

	Number:	I-EX-DF-17/2024
	Segment:	Financial Derivatives
	Date:	10 June 2024
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	Replaces:	I-EX-DF-09/2020
Subject	Regulated Market Maker Program on IBEX 35 Options.	
Summary	Fulfillment minimum conditions to be considered Regulated Market Maker on IBEX 35 Options. Fast Market parameters and duration are referenced to the Fast Market Parameters Instruction.	

This Instruction is published to develop Circular Regulated Market Makers.

1. MINIMUM QUOTING CONDITIONS AND DEGREE OF COMPLIANCE MEASUREMENT

MEFF establish the following parameters on the option premium:

Parameter in Euros			
Premium	Weekly expiries & Monthly Exp. 1st to 6 th	Premium	Monthly Exp. 7 th – .. th
Up to 20	8	Up to 50	20
From 21 to 40	12	From 51 to 100	40
From 41 to 90	18	From 101 to 300	60
From 90 to 225	30	From 301 to 500	80
From 226 to 400	40	From 501	100
From 401 to 750	50		
From 751	60		

Under “Fast Market” conditions all parameters will be doubled.

Based on these parameters, MEFF will perform the following measurement every 5 seconds on the existing orders in the order book associated with any of the member's proprietary accounts:

- All volume will be added to the offer for any price that is between the best bid price and the best ask price plus the parameter associated to the premium level. The result of this aggregate volume will be considered the Volume of the Sell.
- All volume will be added to the buy for any price that is between the best bid price and the best ask price minus the parameter associated to the premium level. The result of this aggregate volume will be considered the Volume of the Buy.

- If these two volumes differ in less than 50%¹, it will be considered in this measurement that the member is complying with Regulated Market Maker conditions and it will obtain a credit for that contract and that read.

MEFF will conduct the mentioned measurement on every grouped contract on three expiry groups:

- Weekly expires.
- Monthly expiry between the first and the sixth.
- Quarterly and six-monthly between the seventh and the last available expiry. Minimum quoting from the seventh to the twelfth expiry.

At the end of the day, MEFF will check the outcome of all measurements, with the aim of establish if the member has complied at least on 50% of the session.

It will be considered fulfillment of 50% of the session if the number of credits obtained on all contracts of the Group divided by all credits that could have obtained if the quotation on six call option and six put options on every expiry gives as a result a figure greater or equal to 50%.

In order to establish the time session, it will be considered as such the time period when the contract could have been traded, from the opening until the closing, excluding:

- Auction periods on the contract: opening auction, volatility auction or intra-day auction.
- Exceptional circumstances period.
- Exceptional circumstances period for Regulated Market Maker (Member's technical issues).
- Trading interruption period.

2. BENEFITS ASSOCIATED TO THE REGULATED MARKET MAKER PROGRAM

MEFF will establish incentives defined in Liquidity Provider Program for IBEX 35 Option contracts Group.

3. RANGE TO DECLARE FAST MARKET

The parameters that activate the Fast Market situation as well as its duration are determined in the Fast Market Parameter Instruction 04/24 or the one that replaces it.

When an underlying situation is at Fast Market, the obligation to contribute will be established according to the following rules:

- The maximum spread is increased by 100% (Spread x 2).
- The minimum volume is reduced by 50% ($v / 2$), rounded to the nearest integer.

¹ If the lower of the two volumes is greater than or equal to half of the larger of the two volumes.