

Circular 1/2023

ON RULES FOR THE ADMISSION AND EXCLUSION
OF SECURITIES IN THE BOND MARKET, AIAF

BME Renta Fija

Julio 2023

CIRCULAR 1/2023. ON RULES FOR THE ADMISSION AND EXCLUSION OF SECURITIES IN THE BOND MARKET, AIAF.

Titles IV and V of the AIAF Fixed Income Market Regulations (hereinafter, the 'AIAF Market' or the 'Market') contain the general provisions applicable to the admission and delisting of securities on the Market.

The purpose of this Circular is to develop the aforementioned provisions by detailing and specifying the documentation and procedures applicable to the admission to trading and delisting of securities on the Market; it also includes new developments in the framework of admission to trading and the attribution to the governing body of the regulated market of the power to verify the admission requirements for non-equity securities, in accordance with article 63.1 of Law 6/2023, of 17 March, on Securities Markets and Investment Services (hereinafter, 'LMVSI').

The Board of Directors of Bolsas y Mercados Españoles Renta Fija Fija, S.A.U., at its meeting of 6 July 2023, within its sphere of competence, approved this Circular, which sets out the rules relating to the admission and delisting of securities on the Market.

Rule One. Scope of application

The rules set out in this Circular shall apply to the admission and delisting of securities on the AIAF Market, including prior verification of compliance with the requirements for admission to trading, where applicable.

Rule Two. Characteristics of securities that may be admitted to trading

Securities that are not restricted in their transferability, that recognise or create debt and that are issued by any of the entities referred to in the AIAF Market Regulations may be admitted to trading on the AIAF Market. These securities must be represented by book entries for the purposes of settlement of transactions carried out on them and their registration.

Rule Three. Documentation and procedure for admission to trading

In the case of non-equity securities, admission to trading on the AIAF Market shall require prior verification of compliance with the requirements and procedures established in this Circular, by the governing body of the AIAF Market, in accordance with the provisions of the Securities Markets and Investment Services Act, its implementing rules and the internal regulations of the AIAF Market.

The exceptions to the accreditation obligation set out in the legislation in force shall be taken into account.

3.1 Verification of the suitability requirements of the issuer and of the securities for admission to trading. Information requirements.

Admission shall be subject to proof of compliance by the issuer with the suitability requirements relating to the issuer and the securities, as well as with the disclosure requirements laid down in the applicable legislation.

They are not required to have this accreditation:

- Non-equity securities issued by the Spanish State, by its Autonomous Communities or Local Entities, by any other Member State or by one of the regional or local authorities of a Member State, by public international bodies to which one or more Member States belong, by the European Central Bank or by the Central Banks of the Member States;
- Securities unconditionally and irrevocably guaranteed by the Spanish State, its autonomous communities or local authorities, by any other Member State or by one of the regional or local authorities of a Member State; and
- securities issued by associations with legal personality or non-profit organisations, recognised by the Spanish State or any other Member State, with a view to obtaining the means necessary to achieve their non-profit objectives.

Compliance with these requirements by the issuer shall be evidenced to the AIAF Market at the time of requesting admission to trading of the programme or of the individual issues, by providing the documentation specified below.

The issuer must communicate to the AIAF Market any modification of the information included in the documentation provided, relating to the issuer and its securities.

Taking into account the structure of the issue and the laws involved, the AIAF Market may request additional documentation from the issuer, including independent legal opinions on relevant aspects of the issue or the issuer, where necessary to carry out the verification of the admission requirements.

In any case, the issuer is responsible for the information and documentation it provides to the AIAF Market to accredit compliance with the requirements for verification and such submission to the Market will only imply acknowledgement that it contains all the information required by the rules that establish its content and, in no case, will it determine the liability of the governing body of the AIAF Market for the lack of veracity of the information contained therein.

A. Eligibility requirements relating to the issuer

In order to prove that the issuer is validly constituted in accordance with the legal regime applicable to it, it must submit to the governing body of the AIAF Market a certificate signed by a person duly authorised by the issuer, certifying the following points:

- The issuer is validly incorporated under the laws of the country in which it is domiciled;
- The issuer is operating in accordance with its charter and bylaws or equivalent documents; and
- Holders of eligible securities, which are fungible among themselves, are treated equally in respect of all rights attached to such securities.

B. Eligibility requirements relating to securities

In order to prove that the securities are subject to the applicable legal regime, the issuer shall deposit with the AIAF Market the issue document regulated in article 7 of the Securities Markets and Investment Services Law, identifying the negotiable securities included in the issue, for which admission to trading is requested.

This document shall provide evidence of the following in respect of the securities:

- which respect the legal regime to which they are subject;
- that the total amount of the securities is at least EUR 200,000, calculated, where it exists, as the nominal value of the issue ¹;
- which are represented by book entries; and
- which are freely negotiable.

¹ This amount shall not apply where securities of the same class are already admitted to trading. In the case of continuous issues, it shall be calculated in relation to the overall amount of the programme.

C. Information requirements

Where the approval of a prospectus by the CNMV or by another competent authority of a Member State of the European Union is not required, the issuer shall provide the AIAF Market with its audited financial statements, including audit and management reports, in accordance with the legislation applicable to such issuer.

The annual individual and consolidated financial statements - if required to prepare consolidated statements - shall cover at least the last 2 financial years, but may cover a shorter period where the issuer is a special purpose vehicle, i.e. an issuer whose objects and purposes are primarily the issuance of securities, and:

- the securities to which the admission relates are securitisation securities,
- or guaranteed, provided that the guarantor has published annual audited financial statements covering the last 2 financial years.

The obligation to provide the AIAF Market with the information requirements, for the issuer applying for admission to trading, and which is subject to the periodic reporting obligations of articles 99 and following of the Securities Markets and Investment Services Law, shall be deemed to be fulfilled by the provision to the AIAF Market of a certificate from the issuer certifying that it has made public and disseminated its financial reports, within the legally established deadlines, and that they are included in the corresponding official register of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).

D. Deadline

Verification of compliance with the requirements for admission to trading shall be carried out, at the latest, within five working days following the date on which the complete documentation was deposited.

If the documentation is considered incomplete, additional information shall be requested.

The information required by the AIAF Market must be submitted within three working days from the day following receipt of the request by the interested party, which may be extended when the nature or complexity of the information required so requires.

E. Refusal

The AIAF Market Authority may refuse an application for admission to trading, stating its reasons, in writing if the requirements established are not sufficiently met

3.2 Admission to trading

The admission of securities to trading on the Market shall be requested by the issuer of the securities, in writing addressed to the AIAF Market and signed by a person with sufficient power of attorney, and must refer to all the securities of the same issue. A model application form for admission to trading is attached as Annex 1.

Notwithstanding the above, in the case of securities whose admission is promoted by an entity other than the issuer (including the AIAF Governing Company) because they are already admitted to trading on another regulated market in the European Union, admission shall be requested by the promoter in writing addressed to the AIAF Market signed by a person with sufficient authority, which must include the provisions contained in the Regulation.

The application for admission to trading must be accompanied by the documentation set out in Annex 2 to this Circular. However, if the securities for which admission to trading is requested are already admitted to trading on another regulated market in the European Union, the application shall be accompanied by the documentation which, according to the AIAF Market, allows prior verification of compliance with the requirements set out in this Circular.

In cases where the Governing Company is the promoter of the admission, the admission must be decided and approved by its Board of Directors.

Once the application has been received together with the aforementioned documentation, the admission procedure set out below shall be applied.

3.3 Procedure

The Issuer sends to the AIAF Market the documentation referred to in this Circular for the admission to trading procedure.

The AIAF Market studies and processes the admission file.

The AIAF Market Authority agrees or denies the verification and admission to trading of the securities and will communicate this to the issuer/promoter.

Rule Four. Exclusion from negotiation

Securities admitted to trading on the Market may be removed from trading when the issuer so decides, complying with the legal requirements established for this purpose. In this case, the issuer must send a letter to the Market, signed by a person with sufficient power of attorney, requesting such delisting. Once the letter has been received, the Sociedad Rectora del Mercado AIAF will decide on the delisting without prejudice to the decisions that the Comisión Nacional del Mercado de Valores may adopt in this respect..

Securities admitted to trading on the Market may also be removed from trading when so decided by the Sociedad Rectora de AIAF in the cases provided for in the Regulations, or when so requested by the Comisión Nacional del Mercado de Valores.

Repeal provision

This Circular shall repeal, as from its entry into force, Circular 3/2017 of 21 December on rules for the admission and delisting of securities on the AIAF Market.

Final provision. Entry into force

This Circular shall enter into force on 18 September 2023.

ANNEXES:

- Annex 1: Model application form for admission to trading
- Annex 2: Documentation for admission to trading

ANNEX N° 1

APPLICATION FORM FOR ADMISSION TO TRADING

Mr/Ms in the name and on behalf of (full corporate name of the issuer/promoter, with its registered office, LEI and NIF), with sufficient powers for this purpose,

REQUESTS

Admission to trading on the AIAF Market, subject to verification where appropriate:

- (i) of the issue (full name of the issue), issued by (full name of the issuer), in the amount of (specify amount of the issue), with ISIN code (ISIN code); or,
- (ii) (ii) of the issuance programme (programme name) and of the securities to be issued at its own expense,

and the characteristics of which are set out in the issue document under Article 7 of Law 6/2023 of 17 March on Securities Markets and Investment Services and in the admission document or prospectus, copies of which are attached hereto and which, in the case of the issue document, are the same as that filed with the entity responsible for the accounting register;

MANIFESTA ²

Under the responsibility of the issuer, that the issuer complies with the suitability requirements relating to the issuer and the programme or securities for which admission to trading is hereby sought, as provided for in the applicable legislation.

The documentation attesting to compliance with the suitability requirements is attached.

The issuer's financial statements, prepared and audited in accordance with the law applicable to the issuer, are attached³.

² It does not apply to issuers who do not have to prove the eligibility requirements for verification.

³ Only when the approval of a prospectus by the CNMV or by another competent authority of a Member State of the European Union is not required or when Article 99 et seq. of the LMVSI apply to them.

ANNEX N° 2

DOCUMENTATION FOR ADMISSION TO TRADING

- 1.** Certification signed by a person duly authorised by the issuer, certifying the matters relating to the suitability of the issuer and the securities, as referred to in Rule Three, 3.1, sections A and B of the Circular.
- 2.** Issue document and, where applicable, the prospectus, in accordance with articles 7 and 35 of Law 6/2023 of 17 March on the Securities Markets and Investment Services. 6/2023 of 17 March on Securities Markets and Investment Services. It may be:
 - ✓ Public deed, where required.
 - ✓ Prospectus approved and registered by the CNMV or by another competent authority of a Member State of the European Union.
 - ✓ Publication of the characteristics of the issue in the corresponding official bulletin, in the case of State or Autonomous Community debt issues, as well as in those other cases in which it is stipulated.
 - ✓ In the case of broadcasting programmes, additional certification stating the differentiated characteristics, not included in the differentiated characteristics, not included in the issue document.
 - ✓ Certification of the issue agreement issued by the persons empowered in accordance with the regulations in force, in the case of promissory notes with a maturity of less than 365 days that are to be admitted to trading on a regulated market. Where this certificate does not contain all the characteristics of the programme, it shall be accompanied by a certificate signed by a person with sufficient power of attorney, including the remaining terms.

The issue document shall include at least the following aspects:

- a)** Designation of the entity in charge of the accounting record.
- b)** Name of the transferable securities and of the issuing entity.
- c)** Number of tradable securities.
- d)** Nominal value of marketable securities, where applicable according to the nature of the security.
- e)** Economic rights of securities.
- f)** Any other relevant characteristic or condition of the marketable securities, in particular, and in accordance with their nature, those mentioned in the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July, in Royal Decree 1784/1996.

by Royal Legislative Decree 1/2010, of 2 July, and in Royal Decree 1784/1996, of 19 July, which 19 July 1996, approving the Regulations of the Mercantile Registry and other specifically applicable provisions.

3. Disbursement certificate.
4. Certification of signatures authorised to sign complementary and promissory note disbursement certifications, issued by a person with sufficient power for this purpose. The signatures of the authorised persons must be notarised unless they use a qualified electronic signature.
5. Accreditation of the identity and powers of the person signing the documentation provided to the Market.

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