

ALTERNATIVE FIXED INCOME MARKET, MARF, OUTAGES MANAGEMENT

Performance Protocols

2024

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0.1	December 2024	Initial version taking into account ESMA final report

Bolsas y Mercados Españoles Renta Fija, S.A.U has developed this document which summarizes the key procedures and protocols applicable in case of an outage in the Alternative Fixed Income Market, MARF, trading systems that causes a precautionary interruption or a system shutdown.

MARF will update this document and the applicable procedures and protocols to align with the latest developments and market evolution and will publish it on its website

1 Technical performance in outages

In the MARF Trading System, the security and stability of the technical structures are the core of the daily work. Bolsas y Mercados Españoles Renta Fija, S.A.U, as the Governing Body of the Alternative Fixed Income Market, (hereinafter, MARF) has developed several contingency procedures and lines of defense aimed at ensuring the continuity of operations. In this context, the technical architecture of the software and hardware is structured to prevent any malfunction of the trading system:

- MARF has a robust back-up system that is regularly tested, as well as to two physically separate data centers.
- In addition to this specific procedure for outages in its Trading Systems, MARF has a Business Continuity Plan (BCP) aimed at maintaining the activities of trading venues in the event of significant outages.
- The Trading System is grouped into partitions according to the segment, which operate independently with their own hardware.
- In case of an outage, the MARF segment back-up system is ready to be activated automatically.
- MARF has two distinct energy providers with physically separate network cables to ensure reliable power supply. In addition, the MARF Trading System has its own power generator.

2 Communications: external and internal

2.1 External communications

First Notice: In case of an outage, MARF will notify it almost immediately on its website. MARF will inform all market members simultaneously about the market status via email, website ("traffic light"), bilateral calls and on the platform itself as far as possible.

On the occasion of this first notice, market members will be reminded that this plan for outages management will be applicable and where they can consult it.

Additionally, MARF will provide the contact line in the mentioned communications for resolving any questions market members may have regarding the reported outage.

MARF will provide, as soon as possible given the nature of the outage and its scope, the estimated duration of the outage and the procedure for reopening the market that will be applicable.

At the same time, the CNMV will be informed of the outage in compliance with the MiFID II directive (article 54.2)

During the outage: MARF will provide regular updates on the market status until the resolution of the outage. These updates will occur, if possible based on the nature and scope of the outage, at least every 60 minutes through the same communication channels used for the initial outage notification.

MARF will inform the members of the general status of the orders that were being traded on the market at the time of the outage to allow them to take decisions on their management. This information will be provided as soon as possible and preferably within 1 hour of the communication of the outage.

Final notice: Once the market reopening is confirmed, MARF will inform market members of the reopening schedule through the same communication channels used for the initial outage notification and each subsequent update. MARF will allow a reasonable time frame, of at least 15 minutes in advance, to enable market members to react, depending on the duration and severity of the outage. This notice will specify the exact time at which the market will reopen.

2.2 Internal communications

- Continuous communication between the Technology department and MARF's Supervision Department.
- All communications will be coordinated by the MARF's Supervision Department.

3 Market Reopening

Depending on the severity of the outage, MARF will aim to restore the market in an orderly and controlled manner, trying to minimize the duration of the outage. Timing will remain flexible, and the market will be notified with sufficient advance notice before reopening, with a minimum notice period of 15 minutes.

MARF will contact market members and assess their readiness; however, the decision on when to reopen will always rest exclusively with MARF.

The communication regarding the market reopening will follow the provisions outlined in the section on External Communications, specifically the final notice, indicating the time at which the market will reopen.

MARF's opening procedure is set out below:

- **Pre-trade:** MARF will have a period of time in which market members will be able to maintain their orders or cancel them, but no execution will take place. The duration of this pre-trade phase will

depend on the duration and severity of the outage. MARF will assess the readiness of market members.

- **Market closure:** If the suspension is extended until the end of the session, the supervisor may decide to extend trading hours or resume trading the following day, informing Members and the CNMV. At all times, the supervisor will be guided by the criteria established in the Market's operating rules in force at all times.

4 Reconciliation: Market Reset and Order Cancellation

MARF will take measures to:

- Protect the integrity of the order book and ensure the reliability and fairness of the trading system.
- Provide sufficient time for market members to cancel or modify their open orders and, exceptionally, the Supervisory department may cancel the order book on their behalf, upon written request.
- Identification of cancelled/executed orders, allowing such cancellations to be credited if requested by members.

In addition, during an outage, no order entry is allowed. Therefore, MARF will restart the system with a pre-negotiation phase in which there will be no executions.

5 Post-outage protocol

Following an outage, MARF will carry out an analysis to detail its origin, evaluate its resolution and identify any areas for improvement, indicating the estimated date of its implementation. The result of this exercise must be communicated to the CNMV, which in turn will report ESMA

MARF will publish on its website a summary of the conclusions reached in the analysis carried out after the outage and communicated to the CNMV.



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