



# UBS MTF Trading Notice

## Rulebook & User Guide changes

16 March 2021

Dear Member,

Following the publication on March 11, 2021 of the UBS MTF Market Notice N4 announcing the transfer of the operations of UBS MTF from UBS AG London Branch to UBS MTF Limited, we would like to inform our Members of changes to our Rule Book and User Guide. The changes principally involve:

- The change to all references to UBS AG London Branch to UBS MTF Limited
- The removal of some Brexit definitions and references; and
- Some changes to references to EU laws as now-on-shored in the UK.

The transfer of the operation to UBS MTF Limited is subject to regulatory approval and the revisions to the Rulebook are expected to go live on or after **1 April 2021**. We will confirm the date of the change via Market Notice.

To assist Members, we are including with this Trading Notice a marked-up version of the Rulebook highlighting the amended sections together with a clean copy. A clean copy of the User Guide is also attached with this Trading Notice; the only change in the User Guide is the reference to the new entity name. These documents will also be available on the UBS MTF website and published in final form when upon go-live.

If you have any queries regarding this notice please contact the UBS MTF Supervisors at +44 207 568 2052 or [ubs\\_mtf@ubs.com](mailto:ubs_mtf@ubs.com).

### **UBS MTF Management**

#### **Notice N5 2021**

UBS MTF Notices and documentation are available at <https://www.ubs.com/mtf>. If you have any queries regarding this notice, or comments on the above, please contact the UBS MTF Supervisors at +44 20 7568 2052 or [ubs\\_mtf@ubs.com](mailto:ubs_mtf@ubs.com).

UBS MTF is operated by UBS AG London Branch which is authorised by the Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and Prudential Regulation Authority.

UBS AG is a public company incorporated with limited liability in Switzerland domiciled in the Canton of Basel-City and the Canton of Zurich respectively registered at the Commercial Registry offices in those Cantons with Identification No: CHE-101.329.561 as from 18 December 2013 (and prior to 18 December 2013 with Identification No: CH-270.3.004.646-4) and having respective head offices at Aeschenvorstadt 1, 4051 Basel and Bahnhofstrasse 45, 8001 Zurich, Switzerland and is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. Registered in the United Kingdom as a foreign company with No: FC021146 and having a UK Establishment registered at Companies House, Cardiff, with No: BR 004507. The principal office of UK Establishment: 5 Broadgate London EC2M 2QS. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

**UBS ~~AG London Branch~~ MTF Limited**

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~~UBS MTF is operated by UBS ~~AG London Branch~~ MTF Limited, a UK incorporated firm which is authorised and regulated by the UK Financial Conduct Authority with Firm reference number 122627 and registered company number 2140296. The principal office of UK establishment is 5 Broadgate London EC2M 2QS. UBS ~~AG London Branch~~ MTF Limited is a wholly owned subsidiary of UBS AG. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.~~

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## RULEBOOK FOR THE UBS MULTILATERAL TRADING FACILITY

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~~UBS MTF is operated by UBS ~~IOConner~~MTF Limited, a UK incorporated firm which is authorised and regulated by the UK Financial Conduct Authority with Firm reference number 122627 and registered company number 2140296. The principal office of UK establishment is 5 Broadgate London EC2M 2QS. UBS ~~IOConner~~MTF Limited is a wholly owned subsidiary of UBS AG. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.~~

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## 1. INTERPRETATION AND DEFINITIONS

### 1.1 Interpretation

- (a) References to times shall mean those times in London unless stated otherwise.
- (b) References to days are to Business Days unless stated otherwise.
- (c) To the extent that there is any conflict between this UBS MTF Rulebook and any other document relating to the UBS MTF, the former shall prevail.
- (d) References to any EU regulation ~~as applied in the UK in a Brexit Scenario means a reference to the relevant regulation as it is applied in the UK pursuant to the European Union (Withdrawal) Act 2018 following the UK's departure from the EU, herein should be read as references to such requirements as they have been applied in the UK since 1 January 2021 and as may be amended from time to time.~~

### 1.2 Definitions

In this UBS MTF Rulebook:

<b>Applicant</b>	means a person applying to become a Member in accordance with Rule 2;
<b>Auction</b>	Has the meaning set out in Rule 6.7;
<b>Auction Price</b>	means the price at which Matching PAOB Orders will execute in accordance with Rule 6.7;
<b>Brexit Scenario</b>	<del>means a situation, to be confirmed to Members by UBS MTF Management at the relevant time, where UBS MTF is required to report transactions of Non-UK Members to the competent UK authorities, notwithstanding Members operating from the European Union may be reporting such transactions to their Competent Authority in the EU;</del>
<b>Business Day</b>	means the days that banks are usually open for business in London, being all days except Saturdays, Sundays and UK national holidays;
<b>CCP</b>	means SIX x-clear, EuroCCP, LCH Clearnet Ltd and such other central counterparty as may be appointed by UBS MTF from time to time;
<b>Competent Authority</b>	means the <u>home state regulatory</u> authority <del>designated by each member state</del> of the <u>EU in accordance with MiFID Member</u> ;
<b>Continuing Obligations</b>	means Members' on-going obligations as specified in Rule 2.3;
<b>Dark Order Book</b>	means the UBS MTF order book that operates under the Reference Price Waiver and Large in Scale Waiver;

<b>Day Order</b>	means an Order which will be available for matching on the relevant Order Book of UBS MTF on the Business Day on which it is submitted; the Order or any unmatched portions thereof remaining at the end of that Business Day will be cancelled automatically;
<b>DEA</b>	means direct electronic access as defined in MiFID;
<b>EBBO</b>	means the EBBO Best Bid Price and EBBO Best Offer Price;
<b>EBBO Best Bid Price</b>	has the meaning set out in Rule 6.11(a);
<b>EBBO Best Offer Price</b>	has the meaning set out in Rule 6.11(a);
<b>Eligibility Criteria</b>	means the criteria for eligibility for participation on UBS MTF set out in Rule 2.2;
<b>Erroneous Order</b>	means an Order submitted to UBS MTF in error either as to price, quantity, currency, side or symbol;
<b>Erroneous Trade</b>	means Erroneous Order that takes place on UBS MTF;
<b>Event of Default</b>	means in relation to a Member: <ul style="list-style-type: none"><li>(a) failure by that Member to comply with any obligation in accordance with the Rules;</li><li>(b) a misrepresentation made by that Member;</li><li>(c) the repudiation or rejection, in whole or in part, of a Relevant Transaction by that Member;</li><li>(d) a breach of the terms of the UBS MTF Membership Agreement; or</li><li>(e) an Insolvency Event;</li></ul>
<b>FCA</b>	means the UK Financial Conduct Authority;
<b>FCA Rules</b>	means the FCA's Handbook of Rules and Guidance as amended from time to time;
<b>FSMA</b>	means the Financial Services and Markets Act 2000 of the United Kingdom as amended from time to time;
<b>Good For Auction Order or GFA Order</b>	means a PAOB Order that expires at the end of the first Auction it participates in;
<b>Identifier Management</b>	means the technical specification published by UBS MTF on how to submit client, trader and algo identifiers;
<b>Highest Buy Order</b>	means the PAOB Buy Order with the Highest Price;
<b>Highest Price</b>	means the overall highest price as between the Limit Prices of any participating Limit Orders, and/or the Mid-Price in the event of

	any participating Pegged Orders;
<b>Insolvency Event</b>	means any of the following: <ul style="list-style-type: none"><li>(a) a Member is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;</li><li>(b) the value of the assets of a Member is less than its liabilities; or</li><li>(c) a moratorium is declared in respect of any indebtedness of a Member;</li></ul>
<b>IOC Order</b>	means a Pegged Order submitted to the Dark Order Book which is “immediate or cancel”, i.e. which requires that (a) all or part of the order be executed immediately after submission to the UBS MTF, and (b) any portions not executed immediately will be cancelled automatically;
<b>Large In Scale Waiver</b>	means a pre-trade transparency waiver granted to UBS MTF pursuant to MAR 5.7 for orders which are large in scale compared with normal market size as defined in MiFID;
<b>Largest Matching Order</b>	has the meaning set out in Rule 6.7(c)(ii);
<b>Limit Order</b>	means an order submitted to the Periodic Auction Order Book specifying a Limit Price and volume;
<b>Limit Price</b>	means the maximum price to buy or minimum price to sell a Security and, in respect of Limit Orders only, must be in tick size;
<b>Liquid Shares</b>	means the shares admitted to trading on a Trading Venue as published by the European Securities and Markets Authority, or UK authorities, as appropriate, identified as Liquid Shares from time to time;
<b>Lowest Price</b>	means the overall lowest price as between the Limit Prices of any participating Limit Orders, and/or the Mid-Price in the event of any participating Pegged Orders;
<b>Lowest Sell Order</b>	means the PAOB Sell Order with the Lowest Price;
<b>MAQ</b>	means where a Member has specified a minimum acceptable quantity in respect of a specific Order;
<b>MAR</b>	means the Market Conduct sourcebook of the FCA Rules as amended or replaced from time to time;
<b>Market Notice</b>	means a notice issued, published or disseminated by UBS MTF to inform Members of operational changes or events impacting

	trading on UBS MTF;
<b>Matching Dark Orders</b>	means Pegged Orders that match in the Dark Order Book in accordance with Rule 6.4;
<b>Matching Engine</b>	means the systems for the acceptance and matching of Orders and the execution of trades on the Order Books operated by UBS MTF;
<b>Matching Member Order</b>	means Matching Orders between the same Member in an Order Book;
<b>Matching Orders</b>	means Matching PAOB Orders and/or Matching Dark Orders;
<b>Matching PAOB Orders</b>	means PAOB Buy Orders and PAOB Sell Orders that match in accordance with Rule 6.7;
<b>Member</b>	means a Member of UBS MTF admitted in accordance with Rule 2 who is able to submit Orders to the Matching Engine and whose admission has not been terminated;
<b>Membership Agreement</b>	means the agreement entered into between a Member and <a href="#">UBS MTF Limited-AG</a> regarding membership of UBS MTF;
<b>Mid-Price</b>	means the mid-price of the best bid and best offer prices for the relevant Security on the Most Relevant Market as published by UBS MTF;
<b>MiFID</b>	means the Markets in Financial Instruments Directive (Directive 2014/65/EC of the European Parliament and Council), together with associated Regulatory Technical Standards, as amended or replaced from time to time;
<b>MiFIR</b>	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, together with associated Regulatory Technical Standards, as amended or replaced from time to time;
<b>Most Relevant Market</b>	means the most relevant market in terms of liquidity for any given Security for the purposes of MiFIR in respect of EEA Securities, and the primary market, as determined by UBS MTF, in respect of all other Securities;
<b>MTF Close</b>	means 16.30 UK time;
<b>MTF User Guide</b>	means the guide given to Members upon commencement of their membership (as amended from time to time) providing, amongst other things, guidance regarding trading on UBS MTF;
<del><b>Non-EU Member</b></del>	<del>means any Member whose access to UBS MTF is other than through a place of business in the EU that has responsibility for</del>



	<del>reporting transactions on UBS MTF to a Competent Authority;</del>
<b>Non-TR Members</b>	means any Non- <del>EU Member or, in a Brexit Scenario, any Non</del> -UK Member;
<b>Non-UK Member</b>	means any Member whose access to UBS MTF is other than through a place of business in the UK that has responsibility for reporting transactions on UBS MTF to the FCA or other relevant competent authority in the UK;
<b>No Self-Cross Instruction</b>	means an instruction from a Member in respect of any Order that that Order shall not match against another Order from the same Member;
<b>Order</b>	means a Limit Order or a Pegged Order;
<b>Order Book</b>	means the Dark Order Book and / or the Periodic Auction Order Book;
<b>Passive Price Amendment</b>	has the meaning set out in Rule 6.7(iv);
<b>Pegged Order</b>	means an instruction submitted to either Order Book to buy or sell Securities which will peg to the Mid-Price;
<b>Periodic Auction Order Book or PAOB</b>	means the UBS MTF order book that matches Pegged Orders and/or Limit Orders on the basis of a periodic auction at a price determined by the UBS MTF Matching Engine in accordance with the Rules;
<b>PAOB Buy Order</b>	means a PAOB Order to buy a Security;
<b>PAOB Order</b>	means a Pegged Order or Limit Order submitted to the Periodic Auction Order Book;
<b>PAOB Sell Order</b>	means a PAOB Order to sell a Security;
<b>PTM Levy</b>	means the levy determined by and payable to the UK Panel on Takeovers and Mergers;
<b>Reference Price Waiver</b>	means a pre-trade transparency waiver granted to UBS MTF pursuant to MAR 5.7 for matching at the mid-point of the Most Relevant Market. <u>This waiver only applies to the Dark Order Book and does not apply to the Periodic Auction Order Book;</u>
<b>Relevant Cleared Transaction</b>	means any Relevant Transaction which is not a Relevant Internalised Transaction;
<b>Relevant Information</b>	means the details as prescribed in MAR as amended or replaced from time to time;
<b>Relevant Internalised Transaction</b>	means a Relevant Transaction as prescribed in Rule 7.1;
<b>Relevant Transaction</b>	means a transaction that takes place on UBS MTF;

<b>Rules</b>	means this UBS MTF Rulebook, the Membership Agreement, the MTF User Guide, any Trading Notices, and any amendments thereto;
<b>Security</b>	means a security eligible for trading on UBS MTF in accordance with Rule 6;
<b>Trading Notice</b>	means a notice issued published or disseminated by UBS MTF to Members pursuant to Rule 4.2(a) from time to time;
<b>Trading Venue</b>	means a regulated market or multilateral trading facility, as defined in MiFID;
<b>Transaction Report</b>	means a report provided to <del>a regulator detailing such information as the relevant Competent Authority or UK competent authority in a Brexit Scenario, may require relating to a trade;</del>
<b>Transaction Reporting Fields</b>	means certain fields contained in the annex to Commission Delegated Regulation (EU) 2017/590 that UBS MTF requires for the purpose of meeting its transaction reporting obligation;
<b>UBS AGLB</b>	<del>means UBS AG, acting through its London branch. UBS AG is a public company incorporated with limited liability in Switzerland domiciled in the Canton of Basel City and the Canton of Zurich respectively registered at the Commercial Registry offices in those Cantons with Identification No: CHE 101.329.561 as from 18 December 2013 and having respective head offices at Aeschenvorstadt 1, 4051 Basel and Bahnhofstrasse 45, 8001 Zurich, Switzerland and is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. Registered in the United Kingdom as a foreign company with No: FC021146 and having a UK Establishment registered at Companies House, Cardiff, with No: BR 004507. The principal office of UK Establishment: 5 Broadgate London EC2M 2QS. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority</del>
<b>UBS Group</b>	means UBS AG and any subsidiary or associated company of UBS AG;
<b>UBS MTF Management</b>	means the management team of UBS MTF. Contact details: <a href="mailto:ubs_mtf@ubs.com">ubs_mtf@ubs.com</a> ; +44 20 7568 9557;
<b>UBS MTF</b>	means the Multilateral Trading Facility operated by UBS <del>AGLB</del> <a href="#">OCLMTFL</a> , which is authorised <del>by the Prudential</del>

	<del>Regulation Authority</del> and regulated by the FCA <del>and the Prudential Regulation Authority</del> ;
<b>UBS MTF Fee Schedule</b>	Means a schedule of fees covering participation on UBS MTF as published by UBS MTF from time to time; <del>and</del>
<b><u>UBS <del>OCLE</del>MTFL</u></b>	<u>Means UBS <del>OCLE</del>MTF Limited a UK incorporated firm which is authorised and regulated by the UK Financial Conduct Authority with Firm reference number 122627 and registered company number 2140296. The principal office of UK establishment is 5 Broadgate London EC2M 2QS; and</u>
<b>Void Auction</b>	has the meaning set out in Rule 6.7(a)(viii).

## 2. PARTICIPATION

### 2.1 Authorisation and Admission

- (a) Applicants wishing to become Members are required to:
- (i) complete and sign the UBS MTF Member application form;
  - (ii) sign the Membership Agreement; and
  - (iii) provide such other additional information as UBS MTF may require.
- (b) Upon satisfactory fulfilment of this Rule 2.1 and the eligibility criteria in Rule 2.2 below, the prospective Member's participation on UBS MTF as a Member shall become effective on such date and at such time as UBS MTF shall specify.

### 2.2 Eligibility

- (a) Applicants are eligible to apply to participate on UBS MTF provided that they meet the Eligibility Criteria set out in Rule 2.2.(b) below.
- (b) The Applicant must satisfy each of the following conditions to UBS MTF Management's satisfaction:
- (i) be a UK ~~or EU~~ regulated investment firm or credit institution (as defined under MiFID) or an equivalent EU, Swiss or US incorporated firm;
  - (ii) satisfy capital adequacy and financial resources requirements (the levels of financial resources required by any or all Members may vary for each Member);
  - (iii) be fit and proper;
  - (iv) have financial, business or personal standing suitable to enter into Relevant Transactions;
  - (v) satisfy UBS MTF Management as to the Applicant's arrangement for clearing and settlement;

- (vi) have sufficient level of trading ability and competence;
- (vii) have adequate execution, order management and settlement systems in place;
- (viii) in the case of Non-TR Members, satisfy UBS MTF Management that they have the capability to provide UBS MTF with all the relevant information for Transaction Reporting Fields and comply with relevant requirements; and
- (ix) be able to satisfy the general organisational and technical requirements for participation in UBS MTF.

### 2.3 Members' Continuing Obligations

- (a) Members must have and maintain adequate internal procedures and controls to prevent the submission of Erroneous Orders to UBS MTF and to ensure their continuing compliance with the Rules.
- (b) Prior to the introduction of a new algorithm or changes to an existing algorithm that will be or is used to interact with UBS MTF, Members must undertake appropriate conformance testing in order to verify that the trading systems of the Member communicate and interact properly with the trading system of UBS MTF and that market data are processed correctly. Members must ensure that those algorithms do not impact the overall fair and orderly functioning of UBS MTF.
- (c) Members shall be bound by these Rules (including any amendments, Trading Notices or Market Notices), and supplementary documentation issued by UBS MTF and by any direction or decision of UBS MTF relating to a Member's trading activity on UBS MTF.
- (d) Members must have and maintain adequate execution, voice recording, order management and settlement systems in place.
- (e) Members must ensure that any persons, whether staff or clients, who submit Orders to UBS MTF through the Member are sufficiently trained, are adequately supervised, and have adequate experience, knowledge and competency to abide by and comply with the Rules.
- (f) UBS MTF may rely on any instructions, commitments, notices or requests or other communications in any form which purport to have been made and which it reasonably accepts in good faith as having been made by the Member or on the Member's behalf without further enquiry as to the genuineness, authority or identity of the person giving or purporting to give such instruction. The Member will be bound by any contracts or obligations and will be liable to indemnify UBS MTF in full for any loss or expenses entered into or incurred by UBS MTF, whether or not on behalf of the Member, in consequence of, or in connection with any such communication.
- (g) Each Member shall, at all times, have one or more persons, who must be identified to UBS MTF, who are competent to advise the relevant Member on the application of these Rules.
- (h) Non-TR Members must provide UBS MTF with the required Transaction Reporting Fields for their trades in the format and within the timescale prescribed by UBS MTF and all information which may be required by UBS MTF in order to allow UBS MTF to comply with its reporting obligations.

- (i) Non-TR Members shall have appropriate controls in place to ensure that the required Transaction Reporting Fields are accurately populated. In the event a non-TR Member discovers one or more required Transaction Reporting Fields have been inaccurately or incompletely populated, the Member must report this to UBS MTF immediately and must provide all necessary support to rectify such errors.
- (j) Each Member must continue to meet the Eligibility Criteria at all times whilst they continue to be a Member.
- (k) Members will co-operate with UBS MTF and the FCA (or any other Competent Authority) in any investigation conducted in relation to trading on UBS MTF.

## 2.4 Suspension or termination of a Member

- (a) If, at any time, a Member:
  - (i) does not comply with the Rules or breaches the Membership Agreement; or
  - (ii) suffers an Insolvency Event; or
  - (iii) does not enter any Orders into the Matching Engine for a period of six (6) months or more; or
  - (iv) is a subject of an intervention order or regulatory investigation by the FCA or any other Competent Authority; or
  - (v) fails to meet or ceases to meet the Eligibility Criteria or Continuing Obligations;
  - (vi) interacts with UBS MTF in a manner that UBS MTF Management deems in its sole discretion, to be inconsistent with the operation and maintenance of a fair and orderly market,

UBS MTF Management may, in respect of one or other or both Order Books, in its absolute discretion, suspend, restrict or terminate that Member's access to the Matching Engine or the business conducted by the Member on the Matching Engine.

- (b) UBS MTF Management will suspend, restrict or terminate that Member's access to the Matching Engine or the business conducted by the Member on the Matching Engine if requested to do so by the FCA.
- (c) UBS MTF Management may terminate a Member's access to the Matching Engine permanently upon at least three (3) calendar months' written notice.
- (d) The Member will be notified in writing of any action taken, proposed to be taken, by UBS MTF Management in accordance with this Rule.

## 2.5 Confidentiality

- (a) UBS MTF Management will treat as confidential any information received from Members in relation to any business carried out on UBS MTF except where:
  - (i) the information is in the public domain;

- (ii) disclosure is required by law or requested by any tax or regulatory authority anywhere in the world;
- (iii) disclosure is in accordance with any regulatory investigation conducted by a Competent Authority;
- (iv) disclosure is expressly permitted by law;
- (v) disclosure has been agreed to in writing by the Member; or
- (vi) disclosure is made to facilitate the clearing and settlement of Relevant Transactions.

## 2.6 Substantial Shareholdings

- (a) A Member shall ensure that, where necessary, any Relevant Transactions executed on UBS MTF are incorporated into its calculations with regard to any applicable substantial shareholdings rules.
- (b) Where there is a requirement under any applicable substantial shareholdings rules to notify any person or body as to the existence of a substantial shareholding, each Member must ensure that it complies with any such obligations applicable to it. Notification to UBS MTF will not discharge any obligations under any applicable substantial shareholding rules or their equivalent.

## 2.7 Resignation

- (a) Members may resign by giving UBS MTF at least three (3) calendar months' written notice, unless such notice period is waived by UBS MTF in its absolute discretion.
- (b) UBS MTF Management may, in its absolute discretion, refuse to accept notice of resignation in the event that UBS MTF Management considers there is an outstanding matter concerning the Member that is subject to an ongoing investigation (in particular pending settlement of any unsettled market positions in respect of Securities).
- (c) Notwithstanding either the resignation by a Member of its membership of UBS MTF or the termination of a Member's membership of UBS MTF by UBS MTF Management, a Member shall continue to be bound by these Rules in respect of all activity on UBS MTF until the latest of:
  - (i) one year after it ceases to be a Member;
  - (ii) the date on which all Relevant Transactions are settled and completed; or
  - (iii) the date on which all outstanding charges, or other sums due relating to activity on UBS MTF have been settled.

## 3. PAYMENTS

### 3.1 Fees and Charges

A Member shall pay to UBS MTF all applicable subscriptions, charges, fees and any other costs including interests on any late payment due pursuant to these Rules, the Membership Agreement or any fee schedule for UBS MTF as notified to all Members from time to time, in the timeframe specified by UBS MTF.

UBS MTF Fee Schedule is published on the UBS MTF website ([www.ubs.com/mtf](http://www.ubs.com/mtf)).

### 3.2 Taxes

- (a) A Member shall be liable for the payment of any applicable taxes, duties or deductions that arise from its trading of a Security on the Matching Engine, including, inter alia, stamp duty reserve tax.
- (b) Each Member is required to determine whether taxes, duties or deductions arise from its trading of a Security on the Matching Engine, and to apply for any exemptions from such taxes, duties or deductions.

### 3.3 PTM Levy

- (a) A Member is liable for the payment of the PTM Levy on behalf of itself or on behalf of its clients in respect of transactions, wherever they take place (including Relevant Transactions on UBS MTF), where the PTM Levy is applicable.
- (b) A Member is required to determine whether the PTM Levy is applicable, and also the rate at which it is payable.

## 4. NOTIFICATIONS AND AMENDMENTS

### 4.1 Notification by Members

- (a) All notifications by a Member under these Rules shall be made as soon as is reasonably practicable to the UBS MTF Management team using the details supplied to the Member upon successful completion of the application process. Where a notification is initially made verbally or via electronic mail there may be a requirement for the notice to be confirmed in writing.
- (b) A Member will notify UBS MTF in writing, or by electronic mail, at least twenty-one (21) calendar days in advance of the proposed effective date of any significant changes to its structure. The types of changes which would be considered relevant would include:
  - (i) a change in control within the meaning given under FSMA;
  - (ii) a change of name;
  - (iii) a change of address;
  - (iv) a change in its legal status;
  - (v) an Insolvency Event;
  - (vi) a material breach of these Rules;
  - (vii) the commencement of any investigation or disciplinary action by the FCA or a Competent Authority relating to the Member's activities on the UBS MTF or which may otherwise be material in the exercise of the Member's obligations under these Rules;
  - (viii) a material adverse change which affects the Member's ability to comply with these Rules;

- (ix) a change which results in the Member being unable to fulfil the Eligibility Criteria or Continuing Obligations; or
- (x) a change in the Member's UBS MTF contacts or the Member's list of authorised persons (as supplied by the Member upon completion of the UBS MTF Member application form).

## 4.2 Amendments

- (a) UBS MTF may implement new Rules, amend existing Rules or revoke Rules in their entirety and will inform Members by an appropriate means, whether it be via letter, email, facsimile, notice on a website or by issuing some other communication (such means being a "**Trading Notice**"). In the event that UBS MTF proposes a material change in the Rules, it may, at its sole discretion, consult with Members for comments.
- (b) Trading Notice shall be given to Members at least ten (10) Business Days prior to the changes taking effect.
- (c) If any modification of the Rules, other than as required by ~~European Community~~UK law, national laws or any Competent Authority, materially adversely affects the rights or obligations of any Member, that Member may terminate its UBS MTF membership by written notice given to UBS MTF within five (5) Business Days from the date of the relevant Trading Notice, it being understood that such request will be handled pursuant to the principles set out in Rules 2.7(b) and (c).

## 5. RESPONSIBILITY OF MEMBERS

### 5.1 Transaction Records

Each Member must retain a record of each Relevant Transaction entered into by it on UBS MTF in accordance with;

- (a) the five (5) year standard required pursuant to MiFID; and
- (b) any further regulatory or legal requirements applicable to the Member.

### 5.2 Misleading acts, conduct, security and prohibited practices

- (a) A Member shall not, in respect of its business on UBS MTF:
  - (i) do or engage in any conduct which is in breach of MAR of the FCA Handbook. This may include but is not limited to:
    - (A) commit any act or engage in any course of conduct which creates, or is likely to create, a false or misleading impression of the market in, or the price or value of, any Security;
    - (B) cause or enter into any artificial transaction;
    - (C) submit an Order with a fictitious quantity or price onto the Matching Engine;
    - (D) effect a pre-arranged transaction that is designed to give the market a false view of supply, demand or pricing of a Security or index; or



- (ii) commit any act or engage in any course of conduct which is likely to damage the fairness or integrity of UBS MTF;
  - (iii) commit any act or engage in any course of conduct which causes, or contributes to, a breach of the Rules by another Member;
  - (iv) do or engage in any conduct in breach of the Rules; or
  - (v) procure, require or encourage another to engage in conduct falling within any of the principles in this Rule 5.2(a).
- (b) A Member shall not commit any act or engage in any course of conduct the sole or main intention of which is to move the price of that Security or the level of any index of which that Security is a component.
- (c) UBS MTF Management may take disciplinary action under Rule 9.5 in relation to a Member's conduct which in the opinion of UBS MTF Management falls or could potentially fall within this Rule 5.
- (d) Each Member shall implement sufficient security procedures to prevent unauthorised use or misuse of the UBS MTF. Such procedures shall include, but are not limited to:
- (i) ensuring that the UBS MTF is only accessible by authorised personnel; and
  - (ii) ensuring that data entries entered by a Member are not altered, lost or destroyed.

## **6. TRADING RULES**

### **6.1 Securities traded on UBS MTF**

- (a) UBS MTF Management will determine in its absolute discretion which Securities are eligible for trading on the UBS MTF Dark Order Book and Periodic Auction Order Book, and eligibility of particular Securities may differ as between Order Books from time to time.
- (b) UBS MTF will publish daily on the UBS MTF website a list of instruments available for trading on the two Order Books.
- (c) Orders must be submitted in the same currency as the currency in which the relevant Security trades on the Most Relevant Market.
- (d) UBS MTF may in its absolute discretion prohibit or suspend any transaction, class of transactions or Security from being traded at any time for any reason on one or other or both Order Books.

### **6.2 Access to UBS MTF**

- (a) A Member is responsible for all obligations and liabilities arising from the entry, deletion and execution of all Orders submitted to the Matching Engine by that Member.
- (b) UBS MTF Management reserves the right to restrict a Member's access to and use of the Matching Engine or a Member's access to a specific Order Book.

- (c) UBS MTF Management reserves the right to delete any Order submitted to the Matching Engine where UBS MTF Management believes it necessary in order to preserve market orderliness.
- (d) Trading sessions shall be limited to ten (10) per Member. Additional sessions will require the express agreement of UBS MTF Management and may incur a fee as specified in the UBS MTF Fee Schedule.
- (e) A Member that permits DEA services onto UBS MTF must:
  - (i) be an entity of the type specified by Rule 5.3.A.9 of MAR;
  - (ii) set and apply criteria for the suitability of persons to whom DEA services are provided;
  - (iii) apply appropriate pre-trade risk controls on DEA orders;
  - (iv) be able to identify and stop Orders by a person using the DEA service;
  - (v) have arrangements in place to suspend or terminate the provision of DEA service in the case of any non-compliance with these Rules;

and in all cases, the Member will retain full responsibility and accountability for any and all Orders and trades submitted to UBS MTF in the context of any DEA service.

### 6.3 Dark Order Book

- (a) The following Rules govern the procedures that relate specifically to the operation of the Dark Order Book.
- (b) All Orders submitted to the Pegged Order Book must be Pegged Orders. When submitting such Orders, Members must specify whether their Pegged Order is an IOC Order or a Day Order;
- (c) Pegged Orders that do not comply with the requirements set out in Rule 6.3(b) will be rejected.
- (d) When submitting a Pegged Order, a Member may also specify:
  - (i) a Limit Price, being the maximum or minimum price at which its Pegged Order will be permitted to match;
  - (ii) that its Pegged Order must not be matched against another Pegged Order unless that other Pegged Order is of a minimum acceptable quantity (“MAQ”);
  - (iii) that its Pegged Order is subject to a No Self-Cross Instruction;
  - (iv) that its Pegged Order must only be executed under the Large in Scale Waiver. In the absence of such an instruction from a Member, UBS MTF Management, in its absolute discretion, will determine whether or not a Pegged Order capable of execution under the Large in Scale Waiver will be so executed.

- (e) Pegged Orders that are not eligible for execution under the Large in Scale Waiver will only be eligible for execution at the mid-price of the Most Relevant Market, when the use of the waiver is not suspended.
- (f) Pegged Orders shall be made and submitted in accordance with such technical specifications as UBS MTF Management may specify from time to time.

#### 6.4 Order Matching in Dark Order Book

- (a) Continuous matching of Pegged Orders will occur in the Dark Order Book during normal trading sessions.

(b) Reference Price or Large in Scale waivers are available in the Dark Order Book but Orders can only execute under one or other waiver, not both.

~~(b)~~(c) Pegged Orders will be matched using the following criteria in order of precedence:

- (i) eligibility to execute under Large In Scale Waiver;
- (ii) price; and
- (iii) time (time priority in the Matching Engine is initially based on the time stamped on a Pegged Order when it arrived in the Matching Engine. When a Member requests amendment of a Pegged Order and the request is accepted, the time priority of the Pegged Order is modified to reflect the time at which the Matching Engine received the cancel/replace request);

~~(e)~~(d) Matching Dark Orders will only execute in the following circumstances:

- (i) Both the Most Relevant Market and EBBO must be unlocked such that:
  - (A) the lowest Most Relevant Market reference bid price is lower than the highest Most Relevant Market reference offer price; and
  - (B) the EBBO Best Bid Price is lower than the EBBO Best Offer Price,
 and
- (ii) The Primary Market reference price must be equal to or better than the relevant EBBO price as follows:
  - (A) Most Relevant Market reference bid price is equal to or greater than the EBBO Best Bid Price;
  - (B) Most Relevant Market reference offer price is equal to or lower than the EBBO Best Offer Price; and
- (iii) In the case of Matching Dark Orders originating from the same Member, at least one of the Orders is not the subject of a No Self-Cross Instruction.

~~(d)~~(e) UBS MTF will only match Pegged Orders in the Dark Order Book whilst the Most Relevant Market is operating under continuous trading conditions.

## 6.5 Dark Order Book hours of operation

- (a) The Dark Order Book will be operational every day that the Most Relevant Market is open in respect of the relevant Security unless Members are notified to the contrary by UBS MTF Management.
- (b) The hours of operation of the Dark Order Book will be as decided by UBS MTF Management and communicated to Members.

## 6.6 Periodic Auction Order Book

- (a) The following section governs the procedures that relate specifically to the operation of the Periodic Auction Order Book.
- (b) All Orders submitted to the PAOB must be PAOB Orders and be specified as either a Day Order or a GFA Order.

(c) **MiFID pre-trade transparency waivers do not apply.**

~~(e)~~(d) When submitting a PAOB Order, a Member may specify:

- (i) that a PAOB Order is subject to a No Self-Cross Instruction;
- (ii) that its PAOB Order must not be matched against another PAOB Order unless that other PAOB Order is of a MAQ;
- (iii) a Limit Price.

~~(d)~~(e) PAOB Order amendment and cancellation:

- (i) Members may cancel or amend the quantity and the Limit Price of any Day Order submitted to the PAOB at any time, including when such Day Order is participating in an Auction, subject to the conditions set out with this Rule 6.6 and Rule 6.7.
- (ii) a GFA Order may only be cancelled or amended prior to the start of an Auction as no cancellations or amendments are permitted during an Auction.

~~(e)~~(f) A PAOB Buy Order with a Limit Price will only participate in an Auction if the Limit Price is below the Mid-Price and a PAOB Sell Order with a Limit Price will only participate in an Auction if the Limit Price is above the Mid-Price.

## 6.7 Periodic Auction Functionality

- (a) Auction commencement, duration and cancellation:
  - (i) As soon as a PAOB Buy Order and a PAOB Sell Order match ("**Matching PAOB Orders**"), an Auction begins (each an "**Auction**") unless the Matching PAOB Orders originate from the same Member and at least one of those Matching PAOB Orders is the subject of a No Self-Cross Instruction;
  - (ii) Where a Member has specified a MAQ in respect of a PAOB Order, that PAOB Order will only trigger an Auction if the size of an opposing PAOB Buy Order or PAOB Sell Order (as relevant) is at least equal to the MAQ and where that opposing PAOB Order does not itself have an MAQ of greater size;

- (iii) PAOB Orders will participate in the first available relevant Auction, which will include an Auction that is live at the time of submission or, if there is no Auction on-going at that time, the next relevant Auction;
  - (iv) In the event that a Member amends the Limit Price of a Day Order during an Auction in which that Day Order is participating, that Day Order will continue to participate in that Auction as if the modification to its Limit Price had not been made unless:
    - (A) the revised Limit Price is below the Auction Price in the case of a PAOB Buy Order, or
    - (B) above the Auction Price in the case of PAOB Sell Order,both such cases being referred to as a “**Passive Price Amendment**”.
  - (v) In the event a Day Order is cancelled or subject to a Passive Price Amendment during an Auction in which it is participating, then:
    - (A) that Day Order will cease to participate in that Auction (but in the case of a Passive Price Amendment, will be eligible for subsequent Auctions with the revised Limit Price); and
    - (B) the Auction will be a Void Auction unless Matching PAOB Orders remain within the Auction absent the excluded Day Order.
  - (vi) The duration of each Auction will be between:
    - (A) 50 milliseconds and 75ms for Liquid Shares and exchange traded funds; and
    - (B) 100ms and 150ms for all other Securities, withthe precise duration between these times determined on a randomised basis by UBS MTF in its absolute discretion.
  - (vii) During normal trading hours of the Most Relevant Market, there will be no Auctions in the relevant Security unless that market is operating under continuous trading conditions.
  - (viii) A Void Auction is an Auction that is cancelled for one of the reasons prescribed in this Rule 6.7. In the event of a Void Auction, any prior matching of PAOB Orders within the Auction will be cancelled and all PAOB Orders participating in that Auction, other than any that have been cancelled, will be reinstated into the PAOB Order Book and be eligible for any relevant on-going or subsequent Auctions.
- (b) The Auction Price will be fixed at the point in time that Auction commences in accordance with the following criteria:
- (i) the price will be fixed at the mid-point of the Matching PAOB Orders; or
  - (ii) if there are two or more PAOB Buy Orders that match the first PAOB Selling Order, or two or more PAOB Selling Orders that match the first PAOB Buy Order, the price will be fixed at the mid-point of the Highest Buy Order and Lowest Sell Order.

- (iii) The Auction Price will be at either full or half tick sizes while all Limit Orders must be submitted at full tick size.
- (iv) The Auction Price shall be unaffected by any change in the Limit Price of any participating Day Orders.
- (c) At the close of an Auction the Matching PAOB Orders will be allocated as between relevant participating Members in the following order of priority (and regardless of any MAQ that may have been specified):
  - (i) Matching Member Orders will have priority; then
  - (ii) To the extent that:
    - I. there are no Matching Member Orders,
    - II. two or more pairs of Matching Member Orders, or
    - III. liquidity remains for execution after any Matching Member Orders have been executed,then the Matching PAOB Orders will execute in descending order of the size of the relevant Limit Buy Order or Limit Sell Order submitted (each a "**Largest Matching Order**"); then
  - (iii) To the extent that there remains liquidity after any Matching Member Orders and / or Largest Matching Orders, or where two or more Largest Matching Orders are of equal size, then those Largest Matching Orders will be prioritised in accordance with the time in which they were submitted (as represented by the time stamped on the Limit Order when submitted to the Matching Engine).
  - (iv) Matching PAOB Orders will only execute at the end of an Auction if the Auction Price remains within the EBBO prevailing at the end of the Auction;

## 6.8 Periodic Auction Order Book hours of operation

UBS MTF will continue to operate the Periodic Auction Order Book on Business Days from the time the Most Relevant Market opens until MTF Close, (on condition that the Most Relevant Market is operating under continuous trading conditions), or such other time as UBS MTF Management may communicate to Members.

## 6.9 Entry and deletion of Orders submitted to the Order Books

- (a) A Member may only submit, amend, or delete Orders from the Matching Engine during the times specified by UBS MTF and subject to the requirements and restrictions as specified in these Rules.
- (b) A Member shall not submit Orders or amend Orders on the Matching Engine in a Security which is subject to a regulatory suspension. Orders which are unmatched in UBS MTF in such a Security may be deleted from the Matching Engine.

## 6.10 Order management and record-keeping

- (a) All Orders entered onto the Matching Engine will be treated by UBS **AGLBMTF** as firm and available for execution and therefore, when executed, will be binding on the Member placing the Order (unless otherwise provided in these Rules) even if the Order was placed on behalf of a third party.
- (b) When an Order is matched on UBS MTF in accordance with these Rules, it will create a binding contract on the Member placing the Order (unless otherwise provided for in these Rules).
- (c) A Member that submits or routes Orders to the Matching Engine shall, at all times, have sufficient order management systems, procedures and controls designed to prevent the entry of Erroneous Orders to the Matching Engine.
- (d) A Member that submits an Order to the Matching Engine shall, at all times, meet the MiFIR order record keeping requirements as specified by UBS MTF in the MiFID II Identifier Management specification and provide the required information on each individual Order.

## 6.11 Extended best bid and offer price check

- (a) UBS MTF will maintain a European best bid and offer price ("**EBBO**"), which shall comprise the highest available bid price ("**EBBO Best Bid Price**") and the lowest available offer price ("**EBBO Best Offer Price**") across a range of relevant markets for each Security, and aggregated using UBS MTF's market data infrastructure.
- (b) For each reference market used by UBS MTF for these purposes, the Trading Venues contributing to the EBBO will comprise the Most Relevant Market where the relevant share is admitted to trading together with a maximum of three other pan-European Trading Venues selected by UBS MTF. Where no Trading Venues other than the Most Relevant Market are available, the EBBO shall comprise the Most Relevant Market reference price.
- (c) UBS MTF will select contributing Trading Venues in its absolute discretion, taking account of those venues' European equities market share. UBS MTF reserves the right to remove a Trading Venue from the calculation of the EBBO at any time, if;
  - (i) the Trading Venue ceases to operate entirely; or
  - (ii) the technology platform of the Trading Venue ceases to meet with UBS MTF Management's ongoing suitability criteria including, but not limited to resilience and latency issues, ownership and membership structure, price and execution performance.
- (d) A list of the current Trading Venues which contribute to the EBBO are published on the UBS MTF website (<https://www.ubs.com/mtf>) and updated from time to time.
- (e) UBS MTF may remove a market, temporarily or permanently, from the EBBO calculation if:
  - (i) UBS MTF Management determines a system problem has occurred or is likely to occur; or

- (ii) it is requested to do so by the FCA ~~or other Competent Authority~~; or
- (iii) it considers in its sole discretion that there has been or is likely to be a threat to the stability of fair and orderly markets by trading a Security; or
- (iv) the Most Relevant Market of the Security has suspended or cancelled trading of the relevant Security; or
- (v) UBS MTF Management, in its absolute discretion, considers it appropriate to do so.

#### 6.12 Suspension of automatic execution

- (a) UBS MTF Management may suspend the automatic execution of Orders on the Matching Engine in one or more Securities and in one or other or both Order Books if:
  - (i) UBS MTF Management determines a system problem has occurred or is likely to occur; or
  - (ii) it is requested to do so by the FCA ~~or a Competent Authority~~; or
  - (iii) it considers in its sole discretion that there has been or is likely to be a threat to the stability of fair and orderly markets by trading a Security; or
  - (iv) the Most Relevant Market of the Security has suspended or cancelled trading of the relevant Security; or
  - (v) UBS MTF Management, in its absolute discretion, considers it appropriate to do so; or
  - (vi) UBS MTF Management, in its absolute discretion, considers that a Member has failed, or is likely to fail, to comply with its obligations under Rule 5.
- (b) UBS MTF Management may suspend trading under a specific waiver at its sole discretion or if requested to do so by the FCA. These suspensions may occur during trading hours and UBS MTF will inform Members via Market Notice in such circumstances.

#### 6.13 Cancellation of Relevant Transactions

- (a) UBS MTF Management has discretion to cancel a Relevant Transaction in whatever circumstances it considers appropriate, including but not limited to circumstances where UBS MTF Management decides that a Relevant Transaction is an Erroneous Trade.
- (b) If an Order appears to be an Erroneous Trade in the opinion of UBS MTF Management, UBS MTF Management may contact the relevant Member to verify the validity of the Order (but shall be under no obligation to do so).
- (c) When considering whether to cancel an Order or a Relevant Transaction, UBS MTF Management will take into account:
  - (i) the size of the Order or the Relevant Transaction; and
  - (ii) the price of the Order or the Relevant Transaction.



## 6.14 Order to Trade Ratio

- (a) Members must ensure that their ratio of Orders to transactions remains at all times within parameters published from time to time on UBS MTF website (<https://www.ubs.com/mtf>).
- (b) UBS MTF will publish four maximum ratios of unexecuted order to transactions (two each in respect of the Dark Order Book and the Periodic Auction Order Book) as defined under MiFID on the UBS MTF website and Members are required not to exceed the maximum ratio of unexecuted orders to transactions calculated by UBS MTF.

## 7. CLEARING AND SETTLEMENT

### *Relevant Internalised Transactions*

- 7.1 Members may specify, by informing UBS MTF Management, that any Relevant Transactions that constitute Matching Member Orders should not be sent to CCPs for clearing (each a “**Relevant Internalised Transaction**”).
- 7.2 Once implemented by UBS MTF, upon the occurrence of any Matching Member Orders thereafter, the execution message will be transmitted to the Member by UBS MTF which will identify the relevant executions that have not been communicated to a CCP.
- 7.3 Members may cancel this functionality and revert to CCP clearing by informing UBS MTF Management accordingly. Such instructions, once given and implemented by UBS MTF, will be applicable to all Matching Member Orders submitted thereafter, regardless of Order type or Order Book, if and until the Member notifies UBS MTF Management to the contrary. Instructions will not be accepted on an Order by Order basis.
- 7.4 Members shall be entirely responsible for ensuring that such arrangements are compatible with their arrangements with their CCP.

### *Relevant Cleared Transactions*

- 7.5 The relevant CCP will administer the clearing and settlement of all Relevant Cleared Transactions on UBS MTF and the relevant CCP’s rules will govern such clearing and settlement in addition to these Rules.
- 7.6 A Member must comply with the rules and procedures of the relevant CCP in respect of the clearing and settlement of the Relevant Cleared Transactions. Where the rules and procedures of the CCP with respect to clearing and settlement conflict with this Rule 7, the rules and procedures of the relevant CCP shall take precedence.
- 7.7 Members shall have the following obligations in respect of:
  - (a) All Relevant Transactions:
    - (i) Where a Member is acting as agent for another person, and failure to deliver Securities and/or cash is the fault of another person, that Member will be bound as principal with the counterparty to the Relevant Transaction.
    - (ii) A Member must settle a Relevant Transaction on the standard settlement cycle and in the standard place for settlement for the relevant Security.

- (b) All Relevant Cleared Transactions only:
  - (i) A Member must be a clearing member of a central counterparty approved by UBS MTF Management or have made satisfactory arrangements with an entity that is.
  - (ii) A Member shall ensure that Securities and/or cash delivered in settlement of a Relevant Transaction are free of any lien, charge or encumbrance.
  - (iii) In case of settlement default by a Member, or its client, with regard to a Relevant Transaction, the rules and procedures of the relevant CCP shall be applied.
  - (iv) UBS MTF may postpone or extend a settlement period for all transactions or for transactions in specified Securities affected on a given day, indefinitely or for a specified period.

## 7.8 Corporate Actions

- (a) A Member shall treat a Security as being 'ex' a benefit from the time that security is marked 'ex' that benefit on the Most Relevant Market.
- (b) UBS MTF takes no responsibility for marking a Security as 'ex' or 'cum' a benefit on the UBS MTF. The responsibility for accurately pricing a Security undergoing a corporate action is solely with the Member.

## 8. DEFAULT

8.1 If at any time a Member suffers an Event of Default, UBS MTF may take action in its sole discretion as it deems appropriate. Such actions may include but shall not be limited to the following:

- (a) to cancel some or all Orders or Relevant Transactions;
- (b) to suspend the Member's participation on UBS MTF;
- (C) to treat any or all Orders or Relevant Transactions then outstanding as having been repudiated by the Member, in which case UBS MTF's obligations under such Orders and / or Relevant Transactions shall be cancelled and terminated.

8.2 UBS MTF is not responsible for and shall not be liable for the default of any Member in respect of any Relevant Transaction. Relevant Transactions undertaken on the Matching Engine are not subject to any compensation scheme.

## 9. INFORMATION, MONITORING AND INVESTIGATION

### 9.1 Monitoring

- (a) UBS MTF Management will have systems in place to monitor compliance with the Rules, disorderly trading conditions and conduct that may amount to market abuse.
- (b) UBS MTF Management will report to the FCA any material breaches of the Rules, disorderly trading conditions and any conduct that may involve market abuse, will supply information to the FCA as required and will assist the FCA and, subject to the provisions of this Rulebook, any other Competent Authority or relevant supervisory or investigative public body, in any investigation of market abuse.

## 9.2 Information

- (a) Each Member is required to notify UBS MTF Management immediately it becomes aware of a significant contravention by itself, or any other Member, of these Rules.
- (b) UBS MTF Management may require the immediate provision by a Member of accurate information about its Order or Relevant Transactions in a format, electronic or otherwise, as specified by UBS MTF.
- (c) UBS MTF Management may require the immediate production of documents relating to UBS MTF in the Member's possession, custody, power or control.
- (d) Notwithstanding Rule 2.5, UBS MTF Management may disclose any information or documents for the purpose of enabling it to institute, continue, or defend any proceedings, including any court proceedings.
- (e) UBS MTF may keep information or documents which come into its possession under these Rules for such period as it considers appropriate.

## 9.3 Investigation

- (a) Once UBS MTF Management has determined in its absolute discretion that a Rule breach has occurred (whether such Rule breach is detected by UBS MTF Management or reported by a Member), UBS MTF Management will consider all the circumstances of the case in order to determine whether to invoke sanctions under Rule 9.5. In considering whether to impose such sanctions, UBS MTF Management will have regard to the following factors:
  - (i) The nature and seriousness of the breach:
    - (A) whether the Rule breached is of high importance to the running of an orderly market;
    - (B) whether the breach was deliberate or reckless and/or whether the Member acted with a lack of integrity in the course of the breach or the subsequent investigation;
    - (C) the market impact of the breach on the orderliness of the market, including whether the integrity of UBS MTF is damaged and whether proper standards of market conduct were disregarded;
    - (D) the duration and/or frequency of the breach;
    - (E) the amount of any benefit gained or loss avoided as a result of the breach;
    - (F) whether the breach reveals systemic weakness in the Member's internal systems and controls relating to the Member's participation and trading on UBS MTF;
    - (G) whether there are a number of small issues, which individually may not justify sanctions, but which do so when taken collectively.
  - (ii) The conduct of the Member before and after the breach:

- (A) If the breach was not identified by UBS MTF Management, how quickly, effectively and completely the Member brought the breach to the attention of UBS MTF Management;
  - (B) The degree of cooperation the Member showed during the investigation of the breach;
  - (C) any remedial action taken by the Member since the Rule breach was identified (including taking disciplinary action against employees, agents or customers involved; addressing any systemic failures; and taking action designed to ensure that similar issues did not arise in the future); and
  - (D) the likelihood that the same type of Rule breach will recur if no action is taken.
- (iii) The previous compliance record of the Member:
- (A) Whether UBS MTF Management has previously requested the Member take remedial action to rectify the same or similar issue;
  - (B) Whether the Member has previously given undertakings to UBS MTF Management that similar issues have been resolved and a particular behaviour has ceased;
  - (C) Whether UBS MTF Management has previously invoked sanctions against the Member for the breach in question; and
  - (D) The general compliance history of the Member.
- (iv) Action taken by UBS MTF Management in previous similar cases:

UBS MTF Management will take account of the action it has taken previously in the same or related cases and will record any investigations on the Member's compliance record.

#### 9.4 Assistance

Members will provide all reasonable assistance requested by UBS MTF Management and its delegates, to UBS MTF Management's satisfaction. This assistance shall be provided within the timeframes specified and shall include, without limitation, the submission of information, access to information, premises and individuals reasonably within the control of the Member regarding:

- (a) the provision of all information (including responding to questionnaires) and documents requested by UBS MTF Management; and
- (b) investigations by UBS MTF Management of a Member's compliance with these Rules.

#### 9.5 Sanctions

In the interests of maintaining a fair and orderly market, UBS MTF Management will have absolute discretion in using any/all of the following sanctions for breach of the Rules in relation to a Member or a former Member who is still bound by the Rules in accordance with Rule 2.7 and will notify a Member of any decision to apply any such sanction:

- (i) written warning;
- (ii) temporary suspension;
- (iii) publication of details of the offender and rule infringement;
- (iv) levying a fine or additional charges;
- (v) issuing a cease and desist order;
- (vi) termination of participation.

## 9.6 Complaints

- (a) Any complaint about the conduct of a Member or suspicion that any of the foregoing has committed or is about to commit a breach of these Rules, shall be made in writing, where possible, and be addressed to UBS MTF.
- (b) If UBS MTF considers the complaint to have merit and that it may constitute a breach of these Rules he or she may recommend to UBS MTF Supervisor that it commence an investigation into the potential breach of the Rules. UBS MTF Management may give notice to a Member of the results of any such investigation which may include notice of a sanction pursuant to Rule 9.5.

## 9.7 Waiver

UBS MTF Management may, at its discretion, waive the enforcement of these Rules but any waiver shall not prevent or restrict UBS MTF Management from taking action to enforce these Rules whether in respect of any other infringement of them (even if related) or against any other Member in relation to the same breach.

## 10. PRE- AND POST TRADE TRANSPARENCY

- (a) In respect of:
  - (i) the Dark Order Book, UBS MTF Management will ensure that, in accordance with the principles in MAR 5.7, UBS MTF will not make public the current bid and / or offer prices, or the depth of trading interests at those prices in any circumstances.
  - (ii) the Period Auction Order Book, the indicative Auction volume and the Auction Price will be published in accordance with the requirements under the Commission Delegated Regulation (EU) 2017/587 (RTS 1).
- (b) UBS MTF Management will ensure that all Relevant Information for each Relevant Transaction is published immediately on the conclusion of such Relevant Transaction regardless of the transaction size. This will constitute a trade report for the purposes of the FCA Rules.
- (c) Members must not submit trade reports for the Relevant Transactions concluded on UBS MTF elsewhere in satisfaction of any trade reporting requirement imposed by [MiFID, UK regulations](#) other than Non-TR Members ~~in a Brexit Scenario~~.

**11. GOVERNING LAW**

These Rules are governed by, and shall be construed in accordance with, the laws of England and Wales.

**UBS MTF Limited****RULEBOOK FOR THE UBS MULTILATERAL TRADING FACILITY**

Effective as of 1 April 2021

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UBS MTF is operated by UBS MTF Limited, a UK incorporated firm which is authorised and regulated by the UK Financial Conduct Authority with Firm reference number 122627 and registered company number 2140296. The principal office of UK establishment is 5 Broadgate London EC2M 2QS. UBS MTF Limited is a wholly owned subsidiary of UBS AG. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

UBS AG is a public company incorporated with limited liability in Switzerland domiciled in the Canton of Basel-City and the Canton of Zurich respectively registered at the Commercial Registry offices in those Cantons with Identification No: CHE-101.329.561 as from 18 December 2013 and having respective head offices at Aeschenvorstadt 1, 4051 Basel and Bahnhofstrasse 45, 8001 Zurich, Switzerland and is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. Registered in the United Kingdom as a foreign company with No: FC021146 and having a UK Establishment registered at Companies House, Cardiff, with No: BR 004507.

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## 1. INTERPRETATION AND DEFINITIONS

### 1.1 Interpretation

- (a) References to times shall mean those times in London unless stated otherwise.
- (b) References to days are to Business Days unless stated otherwise.
- (c) To the extent that there is any conflict between this UBS MTF Rulebook and any other document relating to the UBS MTF, the former shall prevail.
- (d) References to any EU regulation herein should be read as references to such requirements as they have been applied in the UK since 1 January 2021 and as may be amended from time to time.

### 1.2 Definitions

In this UBS MTF Rulebook:

<b>Applicant</b>	means a person applying to become a Member in accordance with Rule 2;
<b>Auction</b>	Has the meaning set out in Rule 6.7;
<b>Auction Price</b>	means the price at which Matching PAOB Orders will execute in accordance with Rule 6.7;
<b>Business Day</b>	means the days that banks are usually open for business in London, being all days except Saturdays, Sundays and UK national holidays;
<b>CCP</b>	means SIX x-clear, EuroCCP, LCH Clearnet Ltd and such other central counterparty as may be appointed by UBS MTF from time to time;
<b>Competent Authority</b>	means the home state regulatory authority of the Member;
<b>Continuing Obligations</b>	means Members' on-going obligations as specified in Rule 2.3;
<b>Dark Order Book</b>	means the UBS MTF order book that operates under the Reference Price Waiver and Large in Scale Waiver;
<b>Day Order</b>	means an Order which will be available for matching on the relevant Order Book of UBS MTF on the Business Day on which it is submitted; the Order or any unmatched portions thereof remaining at the end of that Business Day will be cancelled automatically;
<b>DEA</b>	means direct electronic access as defined in MiFID;

<b>EBBO</b>	means the EBBO Best Bid Price and EBBO Best Offer Price;
<b>EBBO Best Bid Price</b>	has the meaning set out in Rule 6.11(a);
<b>EBBO Best Offer Price</b>	has the meaning set out in Rule 6.11(a);
<b>Eligibility Criteria</b>	means the criteria for eligibility for participation on UBS MTF set out in Rule 2.2;
<b>Erroneous Order</b>	means an Order submitted to UBS MTF in error either as to price, quantity, currency, side or symbol;
<b>Erroneous Trade</b>	means Erroneous Order that takes place on UBS MTF;
<b>Event of Default</b>	means in relation to a Member: <ul style="list-style-type: none"><li>(a) failure by that Member to comply with any obligation in accordance with the Rules;</li><li>(b) a misrepresentation made by that Member;</li><li>(c) the repudiation or rejection, in whole or in part, of a Relevant Transaction by that Member;</li><li>(d) a breach of the terms of the UBS MTF Membership Agreement; or</li><li>(e) an Insolvency Event;</li></ul>
<b>FCA</b>	means the UK Financial Conduct Authority;
<b>FCA Rules</b>	means the FCA's Handbook of Rules and Guidance as amended from time to time;
<b>FSMA</b>	means the Financial Services and Markets Act 2000 of the United Kingdom as amended from time to time;
<b>Good For Auction Order</b> or <b>GFA Order</b>	means a PAOB Order that expires at the end of the first Auction it participates in;
<b>Identifier Management</b>	means the technical specification published by UBS MTF on how to submit client, trader and algo identifiers;
<b>Highest Buy Order</b>	means the PAOB Buy Order with the Highest Price;
<b>Highest Price</b>	means the overall highest price as between the Limit Prices of any participating Limit Orders, and/or the Mid-Price in the event of any participating Pegged Orders;
<b>Insolvency Event</b>	means any of the following: <ul style="list-style-type: none"><li>(a) a Member is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors</li></ul>

with a view to rescheduling any of its indebtedness;

- (b) the value of the assets of a Member is less than its liabilities;  
or
- (c) a moratorium is declared in respect of any indebtedness of a Member;

<b>IOC Order</b>	means a Pegged Order submitted to the Dark Order Book which is “immediate or cancel”, i.e. which requires that (a) all or part of the order be executed immediately after submission to the UBS MTF, and (b) any portions not executed immediately will be cancelled automatically;
<b>Large In Scale Waiver</b>	means a pre-trade transparency waiver granted to UBS MTF pursuant to MAR 5.7 for orders which are large in scale compared with normal market size as defined in MiFID;
<b>Largest Matching Order</b>	has the meaning set out in Rule 6.7(c)(ii);
<b>Limit Order</b>	means an order submitted to the Periodic Auction Order Book specifying a Limit Price and volume;
<b>Limit Price</b>	means the maximum price to buy or minimum price to sell a Security and, in respect of Limit Orders only, must be in tick size;
<b>Liquid Shares</b>	means the shares admitted to trading on a Trading Venue as published by the European Securities and Markets Authority, or UK authorities, as appropriate, identified as Liquid Shares from time to time;
<b>Lowest Price</b>	means the overall lowest price as between the Limit Prices of any participating Limit Orders, and/or the Mid-Price in the event of any participating Pegged Orders;
<b>Lowest Sell Order</b>	means the PAOB Sell Order with the Lowest Price;
<b>MAQ</b>	means where a Member has specified a minimum acceptable quantity in respect of a specific Order;
<b>MAR</b>	means the Market Conduct sourcebook of the FCA Rules as amended or replaced from time to time;
<b>Market Notice</b>	means a notice issued, published or disseminated by UBS MTF to inform Members of operational changes or events impacting trading on UBS MTF;
<b>Matching Dark Orders</b>	means Pegged Orders that match in the Dark Order Book in accordance with Rule 6.4;
<b>Matching Engine</b>	means the systems for the acceptance and matching of Orders and the execution of trades on the Order Books operated by UBS

	MTF;
<b>Matching Member Order</b>	means Matching Orders between the same Member in an Order Book;
<b>Matching Orders</b>	means Matching PAOB Orders and/or Matching Dark Orders;
<b>Matching PAOB Orders</b>	means PAOB Buy Orders and PAOB Sell Orders that match in accordance with Rule 6.7;
<b>Member</b>	means a Member of UBS MTF admitted in accordance with Rule 2 who is able to submit Orders to the Matching Engine and whose admission has not been terminated;
<b>Membership Agreement</b>	means the agreement entered into between a Member and UBS MTF Limited regarding membership of UBS MTF;
<b>Mid-Price</b>	means the mid-price of the best bid and best offer prices for the relevant Security on the Most Relevant Market as published by UBS MTF;
<b>MiFID</b>	means the Markets in Financial Instruments Directive (Directive 2014/65/EC of the European Parliament and Council), together with associated Regulatory Technical Standards, as amended or replaced from time to time;
<b>MiFIR</b>	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, together with associated Regulatory Technical Standards, as amended or replaced from time to time;
<b>Most Relevant Market</b>	means the most relevant market in terms of liquidity for any given Security for the purposes of MiFIR in respect of EEA Securities, and the primary market, as determined by UBS MTF, in respect of all other Securities;
<b>MTF Close</b>	means 16.30 UK time;
<b>MTF User Guide</b>	means the guide given to Members upon commencement of their membership (as amended from time to time) providing, amongst other things, guidance regarding trading on UBS MTF;
<b>Non-TR Members</b>	means any Non-UK Member;
<b>Non-UK Member</b>	means any Member whose access to UBS MTF is other than through a place of business in the UK that has responsibility for reporting transactions on UBS MTF to the FCA or other relevant competent authority in the UK;

<b>No Self-Cross Instruction</b>	means an instruction from a Member in respect of any Order that that Order shall not match against another Order from the same Member;
<b>Order</b>	means a Limit Order or a Pegged Order;
<b>Order Book</b>	means the Dark Order Book and / or the Periodic Auction Order Book;
<b>Passive Price Amendment</b>	has the meaning set out in Rule 6.7(iv);
<b>Pegged Order</b>	means an instruction submitted to either Order Book to buy or sell Securities which will peg to the Mid-Price;
<b>Periodic Auction Order Book or PAOB</b>	means the UBS MTF order book that matches Pegged Orders and/or Limit Orders on the basis of a periodic auction at a price determined by the UBS MTF Matching Engine in accordance with the Rules;
<b>PAOB Buy Order</b>	means a PAOB Order to buy a Security;
<b>PAOB Order</b>	means a Pegged Order or Limit Order submitted to the Periodic Auction Order Book;
<b>PAOB Sell Order</b>	means a PAOB Order to sell a Security;
<b>PTM Levy</b>	means the levy determined by and payable to the UK Panel on Takeovers and Mergers;
<b>Reference Price Waiver</b>	means a pre-trade transparency waiver granted to UBS MTF pursuant to MAR 5.7 for matching at the mid-point of the Most Relevant Market;
<b>Relevant Cleared Transaction</b>	means any Relevant Transaction which is not a Relevant Internalised Transaction;
<b>Relevant Information</b>	means the details as prescribed in MAR as amended or replaced from time to time;
<b>Relevant Internalised Transaction</b>	means a Relevant Transaction as prescribed in Rule 7.1;
<b>Relevant Transaction</b>	means a transaction that takes place on UBS MTF;
<b>Rules</b>	means this UBS MTF Rulebook, the Membership Agreement, the MTF User Guide, any Trading Notices, and any amendments thereto;
<b>Security</b>	means a security eligible for trading on UBS MTF in accordance with Rule 6;
<b>Trading Notice</b>	means a notice issued published or disseminated by UBS MTF to Members pursuant to Rule 4.2(a) from time to time;

<b>Trading Venue</b>	means a regulated market or multilateral trading facility, as defined in MiFID;
<b>Transaction Report</b>	means a report provided to the UK competent authority;
<b>Transaction Reporting Fields</b>	means certain fields contained in the annex to Commission Delegated Regulation (EU) 2017/590 that UBS MTF requires for the purpose of meeting its transaction reporting obligation;
<b>UBS Group</b>	means UBS AG and any subsidiary or associated company of UBS AG;
<b>UBS MTF Management</b>	means the management team of UBS MTF. Contact details: <a href="mailto:ubs_mtf@ubs.com">ubs_mtf@ubs.com</a> ; +44 20 7568 9557;
<b>UBS MTF</b>	means the Multilateral Trading Facility operated by UBS MTFL, which is authorised and regulated by the FCA;
<b>UBS MTF Fee Schedule</b>	Means a schedule of fees covering participation on UBS MTF as published by UBS MTF from time to time;
<b>UBS MTFL</b>	Means UBS MTF Limited a UK incorporated firm which is authorised and regulated by the UK Financial Conduct Authority with Firm reference number 122627 and registered company number 2140296. The principal office of UK establishment is 5 Broadgate London EC2M 2QS; and
<b>Void Auction</b>	has the meaning set out in Rule 6.7(a)(viii).

## 2. PARTICIPATION

### 2.1 Authorisation and Admission

- (a) Applicants wishing to become Members are required to:
  - (i) complete and sign the UBS MTF Member application form;
  - (ii) sign the Membership Agreement; and
  - (iii) provide such other additional information as UBS MTF may require.
- (b) Upon satisfactory fulfilment of this Rule 2.1 and the eligibility criteria in Rule 2.2 below, the prospective Member's participation on UBS MTF as a Member shall become effective on such date and at such time as UBS MTF shall specify.

### 2.2 Eligibility

- (a) Applicants are eligible to apply to participate on UBS MTF provided that they meet the Eligibility Criteria set out in Rule 2.2.(b) below.

- (b) The Applicant must satisfy each of the following conditions to UBS MTF Management's satisfaction:
- (i) be a UK regulated investment firm or credit institution (as defined under MiFID) or an equivalent EU, Swiss or US incorporated firm;
  - (ii) satisfy capital adequacy and financial resources requirements (the levels of financial resources required by any or all Members may vary for each Member);
  - (iii) be fit and proper;
  - (iv) have financial, business or personal standing suitable to enter into Relevant Transactions;
  - (v) satisfy UBS MTF Management as to the Applicant's arrangement for clearing and settlement;
  - (vi) have sufficient level of trading ability and competence;
  - (vii) have adequate execution, order management and settlement systems in place;
  - (viii) in the case of Non-TR Members, satisfy UBS MTF Management that they have the capability to provide UBS MTF with all the relevant information for Transaction Reporting Fields and comply with relevant requirements; and
  - (ix) be able to satisfy the general organisational and technical requirements for participation in UBS MTF.

### 2.3 Members' Continuing Obligations

- (a) Members must have and maintain adequate internal procedures and controls to prevent the submission of Erroneous Orders to UBS MTF and to ensure their continuing compliance with the Rules.
- (b) Prior to the introduction of a new algorithm or changes to an existing algorithm that will be or is used to interact with UBS MTF, Members must undertake appropriate conformance testing in order to verify that the trading systems of the Member communicate and interact properly with the trading system of UBS MTF and that market data are processed correctly. Members must ensure that those algorithms do not impact the overall fair and orderly functioning of UBS MTF.
- (c) Members shall be bound by these Rules (including any amendments, Trading Notices or Market Notices), and supplementary documentation issued by UBS MTF and by any direction or decision of UBS MTF relating to a Member's trading activity on UBS MTF.
- (d) Members must have and maintain adequate execution, voice recording, order management and settlement systems in place.
- (e) Members must ensure that any persons, whether staff or clients, who submit Orders to UBS MTF through the Member are sufficiently trained, are adequately supervised, and have adequate experience, knowledge and competency to abide by and comply with the Rules.

- (f) UBS MTF may rely on any instructions, commitments, notices or requests or other communications in any form which purport to have been made and which it reasonably accepts in good faith as having been made by the Member or on the Member's behalf without further enquiry as to the genuineness, authority or identity of the person giving or purporting to give such instruction. The Member will be bound by any contracts or obligations and will be liable to indemnify UBS MTF in full for any loss or expenses entered into or incurred by UBS MTF, whether or not on behalf of the Member, in consequence of, or in connection with any such communication.
- (g) Each Member shall, at all times, have one or more persons, who must be identified to UBS MTF, who are competent to advise the relevant Member on the application of these Rules.
- (h) Non-TR Members must provide UBS MTF with the required Transaction Reporting Fields for their trades in the format and within the timescale prescribed by UBS MTF and all information which may be required by UBS MTF in order to allow UBS MTF to comply with its reporting obligations.
- (i) Non-TR Members shall have appropriate controls in place to ensure that the required Transaction Reporting Fields are accurately populated. In the event a non-TR Member discovers one or more required Transaction Reporting Fields have been inaccurately or incompletely populated, the Member must report this to UBS MTF immediately and must provide all necessary support to rectify such errors.
- (j) Each Member must continue to meet the Eligibility Criteria at all times whilst they continue to be a Member.
- (k) Members will co-operate with UBS MTF and the FCA (or any other Competent Authority) in any investigation conducted in relation to trading on UBS MTF.

#### 2.4 Suspension or termination of a Member

- (a) If, at any time, a Member:
  - (i) does not comply with the Rules or breaches the Membership Agreement; or
  - (ii) suffers an Insolvency Event; or
  - (iii) does not enter any Orders into the Matching Engine for a period of six (6) months or more; or
  - (iv) is a subject of an intervention order or regulatory investigation by the FCA or any other Competent Authority; or
  - (v) fails to meet or ceases to meet the Eligibility Criteria or Continuing Obligations;
  - (vi) interacts with UBS MTF in a manner that UBS MTF Management deems in its sole discretion, to be inconsistent with the operation and maintenance of a fair and orderly market,

UBS MTF Management may, in respect of one or other or both Order Books, in its absolute discretion, suspend, restrict or terminate that Member's access to the Matching Engine or the business conducted by the Member on the Matching Engine.



- (b) UBS MTF Management will suspend, restrict or terminate that Member's access to the Matching Engine or the business conducted by the Member on the Matching Engine if requested to do so by the FCA.
- (c) UBS MTF Management may terminate a Member's access to the Matching Engine permanently upon at least three (3) calendar months' written notice.
- (d) The Member will be notified in writing of any action taken, proposed to be taken, by UBS MTF Management in accordance with this Rule.

## 2.5 Confidentiality

- (a) UBS MTF Management will treat as confidential any information received from Members in relation to any business carried out on UBS MTF except where:
  - (i) the information is in the public domain;
  - (ii) disclosure is required by law or requested by any tax or regulatory authority anywhere in the world;
  - (iii) disclosure is in accordance with any regulatory investigation conducted by a Competent Authority;
  - (iv) disclosure is expressly permitted by law;
  - (v) disclosure has been agreed to in writing by the Member; or
  - (vi) disclosure is made to facilitate the clearing and settlement of Relevant Transactions.

## 2.6 Substantial Shareholdings

- (a) A Member shall ensure that, where necessary, any Relevant Transactions executed on UBS MTF are incorporated into its calculations with regard to any applicable substantial shareholdings rules.
- (b) Where there is a requirement under any applicable substantial shareholdings rules to notify any person or body as to the existence of a substantial shareholding, each Member must ensure that it complies with any such obligations applicable to it. Notification to UBS MTF will not discharge any obligations under any applicable substantial shareholding rules or their equivalent.

## 2.7 Resignation

- (a) Members may resign by giving UBS MTF at least three (3) calendar months' written notice, unless such notice period is waived by UBS MTF in its absolute discretion.
- (b) UBS MTF Management may, in its absolute discretion, refuse to accept notice of resignation in the event that UBS MTF Management considers there is an outstanding matter concerning the Member that is subject to an ongoing investigation (in particular pending settlement of any unsettled market positions in respect of Securities).
- (c) Notwithstanding either the resignation by a Member of its membership of UBS MTF or the termination of a Member's membership of UBS MTF by UBS MTF Management, a

Member shall continue to be bound by these Rules in respect of all activity on UBS MTF until the latest of:

- (i) one year after it ceases to be a Member;
- (ii) the date on which all Relevant Transactions are settled and completed; or
- (iii) the date on which all outstanding charges, or other sums due relating to activity on UBS MTF have been settled.

### **3. PAYMENTS**

#### **3.1 Fees and Charges**

A Member shall pay to UBS MTF all applicable subscriptions, charges, fees and any other costs including interests on any late payment due pursuant to these Rules, the Membership Agreement or any fee schedule for UBS MTF as notified to all Members from time to time, in the timeframe specified by UBS MTF.

UBS MTF Fee Schedule is published on the UBS MTF website ([www.ubs.com/mtf](http://www.ubs.com/mtf)).

#### **3.2 Taxes**

- (a) A Member shall be liable for the payment of any applicable taxes, duties or deductions that arise from its trading of a Security on the Matching Engine, including, inter alia, stamp duty reserve tax.
- (b) Each Member is required to determine whether taxes, duties or deductions arise from its trading of a Security on the Matching Engine, and to apply for any exemptions from such taxes, duties or deductions.

#### **3.3 PTM Levy**

- (a) A Member is liable for the payment of the PTM Levy on behalf of itself or on behalf of its clients in respect of transactions, wherever they take place (including Relevant Transactions on UBS MTF), where the PTM Levy is applicable.
- (b) A Member is required to determine whether the PTM Levy is applicable, and also the rate at which it is payable.

### **4. NOTIFICATIONS AND AMENDMENTS**

#### **4.1 Notification by Members**

- (a) All notifications by a Member under these Rules shall be made as soon as is reasonably practicable to the UBS MTF Management team using the details supplied to the Member upon successful completion of the application process. Where a notification is initially made verbally or via electronic mail there may be a requirement for the notice to be confirmed in writing.
- (b) A Member will notify UBS MTF in writing, or by electronic mail, at least twenty-one (21) calendar days in advance of the proposed effective date of any significant changes to its structure. The types of changes which would be considered relevant would include:

- (i) a change in control within the meaning given under FSMA;
- (ii) a change of name;
- (iii) a change of address;
- (iv) a change in its legal status;
- (v) an Insolvency Event;
- (vi) a material breach of these Rules;
- (vii) the commencement of any investigation or disciplinary action by the FCA or a Competent Authority relating to the Member's activities on the UBS MTF or which may otherwise be material in the exercise of the Member's obligations under these Rules;
- (viii) a material adverse change which affects the Member's ability to comply with these Rules;
- (ix) a change which results in the Member being unable to fulfil the Eligibility Criteria or Continuing Obligations; or
- (x) a change in the Member's UBS MTF contacts or the Member's list of authorised persons (as supplied by the Member upon completion of the UBS MTF Member application form).

## 4.2 Amendments

- (a) UBS MTF may implement new Rules, amend existing Rules or revoke Rules in their entirety and will inform Members by an appropriate means, whether it be via letter, email, facsimile, notice on a website or by issuing some other communication (such means being a "**Trading Notice**"). In the event that UBS MTF proposes a material change in the Rules, it may, at its sole discretion, consult with Members for comments.
- (b) Trading Notice shall be given to Members at least ten (10) Business Days prior to the changes taking effect.
- (c) If any modification of the Rules, other than as required by UK law, national laws or any Competent Authority, materially adversely affects the rights or obligations of any Member, that Member may terminate its UBS MTF membership by written notice given to UBS MTF within five (5) Business Days from the date of the relevant Trading Notice, it being understood that such request will be handled pursuant to the principles set out in Rules 2.7(b) and (c).

## 5. RESPONSIBILITY OF MEMBERS

### 5.1 Transaction Records

Each Member must retain a record of each Relevant Transaction entered into by it on UBS MTF in accordance with;

- (a) the five (5) year standard required pursuant to MiFID; and

- (b) any further regulatory or legal requirements applicable to the Member.

## 5.2 Misleading acts, conduct, security and prohibited practices

- (a) A Member shall not, in respect of its business on UBS MTF:
  - (i) do or engage in any conduct which is in breach of MAR of the FCA Handbook. This may include but is not limited to:
    - (A) commit any act or engage in any course of conduct which creates, or is likely to create, a false or misleading impression of the market in, or the price or value of, any Security;
    - (B) cause or enter into any artificial transaction;
    - (C) submit an Order with a fictitious quantity or price onto the Matching Engine;
    - (D) effect a pre-arranged transaction that is designed to give the market a false view of supply, demand or pricing of a Security or index; or
  - (ii) commit any act or engage in any course of conduct which is likely to damage the fairness or integrity of UBS MTF;
  - (iii) commit any act or engage in any course of conduct which causes, or contributes to, a breach of the Rules by another Member;
  - (iv) do or engage in any conduct in breach of the Rules; or
  - (v) procure, require or encourage another to engage in conduct falling within any of the principles in this Rule 5.2(a).
- (b) A Member shall not commit any act or engage in any course of conduct the sole or main intention of which is to move the price of that Security or the level of any index of which that Security is a component.
- (c) UBS MTF Management may take disciplinary action under Rule 9.5 in relation to a Member's conduct which in the opinion of UBS MTF Management falls or could potentially fall within this Rule 5.
- (d) Each Member shall implement sufficient security procedures to prevent unauthorised use or misuse of the UBS MTF. Such procedures shall include, but are not limited to:
  - (i) ensuring that the UBS MTF is only accessible by authorised personnel; and
  - (ii) ensuring that data entries entered by a Member are not altered, lost or destroyed.

## 6. TRADING RULES

### 6.1 Securities traded on UBS MTF

- (a) UBS MTF Management will determine in its absolute discretion which Securities are eligible for trading on the UBS MTF Dark Order Book and Periodic Auction Order Book,

and eligibility of particular Securities may differ as between Order Books from time to time.

- (b) UBS MTF will publish daily on the UBS MTF website a list of instruments available for trading on the two Order Books.
- (c) Orders must be submitted in the same currency as the currency in which the relevant Security trades on the Most Relevant Market.
- (d) UBS MTF may in its absolute discretion prohibit or suspend any transaction, class of transactions or Security from being traded at any time for any reason on one or other or both Order Books.

## 6.2 Access to UBS MTF

- (a) A Member is responsible for all obligations and liabilities arising from the entry, deletion and execution of all Orders submitted to the Matching Engine by that Member.
- (b) UBS MTF Management reserves the right to restrict a Member's access to and use of the Matching Engine or a Member's access to a specific Order Book.
- (c) UBS MTF Management reserves the right to delete any Order submitted to the Matching Engine where UBS MTF Management believes it necessary in order to preserve market orderliness.
- (d) Trading sessions shall be limited to ten (10) per Member. Additional sessions will require the express agreement of UBS MTF Management and may incur a fee as specified in the UBS MTF Fee Schedule.
- (e) A Member that permits DEA services onto UBS MTF must:
  - (i) be an entity of the type specified by Rule 5.3.A.9 of MAR;
  - (ii) set and apply criteria for the suitability of persons to whom DEA services are provided;
  - (iii) apply appropriate pre-trade risk controls on DEA orders;
  - (iv) be able to identify and stop Orders by a person using the DEA service;
  - (v) have arrangements in place to suspend or terminate the provision of DEA service in the case of any non-compliance with these Rules;

and in all cases, the Member will retain full responsibility and accountability for any and all Orders and trades submitted to UBS MTF in the context of any DEA service.

## 6.3 Dark Order Book

- (a) The following Rules govern the procedures that relate specifically to the operation of the Dark Order Book.
- (b) All Orders submitted to the Pegged Order Book must be Pegged Orders. When submitting such Orders, Members must specify whether their Pegged Order is an IOC Order or a Day Order;

- (c) Pegged Orders that do not comply with the requirements set out in Rule 6.3(b) will be rejected.
- (d) When submitting a Pegged Order, a Member may also specify:
  - (i) a Limit Price, being the maximum or minimum price at which its Pegged Order will be permitted to match;
  - (ii) that its Pegged Order must not be matched against another Pegged Order unless that other Pegged Order is of a minimum acceptable quantity (“**MAQ**”);
  - (iii) that its Pegged Order is subject to a No Self-Cross Instruction;
  - (iv) that its Pegged Order must only be executed under the Large in Scale Waiver. In the absence of such an instruction from a Member, UBS MTF Management, in its absolute discretion, will determine whether or not a Pegged Order capable of execution under the Large in Scale Waiver will be so executed.
- (e) Pegged Orders that are not eligible for execution under the Large in Scale Waiver will only be eligible for execution at the mid-price of the Most Relevant Market, when the use of the waiver is not suspended.
- (f) Pegged Orders shall be made and submitted in accordance with such technical specifications as UBS MTF Management may specify from time to time.

#### 6.4 **Order Matching in Dark Order Book**

- (a) Continuous matching of Pegged Orders will occur in the Dark Order Book during normal trading sessions.
- (b) Pegged Orders will be matched using the following criteria in order of precedence:
  - (i) eligibility to execute under Large In Scale Waiver;
  - (ii) price; and
  - (iii) time (time priority in the Matching Engine is initially based on the time stamped on a Pegged Order when it arrived in the Matching Engine. When a Member requests amendment of a Pegged Order and the request is accepted, the time priority of the Pegged Order is modified to reflect the time at which the Matching Engine received the cancel/replace request);
- (c) Matching Dark Orders will only execute in the following circumstances:
  - (i) Both the Most Relevant Market and EBBO must be unlocked such that:
    - (A) the lowest Most Relevant Market reference bid price is lower than the highest Most Relevant Market reference offer price; and
    - (B) the EBBO Best Bid Price is lower than the EBBO Best Offer Price,
  - and

- (ii) The Primary Market reference price must be equal to or better than the relevant EBBO price as follows:
  - (A) Most Relevant Market reference bid price is equal to or greater than the EBBO Best Bid Price;
  - (B) Most Relevant Market reference offer price is equal to or lower than the EBBO Best Offer Price; and
- (iii) In the case of Matching Dark Orders originating from the same Member, at least one of the Orders is not the subject of a No Self-Cross Instruction.
- (d) UBS MTF will only match Pegged Orders in the Dark Order Book whilst the Most Relevant Market is operating under continuous trading conditions.

#### 6.5 Dark Order Book hours of operation

- (a) The Dark Order Book will be operational every day that the Most Relevant Market is open in respect of the relevant Security unless Members are notified to the contrary by UBS MTF Management.
- (b) The hours of operation of the Dark Order Book will be as decided by UBS MTF Management and communicated to Members.

#### 6.6 Periodic Auction Order Book

- (a) The following section governs the procedures that relate specifically to the operation of the Periodic Auction Order Book.
- (b) All Orders submitted to the PAOB must be PAOB Orders and be specified as either a Day Order or a GFA Order.
- (c) When submitting a PAOB Order, a Member may specify:
  - (i) that a PAOB Order is subject to a No Self-Cross Instruction;
  - (ii) that its PAOB Order must not be matched against another PAOB Order unless that other PAOB Order is of a MAQ;
  - (iii) a Limit Price.
- (d) PAOB Order amendment and cancellation:
  - (i) Members may cancel or amend the quantity and the Limit Price of any Day Order submitted to the PAOB at any time, including when such Day Order is participating in an Auction, subject to the conditions set out with this Rule 6.6 and Rule 6.7.
  - (ii) a GFA Order may only be cancelled or amended prior to the start of an Auction as no cancellations or amendments are permitted during an Auction.
- (e) A PAOB Buy Order with a Limit Price will only participate in an Auction if the Limit Price is below the Mid-Price and a PAOB Sell Order with a Limit Price will only participate in an Auction if the Limit Price is above the Mid-Price.

## 6.7 Periodic Auction Functionality

- (a) Auction commencement, duration and cancellation:
- (i) As soon as a PAOB Buy Order and a PAOB Sell Order match ("**Matching PAOB Orders**"), an Auction begins (each an "**Auction**") unless the Matching PAOB Orders originate from the same Member and at least one of those Matching PAOB Orders is the subject of a No Self-Cross Instruction;
  - (ii) Where a Member has specified a MAQ in respect of a PAOB Order, that PAOB Order will only trigger an Auction if the size of an opposing PAOB Buy Order or PAOB Sell Order (as relevant) is at least equal to the MAQ and where that opposing PAOB Order does not itself have an MAQ of greater size;
  - (iii) PAOB Orders will participate in the first available relevant Auction, which will include an Auction that is live at the time of submission or, if there is no Auction on-going at that time, the next relevant Auction;
  - (iv) In the event that a Member amends the Limit Price of a Day Order during an Auction in which that Day Order is participating, that Day Order will continue to participate in that Auction as if the modification to its Limit Price had not been made unless:
    - (A) the revised Limit Price is below the Auction Price in the case of a PAOB Buy Order, or
    - (B) above the Auction Price in the case of PAOB Sell Order,
 both such cases being referred to as a "**Passive Price Amendment**".
  - (v) In the event a Day Order is cancelled or subject to a Passive Price Amendment during an Auction in which it is participating, then:
    - (A) that Day Order will cease to participate in that Auction (but in the case of a Passive Price Amendment, will be eligible for subsequent Auctions with the revised Limit Price); and
    - (B) the Auction will be a Void Auction unless Matching PAOB Orders remain within the Auction absent the excluded Day Order.
  - (vi) The duration of each Auction will be between:
    - (A) 50 milliseconds and 75ms for Liquid Shares and exchange traded funds; and
    - (B) 100ms and 150ms for all other Securities, with
 the precise duration between these times determined on a randomised basis by UBS MTF in its absolute discretion.
  - (vii) During normal trading hours of the Most Relevant Market, there will be no Auctions in the relevant Security unless that market is operating under continuous trading conditions.



- (viii) A Void Auction is an Auction that is cancelled for one of the reasons prescribed in this Rule 6.7. In the event of a Void Auction, any prior matching of PAOB Orders within the Auction will be cancelled and all PAOB Orders participating in that Auction, other than any that have been cancelled, will be reinstated into the PAOB Order Book and be eligible for any relevant on-going or subsequent Auctions.
- (b) The Auction Price will be fixed at the point in time that Auction commences in accordance with the following criteria:
- (i) the price will be fixed at the mid-point of the Matching PAOB Orders; or
  - (ii) if there are two or more PAOB Buy Orders that match the first PAOB Selling Order, or two or more PAOB Selling Orders that match the first PAOB Buy Order, the price will be fixed at the mid-point of the Highest Buy Order and Lowest Sell Order.
  - (iii) The Auction Price will be at either full or half tick sizes while all Limit Orders must be submitted at full tick size.
  - (iv) The Auction Price shall be unaffected by any change in the Limit Price of any participating Day Orders.
- (c) At the close of an Auction the Matching PAOB Orders will be allocated as between relevant participating Members in the following order of priority (and regardless of any MAQ that may have been specified):
- (i) Matching Member Orders will have priority; then
  - (ii) To the extent that:
    - I. there are no Matching Member Orders,
    - II. two or more pairs of Matching Member Orders, or
    - III. liquidity remains for execution after any Matching Member Orders have been executed,then the Matching PAOB Orders will execute in descending order of the size of the relevant Limit Buy Order or Limit Sell Order submitted (each a "**Largest Matching Order**"); then
  - (iii) To the extent that there remains liquidity after any Matching Member Orders and / or Largest Matching Orders, or where two or more Largest Matching Orders are of equal size, then those Largest Matching Orders will be prioritised in accordance with the time in which they were submitted (as represented by the time stamped on the Limit Order when submitted to the Matching Engine).
  - (iv) Matching PAOB Orders will only execute at the end of an Auction if the Auction Price remains within the EBBO prevailing at the end of the Auction;

## 6.8 Periodic Auction Order Book hours of operation

UBS MTF will continue to operate the Periodic Auction Order Book on Business Days from the time the Most Relevant Market opens until MTF Close, (on condition that the Most Relevant Market

is operating under continuous trading conditions), or such other time as UBS MTF Management may communicate to Members.

#### 6.9 **Entry and deletion of Orders submitted to the Order Books**

- (a) A Member may only submit, amend, or delete Orders from the Matching Engine during the times specified by UBS MTF and subject to the requirements and restrictions as specified in these Rules.
- (b) A Member shall not submit Orders or amend Orders on the Matching Engine in a Security which is subject to a regulatory suspension. Orders which are unmatched in UBS MTF in such a Security may be deleted from the Matching Engine.

#### 6.10 **Order management and record-keeping**

- (a) All Orders entered onto the Matching Engine will be treated by UBS MTF as firm and available for execution and therefore, when executed, will be binding on the Member placing the Order (unless otherwise provided in these Rules) even if the Order was placed on behalf of a third party.
- (b) When an Order is matched on UBS MTF in accordance with these Rules, it will create a binding contract on the Member placing the Order (unless otherwise provided for in these Rules).
- (c) A Member that submits or routes Orders to the Matching Engine shall, at all times, have sufficient order management systems, procedures and controls designed to prevent the entry of Erroneous Orders to the Matching Engine.
- (d) A Member that submits an Order to the Matching Engine shall, at all times, meet the MiFIR order record keeping requirements as specified by UBS MTF in the MiFID II Identifier Management specification and provide the required information on each individual Order.

#### 6.11 **Extended best bid and offer price check**

- (a) UBS MTF will maintain a European best bid and offer price ("**EBBO**"), which shall comprise the highest available bid price ("**EBBO Best Bid Price**") and the lowest available offer price ("**EBBO Best Offer Price**") across a range of relevant markets for each Security, and aggregated using UBS MTF's market data infrastructure.
- (b) For each reference market used by UBS MTF for these purposes, the Trading Venues contributing to the EBBO will comprise the Most Relevant Market where the relevant share is admitted to trading together with a maximum of three other pan-European Trading Venues selected by UBS MTF. Where no Trading Venues other than the Most Relevant Market are available, the EBBO shall comprise the Most Relevant Market reference price.
- (c) UBS MTF will select contributing Trading Venues in its absolute discretion, taking account of those venues' European equities market share. UBS MTF reserves the right to remove a Trading Venue from the calculation of the EBBO at any time, if;
  - (i) the Trading Venue ceases to operate entirely; or

- (ii) the technology platform of the Trading Venue ceases to meet with UBS MTF Management's ongoing suitability criteria including, but not limited to resilience and latency issues, ownership and membership structure, price and execution performance.
- (d) A list of the current Trading Venues which contribute to the EBBO are published on the UBS MTF website (<https://www.ubs.com/mtf>) and updated from time to time.
- (e) UBS MTF may remove a market, temporarily or permanently, from the EBBO calculation if:
  - (i) UBS MTF Management determines a system problem has occurred or is likely to occur; or
  - (ii) it is requested to do so by the FCA; or
  - (iii) it considers in its sole discretion that there has been or is likely to be a threat to the stability of fair and orderly markets by trading a Security; or
  - (iv) the Most Relevant Market of the Security has suspended or cancelled trading of the relevant Security; or
  - (v) UBS MTF Management, in its absolute discretion, considers it appropriate to do so.

#### 6.12 Suspension of automatic execution

- (a) UBS MTF Management may suspend the automatic execution of Orders on the Matching Engine in one or more Securities and in one or other or both Order Books if:
  - (i) UBS MTF Management determines a system problem has occurred or is likely to occur; or
  - (ii) it is requested to do so by the FCA; or
  - (iii) it considers in its sole discretion that there has been or is likely to be a threat to the stability of fair and orderly markets by trading a Security; or
  - (iv) the Most Relevant Market of the Security has suspended or cancelled trading of the relevant Security; or
  - (v) UBS MTF Management, in its absolute discretion, considers it appropriate to do so; or
  - (vi) UBS MTF Management, in its absolute discretion, considers that a Member has failed, or is likely to fail, to comply with its obligations under Rule 5.
- (b) UBS MTF Management may suspend trading under a specific waiver at its sole discretion or if requested to do so by the FCA. These suspensions may occur during trading hours and UBS MTF will inform Members via Market Notice in such circumstances.

### 6.13 Cancellation of Relevant Transactions

- (a) UBS MTF Management has discretion to cancel a Relevant Transaction in whatever circumstances it considers appropriate, including but not limited to circumstances where UBS MTF Management decides that a Relevant Transaction is an Erroneous Trade.
- (b) If an Order appears to be an Erroneous Trade in the opinion of UBS MTF Management, UBS MTF Management may contact the relevant Member to verify the validity of the Order (but shall be under no obligation to do so).
- (c) When considering whether to cancel an Order or a Relevant Transaction, UBS MTF Management will take into account:
  - (i) the size of the Order or the Relevant Transaction; and
  - (ii) the price of the Order or the Relevant Transaction.

### 6.14 Order to Trade Ratio

- (a) Members must ensure that their ratio of Orders to transactions remains at all times within parameters published from time to time on UBS MTF website (<https://www.ubs.com/mtf>).
- (b) UBS MTF will publish four maximum ratios of unexecuted order to transactions (two each in respect of the Dark Order Book and the Periodic Auction Order Book) as defined under MiFID on the UBS MTF website and Members are required not to exceed the maximum ratio of unexecuted orders to transactions calculated by UBS MTF.

## 7. CLEARING AND SETTLEMENT

### *Relevant Internalised Transactions*

- 7.1 Members may specify, by informing UBS MTF Management, that any Relevant Transactions that constitute Matching Member Orders should not be sent to CCPs for clearing (each a “**Relevant Internalised Transaction**”).
- 7.2 Once implemented by UBS MTF, upon the occurrence of any Matching Member Orders thereafter, the execution message will be transmitted to the Member by UBS MTF which will identify the relevant executions that have not been communicated to a CCP.
- 7.3 Members may cancel this functionality and revert to CCP clearing by informing UBS MTF Management accordingly. Such instructions, once given and implemented by UBS MTF, will be applicable to all Matching Member Orders submitted thereafter, regardless of Order type or Order Book, if and until the Member notifies UBS MTF Management to the contrary. Instructions will not be accepted on an Order by Order basis.
- 7.4 Members shall be entirely responsible for ensuring that such arrangements are compatible with their arrangements with their CCP.

### *Relevant Cleared Transactions*

- 7.5 The relevant CCP will administer the clearing and settlement of all Relevant Cleared Transactions on UBS MTF and the relevant CCP’s rules will govern such clearing and settlement in addition to these Rules.

7.6 A Member must comply with the rules and procedures of the relevant CCP in respect of the clearing and settlement of the Relevant Cleared Transactions. Where the rules and procedures of the CCP with respect to clearing and settlement conflict with this Rule 7, the rules and procedures of the relevant CCP shall take precedence.

7.7 Members shall have the following obligations in respect of:

(a) All Relevant Transactions:

- (i) Where a Member is acting as agent for another person, and failure to deliver Securities and/or cash is the fault of another person, that Member will be bound as principal with the counterparty to the Relevant Transaction.
- (ii) A Member must settle a Relevant Transaction on the standard settlement cycle and in the standard place for settlement for the relevant Security.

(b) All Relevant Cleared Transactions only:

- (i) A Member must be a clearing member of a central counterparty approved by UBS MTF Management or have made satisfactory arrangements with an entity that is.
- (ii) A Member shall ensure that Securities and/or cash delivered in settlement of a Relevant Transaction are free of any lien, charge or encumbrance.
- (iii) In case of settlement default by a Member, or its client, with regard to a Relevant Transaction, the rules and procedures of the relevant CCP shall be applied.
- (iv) UBS MTF may postpone or extend a settlement period for all transactions or for transactions in specified Securities affected on a given day, indefinitely or for a specified period.

## 7.8 Corporate Actions

- (a) A Member shall treat a Security as being 'ex' a benefit from the time that security is marked 'ex' that benefit on the Most Relevant Market.
- (b) UBS MTF takes no responsibility for marking a Security as 'ex' or 'cum' a benefit on the UBS MTF. The responsibility for accurately pricing a Security undergoing a corporate action is solely with the Member.

## 8. DEFAULT

8.1 If at any time a Member suffers an Event of Default, UBS MTF may take action in its sole discretion as it deems appropriate. Such actions may include but shall not be limited to the following:

- (a) to cancel some or all Orders or Relevant Transactions;
- (b) to suspend the Member's participation on UBS MTF;
- (C) to treat any or all Orders or Relevant Transactions then outstanding as having been repudiated by the Member, in which case UBS MTF's obligations under such Orders and / or Relevant Transactions shall be cancelled and terminated.

- 8.2 UBS MTF is not responsible for and shall not be liable for the default of any Member in respect of any Relevant Transaction. Relevant Transactions undertaken on the Matching Engine are not subject to any compensation scheme.

## 9. INFORMATION, MONITORING AND INVESTIGATION

### 9.1 Monitoring

- (a) UBS MTF Management will have systems in place to monitor compliance with the Rules, disorderly trading conditions and conduct that may amount to market abuse.
- (b) UBS MTF Management will report to the FCA any material breaches of the Rules, disorderly trading conditions and any conduct that may involve market abuse, will supply information to the FCA as required and will assist the FCA and, subject to the provisions of this Rulebook, any other Competent Authority or relevant supervisory or investigative public body, in any investigation of market abuse.

### 9.2 Information

- (a) Each Member is required to notify UBS MTF Management immediately it becomes aware of a significant contravention by itself, or any other Member, of these Rules.
- (b) UBS MTF Management may require the immediate provision by a Member of accurate information about its Order or Relevant Transactions in a format, electronic or otherwise, as specified by UBS MTF.
- (c) UBS MTF Management may require the immediate production of documents relating to UBS MTF in the Member's possession, custody, power or control.
- (d) Notwithstanding Rule 2.5, UBS MTF Management may disclose any information or documents for the purpose of enabling it to institute, continue, or defend any proceedings, including any court proceedings.
- (e) UBS MTF may keep information or documents which come into its possession under these Rules for such period as it considers appropriate.

### 9.3 Investigation

- (a) Once UBS MTF Management has determined in its absolute discretion that a Rule breach has occurred (whether such Rule breach is detected by UBS MTF Management or reported by a Member), UBS MTF Management will consider all the circumstances of the case in order to determine whether to invoke sanctions under Rule 9.5. In considering whether to impose such sanctions, UBS MTF Management will have regard to the following factors:
  - (i) The nature and seriousness of the breach:
    - (A) whether the Rule breached is of high importance to the running of an orderly market;
    - (B) whether the breach was deliberate or reckless and/or whether the Member acted with a lack of integrity in the course of the breach or the subsequent investigation;

- (C) the market impact of the breach on the orderliness of the market, including whether the integrity of UBS MTF is damaged and whether proper standards of market conduct were disregarded;
  - (D) the duration and/or frequency of the breach;
  - (E) the amount of any benefit gained or loss avoided as a result of the breach;
  - (F) whether the breach reveals systemic weakness in the Member's internal systems and controls relating to the Member's participation and trading on UBS MTF;
  - (G) whether there are a number of small issues, which individually may not justify sanctions, but which do so when taken collectively.
- (ii) The conduct of the Member before and after the breach:
- (A) If the breach was not identified by UBS MTF Management, how quickly, effectively and completely the Member brought the breach to the attention of UBS MTF Management;
  - (B) The degree of cooperation the Member showed during the investigation of the breach;
  - (C) any remedial action taken by the Member since the Rule breach was identified (including taking disciplinary action against employees, agents or customers involved; addressing any systemic failures; and taking action designed to ensure that similar issues did not arise in the future); and
  - (D) the likelihood that the same type of Rule breach will recur if no action is taken.
- (iii) The previous compliance record of the Member:
- (A) Whether UBS MTF Management has previously requested the Member take remedial action to rectify the same or similar issue;
  - (B) Whether the Member has previously given undertakings to UBS MTF Management that similar issues have been resolved and a particular behaviour has ceased;
  - (C) Whether UBS MTF Management has previously invoked sanctions against the Member for the breach in question; and
  - (D) The general compliance history of the Member.
- (iv) Action taken by UBS MTF Management in previous similar cases:

UBS MTF Management will take account of the action it has taken previously in the same or related cases and will record any investigations on the Member's compliance record.

#### 9.4 Assistance

Members will provide all reasonable assistance requested by UBS MTF Management and its delegates, to UBS MTF Management's satisfaction. This assistance shall be provided within the timeframes specified and shall include, without limitation, the submission of information, access to information, premises and individuals reasonably within the control of the Member regarding:

- (a) the provision of all information (including responding to questionnaires) and documents requested by UBS MTF Management; and
- (b) investigations by UBS MTF Management of a Member's compliance with these Rules.

#### 9.5 Sanctions

In the interests of maintaining a fair and orderly market, UBS MTF Management will have absolute discretion in using any/all of the following sanctions for breach of the Rules in relation to a Member or a former Member who is still bound by the Rules in accordance with Rule 2.7 and will notify a Member of any decision to apply any such sanction:

- (i) written warning;
- (ii) temporary suspension;
- (iii) publication of details of the offender and rule infringement;
- (iv) levying a fine or additional charges;
- (v) issuing a cease and desist order;
- (vi) termination of participation.

#### 9.6 Complaints

- (a) Any complaint about the conduct of a Member or suspicion that any of the foregoing has committed or is about to commit a breach of these Rules, shall be made in writing, where possible, and be addressed to UBS MTF.
- (b) If UBS MTF considers the complaint to have merit and that it may constitute a breach of these Rules he or she may recommend to UBS MTF Supervisor that it commence an investigation into the potential breach of the Rules. UBS MTF Management may give notice to a Member of the results of any such investigation which may include notice of a sanction pursuant to Rule 9.5.

#### 9.7 Waiver

UBS MTF Management may, at its discretion, waive the enforcement of these Rules but any waiver shall not prevent or restrict UBS MTF Management from taking action to enforce these Rules whether in respect of any other infringement of them (even if related) or against any other Member in relation to the same breach.



## 10. PRE- AND POST TRADE TRANSPARENCY

- (a) In respect of:
  - (i) the Dark Order Book, UBS MTF Management will ensure that, in accordance with the principles in MAR 5.7, UBS MTF will not make public the current bid and / or offer prices, or the depth of trading interests at those prices in any circumstances.
  - (ii) the Period Auction Order Book, the indicative Auction volume and the Auction Price will be published in accordance with the requirements under the Commission Delegated Regulation (EU) 2017/587 (RTS 1).
- (b) UBS MTF Management will ensure that all Relevant Information for each Relevant Transaction is published immediately on the conclusion of such Relevant Transaction regardless of the transaction size. This will constitute a trade report for the purposes of the FCA Rules.
- (c) Members must not submit trade reports for the Relevant Transactions concluded on UBS MTF elsewhere in satisfaction of any trade reporting requirement imposed by UK regulations other than Non-TR Members.

## 11. GOVERNING LAW

These Rules are governed by, and shall be construed in accordance with, the laws of England and Wales.

# UBS MTF User Guide

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UBS MTF is operated by UBS MTF Limited, a UK incorporated firm which is authorised and regulated by the UK Financial Conduct Authority with Firm reference number 122627 and registered company number 2140296. The principal office of UK establishment is 5 Broadgate London EC2M 2QS. UBS MTF Limited is a wholly owned subsidiary of UBS AG. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. UBS AG is a public company incorporated with limited liability in Switzerland domiciled in the Canton of Basel-City and the Canton of Zurich respectively registered at the Commercial Registry offices in those Cantons with Identification No: CHE-101.329.561 as from 18 December 2013 and having respective head offices at Aeschenvorstadt 1, 4051 Basel and Bahnhofstrasse 45, 8001 Zurich, Switzerland and is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. Registered in the United Kingdom as a foreign company with No: FC021146 and having a UK Establishment registered at Companies House, Cardiff, with No: BR 004507.

## **1. Introduction**

- 1.1. This Guide explains the policies, procedures and technology used by UBS MTF Limited (the “Operator”) to operate the UBS multilateral trading facility \* “UBS MTF”).
- 1.2. Terms defined in the UBS MTF Rulebook shall have the same meaning in this Guide. In the event of a conflict between the provisions of this Guide and those of the UBS MTF Rulebook, the latter will prevail.

## **2. Overview of How UBS MTF Works**

- 2.1. UBS MTF is an FCA regulated Multilateral Trading Facility (UBS MTF). It operates two Order Books:
  - 2.1.1. Dark Order Book:
    - 2.1.2. The Dark Order Book is a dark pool that allows professional investors to trade pan-European securities. Trades are matched anonymously through the UK based UBS MTF matching engine at the midpoint of the most relevant market. UBS MTF offers a simple, transparent fee structure based on value traded.
    - 2.1.3. The Dark Order Book is eligible for the pre-trade transparency waivers available to reference price systems and to orders that are large in scale compared to Normal Market Size under the Markets in Financial Instruments Directive
    - 2.1.4. Periodic Auction Order Book:
      - 2.1.5. UBS MTF also operates as a periodic auction. It meets the MiFID II publication requirements as defined in MiFID Annex I Table I as implemented in the UK and will publish auction prices and auction volumes.
      - 2.1.6. The Periodic Auction Order Book supports the same order type as in the dark, i.e. a Pegged Order but also supports Limit Order. Members can also specify a limit price as a price constraint on the Pegged Order.
      - 2.1.7. Matching in the Periodic Auction Order Book currently only occurs at the mid-point of the two most aggressive orders. Pegged Orders and Limit Orders can determine the Auction Price.
  - 2.2. UBS MTF well-formed market checks apply to both order books.
  - 2.3. This Guide aims to provide you with a high-level understanding of UBS MTF’s most relevant features but you should also read the related documents, including but not limited, to the UBS MTF Rulebook and the UBS MTF Membership Agreement.
  - 2.4. UBS MTF has an obligation to report to the UK Regulator all transactions executed by non-TR Members. Non-TR Members must provide all relevant fields for UBS MTF to meet its obligation, using the end of day MiFID Identifier file.

## **3. Technology**

- 3.1. The Operator has a wealth of experience of providing and managing data, developed through its extensive Equities businesses. UBS MTF was delivered by similar standards of excellence, using IT systems already in place.

## **4. Participation in UBS MTF**

- 4.1. Participation in UBS MTF is open to all who meet the Eligibility Criteria delineated in the UBS MTF Rulebook.

4.2. UBS MTF Dark Order Book offers complete pre- and post-trade anonymity. The Periodic Auction Order Book also offers anonymity but the Auction Price and volume are published in real-time. All trades in both Order Books are reported to CBoe BXTR on a real-time basis.

## 5. Applications

- 5.1. Applications for participation may be made using the UBS MTF application form, available upon request.
- 5.2. UBS MTF may also request additional information in relation to the application and such additional information as may be required from time to time.

## 6. Continuing Obligations

- 6.1. Members are responsible for ensuring that, at all times, they, their directors, officers, employees and agents who have access to the UBS MTF have adequate experience, knowledge and competency to conduct transactions on UBS MTF.
- 6.2. Members must have and maintain adequate internal procedures and controls to ensure the competency of their staff. The procedures are detailed further in the UBS MTF Rulebook.
- 6.3. Members must have in place a valid agreement with a UBS MTF central counterparty for clearing and settlement services in accordance with the Rules in the MTF Rulebook.

## 7. UBS MTF Information

The following table gives the key items of information in respect of both UBS MTF Pegged Order Book and Periodic Auction Order Book:

	<b>Pegged Order Book</b>	<b>Periodic Auction Order Book</b>
<b>Regulatory Status</b>	UK Regulated MTF operated by UBS MTF Limited	
<b>Contact details</b>	UBS MTF 5 Broadgate London EC2M 2QS  Jean-Philippe Minet & Andrew Lynch MTF Supervisors Telephone: 0207 568 2052 E-mail: <a href="mailto:ubs_mtf@ubs.com">ubs_mtf@ubs.com</a>	
<b>MIC</b>	XUBS	XUMP
<b>Market Calendar</b>	UBS MTF observes the market practice for open business days. Where a primary local market is closed on a business day or will not trade a particular stock, UBS MTF will be closed for that market (or will not trade the stock in question, as the case may be).	
<b>Currencies Quoted</b>	Securities are traded in their local currency (EUR, GBX, GBP, SEK, DKK, NOK, CHF, HUF, CZK and USD).	
<b>Throttling limit</b>	1,500	1,500
<b>Connectivity</b>	Standard FIX 4.2 connectivity	
<b>Bloomberg Exchange code</b>	S2	
<b>TSO code</b>	V	
<b>Symbology</b>	Uniform Symbology as set out in the FIX Rules of Engagement	
<b>CCP</b>	SIX x-Clear, LCH.Clearnet, and EuroCCP	
<b>No CCP functionality</b>	Members can opt in to settle internalised trades manually	
<b>Markets coverage</b>	Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary,	Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy,

	Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.	the Netherlands, Norway, Portugal, Sweden, Switzerland and the United Kingdom.
<b>Market hours</b>	08:00 to 16:30 UK time. Crossing within the UBS MTF follows the hours of the underlying primary market but always stops at 16:30 UK Time.	
<b>Order Type</b>	Pegged order only	Pegged order and Limit order
<b>Time in Force</b>	IOC and Day	Day and Good For Auction (GFA)
<b>Matching logic</b>	Waiver and time priority with execution at the mid of the Most Relevant Market. Well-formed market checks are applied to enhance quality of execution at the time of the trade.	Price determination: the Auction Price is determined by the most aggressive buy and most aggressive sell orders; the volume is not used for price determination. Well-formed market checks are applied as in the Dark Order Book. The share allocation priority is broker, size and time.
<b>Order to transaction ratio</b>	1,500	1,500
<b>UBS MTF pre-trade Market Data</b>	N/A	Pre-trade auction price and volume are available real-time to Members and also published on UBS MTF website

## 8. Trading Sessions

Each of the trading days within UBS MTF is divided into the sessions described in the following table.

<b>Period</b>	<b>Time</b>
Technical Connectivity	From 06:35 UK time.
Pre-Market Continuous Trading Period	N/A
Continuous Trading Period	08:00 – 16:30 UK time.
Post Trading Administration Period	N/A
Order Expiry	Open orders are expired at 16:45 UK time.
Technical Connectivity Ends	19:00 UK time.
Time in Force	IOC, Day and Good For Auction orders only. All unexecuted Orders automatically expire after market close. A Good For Auction order will expire at the end of the first auction.



UBS MTF does not cross Orders during suspensions or trading halts on the primary markets, or when crossing is prevented due to well-formed market checks. Please note that UBS MTF has no opening or closing auctions and there will be no matching on UBS MTF during Auctions on the primary markets.

## **9. Securities Available On UBS MTF**

UBS MTF offers trading in pan-European Equity instruments, including shares, Depository Receipts and ETFs. Those available from time to time on one, other or both Order Books will be published by UBS MTF. UBS MTF Stock Universe is available online and via SFTP to direct Members.

## **10. Order Functionality Available On UBS MTF**

### **10.1. Duration**

UBS MTF accepts only IOC or Day Pegged Orders in the Dark Order Book, and Pegged and Limit Orders that are specified as Day or Good For Auction Orders in the Periodic Auction Order Book. (See Rulebook for definitions of Order types).

### **10.2. Minimum order size**

The minimum order size is 1.

### **10.3. MAQ**

UBS MTF permits a Member to place an order which excludes matching against another order unless that other order is of a minimum acceptable quantity.

### **10.4. Self-Cross Prevention**

Orders may be instructed not to cross against other orders entered under the same participant ID. If no such instruction is given, orders are eligible to cross against any matching order, including orders entered by the same participant. Orders from the same Member with self-cross prevention will not trigger an Auction.

### **10.5. No CCP instructions**

A Member may specify that where Orders from that Member match, that such Matching Orders are not sent to a CCP for clearing. These instructions cannot be given on an Order by Order basis.

#### 10.6. Throttling limit

UBS MTF throttling limit is set at 1,500 messages per second per trading session. New Order and Order Amend messages will be rejected when the limit above is breached. Order Cancel messages will be accepted.

#### 10.7. Order to Transaction Ratio

UBS MTF has published two *Order to Transaction ratios* for each Order Book, published on the UBS MTF website. These ratios may be amended from time to time and Participants will be notified by Market Notice:

Order to Transaction Ratio is set to set to 1,500; and

Order volume to transaction volume ratio is set to 15000 shares

### 11. Fees

- 11.1. Fees and charges are applicable as laid out in the Fee Schedule as notified to all Members from time to time and published on the UBS MTF website at <http://www.ubs.com/mtf>.
- 11.2. Members will pay settlement fees to the central counterparty it has chosen to settle transactions on the MTF. Pricing of this service will depend on the terms of the agreement between the central counterparty and the Member.
- 11.3. There are no order entry fees and no per trade or cancellation fees. However, Members shall pay to UBS MTF all applicable Membership, subscriptions, charges, fees and any other costs due in accordance with the UBS MTF Rulebook, the UBS MTF Membership Agreement or the fee schedule for UBS MTF as notified to all Members from time to time.

### 12. Tick Sizes

- 12.1. UBS MTF follows the tick size structure as defined by the most relevant market for each instrument and as published by ESMA. For non EU markets, UBS MTF may track the tick size of the Primary Market as determined by UBS MTF. All Limit Orders submitted to the Periodic Auction Order Book must be on a tick (though matching may occur at full or half tick sizes). UBS MTF publishes a tick size table on its website at <http://www.ubs.com/mtf>.

### 13. Notifications

- 13.1. Notification of changes to UBS MTF by Members (as delineated within the UBS MTF Rulebook) should be made as soon as is reasonably practicable. Changes to the Rulebook will be communicated by Trading Notice and will take effect 10 days' after the issuance of such notice. UBS MTF Management will endeavour to inform Members of any forthcoming changes at least twenty-one (21) calendar days prior to the effective date of any such change.

### 14. Substantial Shareholdings

- 14.1. A Member should ensure that, where necessary, any Relevant Transactions executed on UBS MTF are incorporated into its calculations with regard to any applicable substantial shareholdings rules.
- 14.2. Where there is a requirement under any applicable substantial shareholdings rules to notify any person or body as to the existence of a substantial shareholding, Members must ensure compliance with such obligations. Please note that notification to UBS MTF will not discharge any obligations under any applicable substantial shareholding rules or their equivalent.

**15. Rules of fair practice**

- 15.1. Each Member shall ensure its compliance with the UBS MTF Rulebook and the rules and guidance of the FCA and any other relevant regulatory authority, the EU Market Abuse Directive 2014/57/EU, Market Abuse Regulation (EU) No 596/2014, both as implemented in UK legislation and as may be amended in the UK from time to time, and any other applicable regulation or law.

**16. Erroneous transactions**

- 16.1. The UBS MTF Management has discretion to cancel an order or transaction where it decides that an Order or transaction is erroneous.

**17. Default**

- 17.1. If at any time a Member suffers an Event of Default, UBS MTF may take action in accordance with Rule 8 of the UBS MTF Rulebook. Pursuant to Rule 8, UBS MTF shall be entitled, without prior notice to the relevant Member, to take any actions it deems appropriate at its sole discretion. Such actions may include but shall not be limited to the following:
- a) to cancel some or all orders or transactions;
  - b) to suspend the Member's participation on UBS MTF;
  - c) to treat any or all Orders or Relevant Transactions then outstanding as having been repudiated by the Member, in which case UBS MTF's obligations under such Orders and / or Relevant Transactions shall be cancelled and terminated.



## **18. Clearing and Settlement**

- 18.1. Members must have in force a valid clearing agreement with a CCP. The CCP concerned will administer the clearing and settlement of all transactions on UBS MTF and the relevant CCP's rules will govern such clearing and settlement in addition to these Rules.
- 18.2. The standard settlement cycle / the standard place for settlement for the relevant security will apply to transactions on the MTF.
- 18.3. As specified in 10.5 above, a Member may use the No CCP functionality offered by UBS MTF and configured at Member level. This functionality prevents internalised trades going to the CCP for clearing and requires the Member to settle manually.
- 18.4. Members must ensure that securities and/or cash delivered in settlement of a transaction are free of any lien, charge or encumbrance.
- 18.5. A Member shall treat a security as being 'ex' a benefit from the time that security is marked 'ex' that benefit on the Primary Market. However, UBS MTF will take no responsibility for marking a security as 'ex' or 'cum' a benefit on the UBS MTF. The responsibility for accurately pricing a security undergoing a corporate action is solely with the Member.

## **19. Transaction Reporting**

- 19.1. Members operating out of Switzerland, the US, and in any other jurisdiction outside the UK, must provide specific order information as requested in the UBS MTF Identifier Management document published on the MTF website under the Member Information section.
- 19.2. These additional values must be provided so UBS MTF can meet its Regulatory obligations.
- 19.3. UBS MTF Management may restrict access to the matching engine if a Member fails to submit the necessary information within the deadlines specified by UBS MTF.

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System response times may vary for a number of reasons including market conditions, trading volumes and system performance.