

Procedure for calculating and monitoring the OTR

The ratio of unexecuted orders and trades traded in the system (OTR) is defined as the ratio between the number of orders entered/modified/canceled and the number of trades traded. This ratio shall be calculated for each trading venue daily and at member and value level, as set out in Delegated Regulation 566/2014.

Likewise, this ratio will be calculated both with the number of orders introduced, modified, or canceled and with the volume of securities corresponding to those orders. A daily and monthly record of the calculations made will be kept.

The way to compute orders and volumes for the OTR by the number of orders will be as follows in the example:

	Number of messages	Accumulated	No. of trades	Member
New order	1	1	0	XXXX
Order modification	1	2	0	XXXX
Order modification	1	3	0	XXXX
Partial execution	0	0	1	XXXX
Cancellation	1	4	0	XXXX

$$\text{OTR Number} = (4/1) - 1 = 3$$

	Number of shares	Accumulated	Volume Traded	Member
New order	100	100	0	YYYY
Order modification	80	180	0	YYYY
Order modification	90	270	0	YYYY
Partial execution	0	0	20	YYYY
Cancellation	70	340	0	YYYY

$$\text{OTR Volume} = (340/20) - 1 = 16$$

For the modifications of the volume ratio, the final number of shares after the modification will be considered, and for cancellations, the number of shares pending to be traded in the order will be considered. In addition, no distinctions will be made in the number of shares between the volume shown and the volume not shown in the book. All types of orders of our market (market, market to limit, limit, hidden, midpoint, combined blocks, and quotes) will be taken into account.

Those trades in which the buyer and the seller are the same market member will only be considered once in the calculation of the ratio. On the other hand, all partial modifications/executions in the history

of an order will be computed, but it will only be counted as entered on one day, even if it had been in force in the market for several trading sessions.

The ratio will be calculated for all instruments listed in the Spanish equities markets (EQ, MAB, Latibex, ETFs, and Warrants) daily, and limits will be established for market members and (higher) limits for specialists. It will be considered non-compliance if either of the two ratios for each member at a given value exceeds, in daily records, the limit established for that member (see tables below).

An average monthly ratio will also be calculated for all members. The trading venue may, in the same way, apply a "floor in the calculated ratios, which will serve to discard those members whose OTR (either by the number of orders or by volume) is below that floor. For those members who have not made any trades on a particular value, but who have an order record, they will be assigned an OTR of 0 automatically.

The report must include, next to each value, the corresponding MIC Code (XMAD/XBAR/XBIL/XVAL/MABX/XLAT).

Table of limits

By number of orders			
Segment	Floor	Maximum for Members	Maximum for Specialists
Equities	1	100.000	500.000
Warrants	1	100.000	1.000.000
ETFs	1	100.000	1.000.000
Latibex	1	50.000	500.000
BME MTF Equity	1	100.000	1.000.000

By volume of titles			
Segment	Floor	Maximum for Members	Maximum for Specialists
Equities	1.000	1.000.000	10.000.000
Warrants	1.000	1.500.000	150.000.000
ETFs	1.000	1.500.000	30.000.000
Latibex	1.000	10.000.000	50.000.000
BME MTF Equity	1.000	10.000.000	50.000.000

Madrid, 29 April 2022

Contracting and Supervision Committee

COORDINATOR

Nuria Álvarez Yubero