules will cease to apply once the Order has been withdrawn from the MS France OTF and MS France's Terms of Business will apply instead.

- 8.6 Once an Order has been matched for a product that is subject to execution on a matched principal basis as defined in section 18, article 18.3, MS France will interpose itself in the trade. To this end, the execution of an Order results in two Transactions, (i) a Transaction between the seller of Instruments and MS France and (ii) a Transaction between the buyer of Instruments and MS France. Under matched principal trading neither Client's identity will be disclosed as MS France will act as counterparty to both. Clients consent to the execution of their Orders on a matched principal basis each time they access the MS France OTF, submit a Trade Request, or request services from MS France in relation to any product that is subject to execution on a matched principal basis as defined in section 18, article 18.3.
- 8.7 MS France's Affiliates may not enter into a Transaction with a Client on a matched principal trading basis.
- 8.8 Alternatively, once an Order has been matched for a product that is subject to execution on a Name Give-Up basis, MS France will affect a Transaction between two Clients so that each is party to the transaction has obligations to the other. Therefore, execution of the Order results in only one Transaction between both Clients (name give up). In this case, MS France or any of its Affiliate may act as agent for one or both Clients, binding one to another, but MS France or its Affiliate will not itself be party to the Transaction. The Clients shall bear the responsibility of settling the transaction between themselves. In this case, MS France will disclose Client details to one another. Clients consent to the execution of their Orders on a name give up basis each time they access the MS France OTF, submit a Trade Request, or request services from MS France in relation to any Instruments.
- 8.9 Clients are responsible for satisfying obligations under each Transaction entered into on the MS France OTF, including through any Responsible Persons. In addition, in relation to products that are subject to execution on a Name Give-Up Basis, a Client must, in respect of Relevant Transactions, settle all obligations in accordance with the settlement instructions and the settlement process for the relevant Market and all requirements of the relevant settlement facility.
- 8.10 Clients are responsible for compliance with all Applicable Laws in relation to Transactions entered into through the MS France OTF. Cash or Instruments will only be transferred to MS France that are due and payable and MS France will not hold any cash or Instruments in accordance with Applicable Law. Where Clients enter into a transaction with another Client, cash or other collateral will be transferred directly to the other Client or the bank or custody account specified.
- 8.11 Trade requests may be amended, cancelled or withdrawn using any of the submission methods set out in Rule 8.1, subject to the limitation that no Trade Request may be amended, cancelled or withdrawn if it has been Executed.
- 8.12 Trade Requests submitted through the Voice Order Book is matched and negotiated by the Responsible Person by opening a session on the OTF using a price. During the session, execution occurs at the time a buyer and seller agree on the quantity of their respective transaction (based on the price), such execution being indicated to the counterparties by communication of the Responsible Person. Each transaction entered into during the session will be confirmed and reported separately. The session will end when, to the extent possible, all buying and selling interest at the price have been filled. Any unfilled bid or offer at the price at the end of the session will be treated by the Responsible Person as arresting bid or offer depending on the instruction of the Client.
- 8.13 Trade Requests submitted through the Hybrid Order Book is matched and negotiated by the OTF Operator based on parameter matching. At a certain matching threshold when Trade Requests are matched, a bilateral negotiate terms and price of the structure will take place until the term are

agreed and credit checks are undertaken. During the matching parameter process all clients will be able to see interests being matched anonymously. The bilateral negotiation is only between the parties to the matched Trade Requests. The length of the matching session is set by the OTF operator and vary at length, at the discretion of the OTF Operator. Any unmatched Trade Requests will be removed from the Hybrid Order Book at the end of a matching session.

- 8.14 Where a Client disconnects from a Trading System, which is being accessed through a GUI or API, Trade Requests in the relevant Instruments can be cancelled and withdrawn. Clients should note that any cancellation of Trade Requests will not be automatically processed for Instruments operating under a voice protocol.
- 8.15 Trading on the MS France OTF shall take place on each Business Day, other than TARGET holidays. The Operator reserves the right to determine additional Trading Days after prior announcement thereof to the Clients. For this purpose, "Business Day" means every weekday that is not a TARGET holiday.

Except under discretionary circumstances, usual trading hours are: 8:00-19:00 (Paris Time). These trading hours are indicative and may vary according specificities of the Financial Products in order to ensure fair and orderly trading.

9 Financial Instruments

- 9.1 MS France shall determine which Financial Instruments shall be admitted to and made available for trading on the MS France OTF and the parameters for Transactions to be entered into.
- 9.2 The list of Instruments may be changed, suspended or removed at any time and for any reason. Any decision to changed, suspend, removed or reinstate any suspended or removal of Instruments will be made public by OTF Operator.

The decision to suspend or remove a Instrument from trading on the MS France OTF is taken if the Instrument no longer complies with the rules of the OTF, unless such a step would be likely to cause significant damage to investors' interests or the orderly functioning of the OTF. The following criteria will base MS France decision to suspend or remove a Instrument from trading:

- A National Competent Authority has published a decision to suspend or forbid the negotiation for that Instrument;
- MS France settlement agent has informed MS France of their decision to stop offering their clearing services for that Instrument;
- The level of liquidity of that Instrument.

The decision of MS France regarding the suspension or removal of trading of a Instrument is generally effected after the close of the day's trading on the OTF and will be made public in a timely and efficient manner to all Clients through MS France website, or as may have been otherwise notified by a Client to the Responsible Person prior to the commencement of the following Trading Day.

If trading in specific Instrument is suspended in whole or in part, no new orders or prices may be entered in respect of such Instrument for the duration of the suspension and all orders which are not matched prior to the time of suspension shall be cancelled.

- 9.3 The only instruments that can be entered into through the MS France OTF are Instruments. MS France will decide which instruments can be traded through the MS France OTF based on a number of criteria including:
- (a) the ability to enter into such transactions and Clients' desire to do so;
 - (b) whether, in the view of MS France, there is sufficient liquidity to trade them through the MS France OTF;
 - (c) whether there is sufficient information in the public domain about the terms of the instruments and how to value them and (where applicable) their underlying asset and how to determine their price.
- 9.4 The list of Instruments to be made available for trading on the MS France OTF shall be set out in the Market Segment Rules (Section 18) and published on the Website.

10 Trading Rules and Fair and Orderly Trading

- 10.1 Orders will be taken by phone or electronically in accordance with the OTF Rules and the MS France Terms of Business and negotiations will be undertaken by message, phone or electronically.
- 10.2 Clients will comply with the requirements for electronic access and order submission.
- 10.3 Clients acknowledges that MS France OTF does not allow the use of Algorithmic trading to submit messages (as mentioned in Article L. 420-3, III of the FMC).
- 10.4 Clients acknowledges that MS France does not allow direct electronic access ("DEA" as mentioned in Article L. 420-3, IV of the FMC).
- 10.5 Limits may be imposed on the number, volume and/or value of Trade Requests entered into through the MS France OTF, and/or the price at which Trade Requests are entered, and Trade Requests will be rejected that exceed such thresholds and/or which are clearly erroneous.
- 10.6 MS France may take action it reasonably considers to be appropriate in relation to any issues identified in a Trading System. Trading Privileges may be withdrawn or adjusted or a Trading System may be shut down if MS France reasonably considers it to be necessary to do so.
- 10.7 Clients agree to comply with the requirements for the physical and electronic security of the system, access to it and the data that passes through it and Clients will take all reasonable steps to ensure that Responsible Persons do so. In particular, Clients will notify MS France of the list of Responsible Persons, and any changes in those personnel, and they will use any logins and passwords that are provided. Clients are responsible for any activity that occurs pursuant to the use of logins and passwords provided to any Responsible Person.
- 10.8 Where a Transaction in respect of a Cleared Instrument that is concluded on the MS France OTF is not accepted by the applicable Clearing House, the MS France OTF shall void such Transaction.

11 Conduct Obligations

- 11.1 If Clients have been categorised as a Professional Client, MS France has a duty to take all sufficient steps to obtain the best possible result. In this case, when MS France exercises Order Discretion, MS France will act in accordance with MS France's Order Execution Policy for which the MS France OTF will be an execution venue.
- 11.2 Where Execution Discretion is exercised, discretion is exercised in accordance with the OTF Rules, which have been designed to achieve the best possible result. Information on the quality of execution will be published on the Website in accordance with MiFID II.
- 11.3 The provisions on conflicts of interest in MS France's Terms of Business apply to the operation of the MS France OTF.
- 11.4 All telephone and other conversations and any electronic communications may be recorded and such recordings may be monitored. A copy of a recording can be made available on request for up to five years, and on the AMF's request for up to seven years, from the date of the conversation. The recordings may also be used as evidence in the event of a dispute or investigation.
- 11.5 A confirmation will be provided detailing the terms of any transaction executed through the MS France OTF in accordance with MS France's Terms of Business.
- 11.6 Clients will provide such information as may be reasonably required in order to comply with any obligations under Applicable Law in relation to the Transactions entered into. Information related to any Trade Requests, or other information generated in connection with the use of the MS France OTF, may be provided to the AMF or any other regulator in accordance with Applicable Law.

12 Monitoring and Surveillance

- 12.1 MS France will monitor Orders, cancellations and Transactions to check for statistical patterns, identify infringements, disorderly trading and conduct that may indicate market abuse or systems disruptions, including by the following means:
- (a) Notifications;
 - (b) Ad hoc requests for information;
 - (c) Audit rights;
 - (d) Investigations; and
 - (e) Pre- and post-trade monitoring.
- 12.2 MS France has arrangements in place to prevent disorderly trading and breaches of regulatory requirements, which may include limits on the number of Orders sent to the MS France OTF, mechanisms to manage volatility and pre- and post-trade controls. MS France may:
- (a) request information about Client's organisational arrangements and trading controls;
 - (b) withdraw Trading Privileges or suspend access to a Trading System or the request of a Regulatory Authority;

- (c) cancel unexecuted Orders submitted where there appears to be an error or following a suspension; and
 - (d) cancel or revoke a Transaction in case of malfunction of the MS France OTF's mechanisms to manage volatility or the operational functions of a Trading System.
- 12.3 If MS France considers that a Client has failed to comply with any Rule, an investigation may be undertaken. Clients will cooperate with any such investigation and provide such information as may be requested. In the event of failure to comply, access may be suspended to the MS France OTF and membership terminated.
- 12.4 MS France is required to notify the AMF of any significant breaches of the Rules or disorderly trading conditions or conduct that may indicate market abuse, to supply them and any other Regulatory Authority with information and to assist them in investigating and prosecuting the same.
- 12.5 MS France may take disciplinary action against a Client in respect of any act or omission that amounts to a material breach of these Rules and suspend or restrict a Client's (or some or all of the Client's Responsible Person) Trading Privileges on the MS France OTF when a matter is under investigation, provided that such suspension or restriction shall only be put in place where there is a reasonable suspicion that the Client has committed a material breach of these Rules.
- 12.6 MS France may, in its absolute discretion, impose sanctions on a Client (or some or all of the Client's Authorised Representatives) for a material breach of the Rules constituting either or both of the following:
 - (a) temporary suspension; and
 - (b) termination of participation.
- 12.7 In the event of any alleged breach or suspected breach by a Client of these Rules, MS France shall notify the Client of the commencement of an investigation along with sufficient information to allow the Client to assess the alleged breach, save where such notification is precluded by Applicable Law.
- 12.8 MS France will investigate the facts of each case. In each case, MS France shall determine whether to impose any of the sanctions in relation to a breach of the Rules. In coming to such a determination, MS France shall take into account a number of factors, including without limitation:
 - (a) the nature and seriousness of the Rule breach and the duration and frequency of misconduct;
 - (b) how the Rule breach came to light (e.g. whether flagged by the Client under investigation);
 - (c) the actual or potential market impact of the Rule breach, and any other repercussions;
 - (d) the extent to which the Rule breach was deliberate or reckless;
 - (e) the compliance history of the Client under investigation, and specific history regarding the Rule breach in question and whether any warning notices have previously been issued to the Client in relation to the Rule; and
 - (f) the consistent and fair application of the Rules (any precedents of similar Rule breaches).
- 12.9 Upon conclusion of its investigation, MS France will decide what action is necessary in each instance and shall communicate such decision promptly to the Client.

- 12.10 During its investigation, MS France shall permit the Client reasonable opportunity to submit petitions and/or information in relation to the alleged breach and MS France shall take such submissions into account in reaching a conclusion as to any necessary action.

13 Error Trades Policy

- 13.1 MS France can review a Transaction on request from a Client or at its own discretion. The review will be carried out by the Membership and Rules Committee (the Committee).
- 13.2 The Committee has the right to cancel or adjust any Transaction which is an Error Trade in the interest of maintaining a fair and orderly market.
- 13.3 A request for review of a Transaction by a Client must be made within 15 minutes from the time of execution of the relevant Transaction and by e-mail to **compliance@market-securities.com**
- 13.4 Review requests received after 15 minutes from the time of execution of the Transaction will only be considered where there are unusual or mitigating circumstances resulting in the delay in requesting a review.
- 13.5 When exercising discretion in relation to a review request, the Committee will take into account the circumstances of the request, and each request will be reviewed on a case-by-case basis.
- 13.6 After receiving the review request, MS France shall promptly inform, by telephone or email, each other counterparty to the Transaction that the Transaction is subject to a review request.
- 13.7 To determine whether a Transaction constitutes an Error Trade, the Committee may contact/consult other Clients and other market participants and may consider any relevant information, including but not limited to:
- (a) the last traded price on MS France OTF in the relevant instrument;
 - (b) any existing or recent quotes, Orders or trades in the relevant instrument on MS France OTF at the time of execution of the relevant Transaction;
 - (c) the price of the same or related instrument in another market;
 - (d) market conditions at the time of the relevant Transaction including levels of activity and volatility; and
 - (a) any other factor which the Committee may deem relevant.
- 13.8 If the relevant Transaction is determined to be an Error Trade, the counterparties shall take such action as the Committee requires to put into effect any adjustment or cancellation. Failure by any Client to comply with any instruction from the Committee to cancel or adjust an Error Trade is a breach of the OTF Rules.
- 13.9 The decision of the Committee will be final.
- 13.10 The unavailability of counterparty credit shall not by itself render a trade an Error Trade.

14 Transparency and Transaction Reporting

- 14.1 MS France is required by Applicable Law to publish on a continuous basis during Trading Hours, details of Orders, including current bid and offer prices and the depth of trading interest at those prices which are advertised through Trading System (“**Pre-Trade Data**”) MS France may, in its absolute discretion, apply any pre-trade Transparency Waivers (subject to regulatory approval) for which any transactions executed across the MS France OTF may be eligible. Where MS France has been granted a Transparency Waiver, MS France will be exempted from the requirement to publish Pre-Trade Data to the extent provided for by the applicable Transparency Waiver.
- 14.2 MS France is also required by Applicable Law to publish, as close to real-time as technically possible, the price, volume and time of the Transactions executed on the MS France OTF (“**Post-Trade Data**”). MS France may, in its absolute discretion apply a Deferral (subject to regulatory approval) from publication of all or part of Post-Trade Data. Where MS France has been granted a Deferral, MS France may effect deferred publication of Post-Trade Data to the extent provided for by the applicable Deferral. [More details on the deferrals that have been granted are available on request or on the Website.]
- 14.3 Pre-Trade Data and Post-Trade Data are published in a machine-readable format and made publicly available on MS France’s Approved Publication Arrangement (APA) website or via an electronic feed offered by the APA.
- 14.4 Clients are responsible for undertaking their own transaction reporting requirements as required by Applicable Law. In the event the Client is classified as 3rd country investment firm that is not subject to MiFIR/MiFID, MS France OTF will report on their behalf as per Article 26(5) of MiFIR.
- 14.5 If a Client is not required by Applicable Law to submit a Transaction Report but MS France, as the operator of MS France OTF is required to submit such a report in respect of a Transaction to which the Client is party, then the Client must provide all information requested to complete and submit such report on a timely basis and ensure that such information is accurate, current and complete.
- 14.6 MS France may not be permitted to execute a transaction for any Client unless the relevant legal entity identifier (LEI) code has been provided.
- 14.7 MS France may enter into contractual relationships with third party service providers to transmit transaction reporting and transparency information to the relevant competent authority and the market and may transmit such information through an ARM or APA or CTP or another provider.

15 Transparency Waivers and Deferrals

- 15.1 MS France with respect to Transactions on derivatives, bonds and structured products, may use, as per Article 9 of MiFIR, the Transparency Waivers relating to:
- (a) orders that are large in scale compared with normal market size and orders held in an order management facility of the trading venue pending disclosure;
 - (b) actionable indications of interest in request-for-quote and voice trading systems that are above a size specific to the financial instrument, which would expose liquidity providers to undue risk and takes into account whether the relevant market participants are retail or wholesale investors;

- (c) derivatives which are not subject to the trading obligation specified in Article 28 and other financial instruments for which there is not a liquid market.

MS France, as an OTF Operator will fulfill its obligations to publish transparency information about an Order submitted to the MS France OTF or Trade executed to the MS France OTF through a dedicated Approved Publication Arrangement (APA). The APA supports both the application of pre-trade waivers and post-trade deferrals. The APA applies deterministic logic, on order and trade information, based on the Annex I of Commission delegated regulation (EU) 2017/583 of 14 July 2016. The APA determines if the instrument qualifies for a waiver/deferral based on order or trade data provided by MS France OTF. The APA makes publicly available, in a machine-readable format, the transparency report.

15.2 MS France has applied for the following waivers as per EU regulation No 600/2014, Article 9:

- (a) Pre-Trade
 - Article 9(1)(a) of MiFIR in respect of orders that are large in scale compared with normal market size
 - Article 9(1)(a) of MiFIR in respect of orders held in an order management facility of the trading venue pending disclosure
 - Article 9(1)(b) of MiFIR (SSTI)
 - Article 9(1)(c) of MiFIR in respect of other financial instruments for which there is not a liquid market
- (b) Post-Trade
 - Indefinite Aggregation- Article 11(3c) of MiFIR
 - Deferred Publication - Article 11(3b) of MiFIR

All transparency publications will be made to the public as close as to real time as possible.

15.3 More details on the Transparency Waivers that have been granted are available on request or on the Website.

16 OTF Data and Information

- 16.1 MS France may make market data regarding Trade Requests, Transactions and any other related information available to Clients and other persons at such times and in such manner (whether through the MS France OTF, financial information service provider or otherwise) as it may determine from time to time.
- 16.2 All OTF Data or related information provided to Clients in connection with its use of the MS France OTF is proprietary to MS France (or the service provider, as applicable).
- 16.3 Clients are not permitted to retransmit, redistribute, or otherwise disclose such OTF data or information to any third party, including without limitation in aggregated format, or to incorporate it into a benchmark, without MS France's (or, as applicable, the relevant service provider's) prior agreement, except as required by Applicable Law.

17 Settlement Arrangements

- 17.1 Clients shall settle each Transaction in accordance with the terms of the Confirmation through the settlement arrangements agreed with or specified by MS France from time to time.

- 17.2 For matched principal transaction matched on MS France OTF, MS France takes part to the Transaction. Clients do not know each other and deal with MS France simultaneously. Both trading and settlement are “matched principal”. Matched principal Transactions may be settled through Global Prime Partners Ltd (GPP) the settlement agent. MS France will provide or make available to each Client the details of the Transaction in order to facilitate prompt settlement of these Transactions. These Transactions will be cleared by GPP.
- 17.3 For name give up Transactions, MS France is not part to the Transaction. Clients contract directly with each other in relation to a Transaction, each Client is responsible for settlement of every Transaction it enters into irrespective of any arrangements it has made with any third party and whether the Client acted as principal or agent in relation to the Transaction.
- 17.4 Transactions are for standard settlement for the Instrument as determined by MS France and communicated to Clients by email or other durable medium and confirmed in the Confirmation.
- 17.5 A Client selling Instruments is responsible for ensuring the delivery of the Instruments or the Underlying (or the documents of title thereto together with transfer documentation) to the other party no later than the contractual settlement date and a Client buying Instruments is responsible for ensuring the transfer of money to the other party no later than contractual settlement date and in each case in accordance with procedures that may be specified by MS France.
- 17.6 Partial settlements are permitted at the absolute discretion of MS France OTF.
- 17.7 Each Transaction relating to a Cleared Instrument shall be cleared through the relevant CCP and Client must provide MS France OTF with details of clearing account with relevant CCP or with a Clearing Member of such CCP.
- 17.8 MS France, as an Operator of the OTF will send information related to each Transaction for any Cleared Instrument executed on the MS France OTF to the relevant CCP through an Affirmation Hub immediately after the execution of the Transaction. Client must ensure that they auto-affirm the Transactions in the Affirmation Hub to enable automatic submission to the relevant CCP.
- 17.9 Any Transaction executed on the MS France OTF which is rejected for clearing by the relevant CCP shall be void; however, when the rejection is due to a technical or clerical problem, MS France will submit a new Transaction with the same economics terms for clearing as soon as practicable. MS France, as an operator of the OTF, shall not be subject to the requirements of Article 8 of MiFIR for the submission to clearing of the second Transaction.

18 Market Segment Rules – Hybrid Segment

- 18.1 These are the Market Segment Rules for the hybrid segment of the MS France OTF. They are to be read in conjunction with, and form part of, the OTF Rules. The Market Segment Rules set out the manner in which each asset classes are traded on the MS France OTF.
- 18.2 The following definitions apply in these Market Segment Rules, in addition to the definitions contained in section 3 of these Rules:
- “Hybrid Products” means the Financial Instruments and Transactions set out below.
- “Voice Order Book” means a Trading System that, subject to discretion, matches Trade Requests based upon or incorporating voice negotiation.

“Hybrid Order Book” means a Trading System that, subject to discretion, matches Trade Requests based upon electronic input of interests, negotiation and matching.

- 18.3 Trading is permitted in the following instruments and, subject to the discretion of the broker, the following order types are permitted for each instrument:

List of eligible Instruments traded on MS France OTF

Asset Class – Fixed Income Security (Bond)

Product	Order types (for all products)
AT1, T1, Cocos, Prefs	All or None (AON) Good for Day (GTD) Good till cancelled (GTC) Fill or Kill (FOK) Once Cancels Other (OCO) Limit Order
AT1, T1, Cocos, Prefs (New Issue)	
Hybrids	
Sub Insurance/Fins	
T2	
SSA	
Senior Financials	
FRNs	
HY, X-OVER	
Emerging Mkts excl. Middle East	
Middle East Sovereigns	
G20, NOK, CHF IG	
All Government Bonds (ex JPN)	
Japanese Govt. Bonds	
Illiquid Issues	

Execution Methodology

Matched Principal Trading

- For Fixed Income Security (Bonds), only where the client has consented to the process, MS France shall be involved in executing client's orders through matched principal trading whereby MS France acts as buyer to the seller of the OTF Financial Product and as seller to the buyer of the OTF Financial Product.

- Execution of an Order shall then result in the creation of two Transactions:

- i) A Transaction between the buyer of Financial Instruments and MS France; and
- (ii) A Transaction between the seller of Financial Instruments and MS France.

Name Give Up

- Execution of an Order may result in only one transaction between both counterparties. Once the trade is confirmed to both, the parties shall bear the responsibility of settling the transaction between themselves (Name Give Up transactions).

- Every Financial Products tradable on the OTF may be executed through Name Give up.

- Trade requests may be placed via voice. Upon receipt of trade requests, the IOIs or Orders will be placed on the Voice Order Book.

Asset Class – OTC Derivatives Equity Variance Swaps, Exotics and Total Return Swap

Product	Order types (for all products)
Equity Variance Swap	
Exotics – Index Underlying	
Exotic – Single Stocks Underlying	All or None (AON)
Total Return Swap – GC baskets	Good for Day (GTD)
Total Return Swap – Single names	Good till Cancelled (GTC)
Total Return Swap – Non-GC basket	Fill or Kill (FOK)
Total Return Swap – including dividend payment	One cancels Other (OCO)
Total Return Swap – interaction with > Clients	Limit Order
	Request for Quote (RFQ)

Execution Methodology

Name Give Up

- Execution of an Order may result in only one transaction between both counterparties. Once the trade is confirmed to both, the parties shall bear the responsibility of settling the transaction between themselves (Name Give Up transactions).

- Every Financial Products tradable on the OTF may be executed through Name Give up.

- Trade requests may be placed via electronic or voice. Upon receipt of trade requests, the IOIs or Orders may be placed in either the Voice Order Book or the Hybrid Order Book at the discretion of the OTF Operator.

Asset Class – Structured Products from the secondary market

Product	Order types (for all products)
Credit linked notes	All or None (AON) Good for Day (GTD) Good till cancelled (GTC) Fill or Kill (FOK) Once Cancels Other (OCO) Limit Order
Floaters / CMS linked notes	
Capital protected notes	
Reverse Convertibles / Autocalls	
Trackers	
Warrants et Certificats	

Execution Methodology

Matched Principal Trading

- For Structured Products only where the client has consented to the process, MS France shall be involved in executing client's orders through matched principal trading whereby MS France acts as buyer to the seller of the OTF Financial Product and as seller to the buyer of the OTF Financial Product.

- Execution of an Order shall then result in the creation of two Transactions:

- i) A Transaction between the buyer of Financial Instruments and MS France; and
- (ii) A Transaction between the seller of Financial Instruments and MS France.

- Trade requests may be placed via voice. Upon receipt of trade requests, the IOIs or Orders will be placed on the Voice Order Book.

18.4 Trade requests may be submitted as IOIs or Orders.

18.5 The following submission mechanisms are available in the Hybrid segment:

Product	Sub-Protocol
Electronic	GUI, API
Voice	Telephone
Voice	Instant messaging
Voice	Email

18.6 The matching and execution methodology in the Hybrid segment is voice and electronic.

19 Dues, Fees and charges

- 19.1 MS France has the sole power to set the dates and amounts of any dues, fees and charges to be levied on the Clients (including the payment of any applicable taxes including without limitation any value added tax or financial transaction taxes), which dues, fees and charges will be paid to MS France when due without any right of set-off or deduction.
- 19.2 Details of all relevant dues, fees and charges (including any access or installation of electronic broking services, if any) will be separately notified to the Client during the participant's admission process on the MS France OTF and will be published on the Website.