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**CHECKLIST FOR PART B**

**OPERATION OF A**

**MULTILATERAL TRADING FACILITY**

**ΤHAT ACCOMPANIES**

**THE APPLICATION OF**

## «……………………………………………………»

**FOR THE GRANTING OF A**

**CIF AUTHORISATION**

**Checklist for Part B - Operation of a Multilateral Trading Facility that accompanies the application of «…………..………» for the granting of a CIF authorisation**

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|  | **OVERVIEW OF MTF OPERATIONS** | **Relevant Appendix****Page No.** |
|  | **INTERNAL REGULATION OF OPERATION** |  |
|  | The proposed instruments to be traded on the platform (including a detailed instrument specification (e.g. base currency, minimum trading increment, minimum contract size, how contracts are liquidated or rolled forward, tick size etc.); |  |
|  | The proposed systems and controls in place for monitoring and reviewing the operation of the trading platform and trading on its platform;  |  |
|  | The proposed market participants (including market makers etc.) and overview of requirements for membership;  |  |
|  | An overview of proposed rulebook(s) and market parameters; |  |
|  | **TRADING PROCESS AND FINALISATION OF TRANSACTIONS** |  |
| 2.1 | Transparent and non-discretionary rules and procedures for fair and orderly trading and objective criteria for the efficient execution of orders. |  |
| 2.2  | Transparent rules regarding the criteria for determining the financial instruments that can be traded within its system. |  |
| 2.3  | Transparent rules, based on objective criteria, governing access to the MTF facility, and that the applicant has ensured that the rules comply with the conditions and requirements established under Section 106 (3) of the Law.  |  |
| 2.4 | Access to sufficient publicly available information to enable the users of the MTF to form an investment judgement, taking into account both the nature of the users and the types of instruments traded. |  |
| 2.5 | Appropriate systems and procedures to ensure that it is in a position to comply immediately with any instruction from CySEC to suspend or remove a financial instrument from trading. |  |
| 2.6 | Effective arrangements and procedures, relevant to the MTF, for the regular monitoring of the compliance by its users with its rules. |  |
| 2.7 | Effective systems to monitor the transactions undertaken by its users under its systems in order to identify - |  |
| (a) | breaches of its rules |  |
| (b)  | disorderly trading conditions;  |  |
| (c) | conduct that may involve market abuse; and |  |
| 2.8  | Effective procedures to ensure that it can report such instances to CySEC |  |
| (a) | breaches of its rules |  |
| (b)  | disorderly trading conditions;  |  |
| (c) | conduct that may involve market abuse; and |  |
| 2.9 | Effective procedures to ensure that it is in a position to provide full assistance to CySEC in investigating and prosecuting market abuse occurring on or through its systems. |  |
| 2.10 | Effective arrangements to facilitate the efficient clearing and settlement of the transactions concluded under its systems. |  |
| 2.11 | Clear information to the potential users of the MTF of their respective responsibilities for the settlement of the transactions concluded under its systems. |  |
| **3.** | **PRE-TRADE AND POST-TRADE TRANSPARENCY REQUIREMENTS** |  |
| 3.1  | Pre-trade transparency requirementsIf applicable, details of proposed procedures, processes and/or other arrangements that the applicant proposes to put in place in relation to:  |  |
| (a) | arrangements to make public-(i) any current bid and offer prices that will be advertised through its systems in respect of shares admitted to trading on a regulated market; and(ii) the depth of the trading interests at those prices;on reasonable commercial terms and on a continuous basis during normal trading hours |  |
| (b)  | any pre-trade transparency waiver which the applicant intends to request under Section 49 (2) of the Law together with a full description of the functionality of the order type for which the request is made. |  |
| 3.2 | Post-trade transparency requirements If applicable: |  |
| (a) | the procedures to ensure that the applicant can make public the price, volume and time of the transactions carried out under its systems as soon as possible on reasonable commercial terms and in a manner accessible to other market participants. |  |
| (b) | the systems to determine whether applicant can defer publication in accordance with the criteria set out in table 4 of Annex II of Commission Regulation (EC) No. 1287/2006 if it intends to defer publication in accordance with Regulation 50 (2) of the Law. |  |
| (c) | any post-trade transparency deferment arrangement that the applicant intends to request under Regulation 50(2) of the Law including the procedures to ensure that the proposed deferment arrangement will be clearly disclosed to market participants and the public. |  |