

	Number:	C-EX-ENE-02/2023
	Segment:	Energy Derivatives
	Date:	24 January 2023
	Effective Date:	31 January 2023
	Replaces:	C-EX-ENE-04/2018
Subject	Filters by Members and erroneous entries.	
Summary	This Circular describes Trading Systems available in Energy Derivatives Segment. It is modified by removing the RFQ filter.	

FILTERS FOR MARKET PROTECTION

Specific Filter of the PreArranged Trades

MEFF will apply to each Member at a contract group level, a filter that will be established based on the maximum volume per trade that the Clearing Member in BME CLEARING can accept (either the same MEFF Member or the entity that clears it at BME CLEARING) (Specific Filter). By all means, BME CLEARING will provide these parameters to MEFF.

MEFF will supervise the compliance of the Specific Filter. If a transaction reported to the Prearranged trades System exceeds this Specific Filter, MEFF will not accept the transaction, therefore it will not be considered as trade neither registered in MEFF.

ERRONEOUS TRADES DUE TO SYSTEM MALFUNCTIONING

In case of MEFF Trading system malfunction that has as a result the execution of trades, MEFF will be able to declare these as not performed and will proceed to its cancellation

Malfunctioning, a system failure or any other unusual behavior of the own system or algorithm of a Market Member, will have to be communicated to the Competent Authority (CNMV) to whom a report will be sent.

Once these technical problems have been detected by MEFF, the Market Supervisor will inform as soon as possible to market participants that there are trades under Supervision, this is to say, that they are susceptible of being modified or cancelled.

Once the problem has been analyzed, the Supervisor will decide whether he cancels or modifies to another price the trades generated due to a bad functioning of the system. The Supervisor will take the decision based on the type of issue that led to it, the moment in which it happened in order to filter the cancellation of trades to those that were generated due to system malfunctioning, the prices generated because of these trades (prices consistent with market trend) and volumes (number of contracts consistent with the usual data of Trading System).

Counterparties will accept the decision of the Supervisor.

If the counterparties of a trade susceptible of being cancelled by the reason described on this section, agree in the interest of maintaining the trade, they will communicate to the Supervisor during the market session, and this one will be able to decide not to

cancel it every time he considers that the price was consistent with the evolution of the market.

The cancellation of trades will carry the corresponding modification of statistics: high, low, last price and traded volume.

In the case of modification of trades, the new registration price will be calculated taking into account the price of the contract before and after the bad functioning of the system (if there was not a suspension of the Trading System) and taking into account the market and the underlying evolution.