



BVB's Technical specifications

with regard to the applications of the pre-trade transparency waivers from January 3rd, 2018, based on the changes of the BVB's Rulebook – market operator and their approval by Romanian Financial Supervisory Authority

➤ *Regime of the hidden orders, contingent orders, cross orders*

- ❖ According to the provisions of the Art. 77 and Art. 98 index 6 para. (6) from Title III of the BVB's Rulebook – market operator, of the decision issued by Romanian Supervisory Authority regarding the approval of the pre-trade transparency waivers, as well as the BVB's CEO decision with regard to the use of types of orders under the respective waivers, BVB will use starting with January 3rd, 2018, the following types of orders:
 - hidden orders
 - contingent orders
 - cross orders.
- ❖ *The hidden and contingent orders enter in the category of „order management facility”, according to the MiFID II regulatory framework, as follows:*
 - *for equity and equity-like instruments:* according to the Art. 4 (1) letter d) from the Regulation 2014/600/UE and Art. 8 from the Delegated Regulation 2017/587/UE
 - *for non-equity (having the type: bonds, government bonds, structured products):* according to the Art. 9 (1) letter a) from the Regulation 2014/600/UE and the Art. 4 from the Delegated Regulation 2017/583/UE

Hidden orders' characteristics

- for hidden orders, a minimum value will be applied, equivalent in RON of the value specified according to the art. 4 para. (2) letter a) from the Delegated Regulation no. 2017/583/UE, respectively of the art. 8 para. (2) letter a) from the Delegated Regulation no. 2017/587/UE, respectively the equivalent in RON of 10.000 EUR at the exchange rate EUR/RON, valid for December 29, 2017
- the hidden orders will be utilized for the following financial instruments:
 - from the regulated market: equity, fund units, ETF, structured products
 - from ATS: equity, fund units

Contingent orders' characteristics

- contingent orders will be utilized for the following financial instruments:
 - from regulated market: equity, fund units, ETF, structured products
 - from ATS: equity, fund units

❖ *Cross orders*

- cross orders enter in the category of pre-trade transparency waivers, regarding the negotiated trades – according to Art. 5 from the Delegated Regulation 2017/587/UE and Art. 4 (1) b (i) and (ii) of the Regulation 2014/600/UE.
- cross orders will be utilized for the shares from the regulated market, in their main market.



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➤ *Regime of the orders deal/ trades deal*

- According to the provisions of the Art. 112 index 1 para. (2) - (5), Art. 113 (1) and (1 index 1), Art. 183, Art. 186, Art. 195 (4), Art. 210 (1) letter b) and (4), Art. 221, Art. 222 index 3 (1) letter b) from the Title III of the BVB's Rulebook – market operator, of the decision issued by Romanian Supervisory Authority regarding the approval of pre-trade transparency waivers, as well as the BVB's CEO decision with regard to the application of those waivers, BVB will ensure the framework for deal orders/ deal trades, starting with January 3rd, 2018, according to the this document.

The deal orders /deal trades will be utilized under the following pre-trade transparency waivers:

- *For equity and equity-like instruments:* according to the pre-trade transparency waiver „orders that are large in scale compared with normal market size („Large in scale” type) – based on the Art. 4 (1) letter c) from Regulation 2014/600/UE and Art. 112 index 1 para. (2) letter a) ii) from the BVB's Rulebook
- *for non-equity (having type: bonds, government bonds, structured products):*
 - *for bonds and government bonds:* according to the pre-trade transparency waiver „instruments for which there is not a liquid market” – based on the Art. 9 para. (1) Letter c) from Regulation 2014/600/UE and Art. 112 index 1 para. (2) letter b) ii) from the Title III of the BVB's Rulebook – market operator
 - *for structured products:* according to the pre-trade transparency waiver „orders that are large in scale compared with normal market size („Large in scale” type) – based on the Art. 9 para. (1) letter a) from the Regulation 2014/600/UE, Art. 13 (1) a) (i) and Table 4.1 Annex III from the Delegated Regulation Delegated 2017/583/UE, as well as the Art. 112 index 1 para. (2) letter b) is) from Title III of the BVB's Rulebook – market operator

❖ **Minimum value's deal**

- *for shares, fund units, rights traded in the regulated market and in ATS: according to the Table 1 from Annex II of Regulation 2017/587/UE (Annex 7)*

Average daily turnover (ADT), in EUR	ADT < 50 000	50 000 ≤ ADT < 100 000	100 000 ≤ ADT < 500 000	500 000 ≤ ADT < 1 000 000	1 000 000 ≤ ADT < 5 000 000	5 000 000 ≤ ADT < 25 000 000	25 000 000 ≤ ADT < 50 000 000	50 000 000 ≤ ADT < 100 000 000	ADT ≥ 100 000 000
Minimum size of orders qualifying as large in scale compared with normal market size (in EUR)	15 000	30 000	60 000	100 000	200 000	300 000	400 000	500 000	650 000



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The values applicable for equities are in line with the data published by ESMA regarding the transparency calculation:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-key-transparency-calculations-mifidiimifir-implementation>

- *for ETF: equivalent in RON of 1.000.000 EUR, according to the Delegated Regulation 2017/587/UE*
- *for bonds – in the regulated market and ATS: according to the Delegated Regulation 2017/583/UE and depending on the bond's liquidity: minimum value's deal: 0*
- *for government bonds: according to the Delegated Regulation 2017/583/UE and depending on the bond's liquidity: minimum value's deal: 0*
- *for structured products: a minimum value for a deal order is applied, according to the Delegated Regulation 2017/583/UE*
 - *minimum value's: equivalent in RON of 60.000 EUR*

The respective minimum values will be calculated as equivalent in RON at the currency rate EUR/RON as of December 29, 2017.

➤ *Regime of special buy-in/ sell-out trades*

- According to the Art. 112 index 1 para. (2) a) i) item 3, Art. 122 (1) letter b) and (2), Art. 164 para. (3) from Title III of the BVB's Rulebook – market operator, of the decision issued by Romanian Supervisory Authority regarding the approval of pre-trade transparency waivers, as well as the BVB's CEO decision with regard to the application of those waivers, BVB will ensure that, starting with January 3rd, 2018, the framework for performing the special buy-in/ sell-out trades, according to art. 151 (1) letters a) and c) from Title III of the BVB's Rulebook – market operator.

The buy-in and sell-out special trades specified above enter under the pre-trade transparency, according to Art. 4 1 letter b) (iii) from Regulation 2014/600/UE, Art. 5 and Art. 6 letters (i) and (j) from the Delegated Regulation 2017/587/UE.