
CIRCULAR2/2018, OF 4 DECEMBER, ON ADMISSION AND REMOVAL OF SECURITIES IN THE ALTERNATIVE FIXED INCOME MARKET (MARF).

Title IV of the Rule Book of the Alternative Fixed Income Market (MARF), henceforth, the "Market", set out the general provisions applicable to the admission and removal of securities in the Market.

In accordance with this provision, this Circular addresses aspects such as the requirements for the admission of securities, the documentation needed for this, the processing of the admission application and the provisions governing the removal of securities from the Market.

At its meeting on 27 November 2018, the Board of Directors of Bolsas y Mercados Españoles, Renta Fija, S.A.U. (sociedad unipersonal), within the scope of its competence, approved this Circular, which sets out the rules relating to the admission and removal of securities in the Market.

One. Scope of application.

This Circular details and specifies the requirements, documentation and procedures for admission and removal of securities in the Alternative Fixed Income Market (MARF).

Two. Admission requirements.**1. Characteristics of issuers.**

Those fixed income securities - referred to in Article 22 of the Market Rule Book - which are issued by institutions whose circumstances require them to seek out a single or alternative channel to regulated markets and which, in accordance with the provisions of the regulations in force at any given time, have the legal capacity to do so, may be admitted to the Market.

2. Features of securities.

Securities eligible for admission in this Market must be aimed solely at qualified investors, and the ir unit face amount will be at least €100,000 or equivalent, on the payout date, in the corresponding currency and cannot be subject to any legal or statutory restrictions impeding their free trading and transferability.

Securities traded in the Market will be represented by book entries, without this implying any change to their initial system of representation and, consequently, irrespective of whether, depending on their respective applicable legislation, they are admitted as paper-form or book-entry form securities.

Securities must be registered in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores or in another Central Securities Depository.

3. Appointment of registered advisor.

For each of the issues to be admitted in the Market, the Issuer must appoint a registered advisor from those listed in the register set up by the MARF, pursuant to the Rule Book and the relevant Circular.

Three. Documentation required for admission of securities in MARF.

1. Admission application.

The admission of marketable securities must be requested in writing to the Market by the Issuer, any Market member or third party, and bear the signature of the person with sufficient powers. In addition, in the case of asset-backed securities, the management company of securitisation funds may also apply for admission.

The written application will indicate that the requirements and conditions for the admission and removal of securities traded in the Alternative Fixed Income Market (MARF) are known, in accordance with the regulations applicable to it and the commitment stated to submit relevant information to the market for disclosure that, on either a periodic or ad hoc basis, may affect the trading of its securities, as required under the regulations of the Market.

The Registered Advisor is responsible for ensuring that the Issuer meets the requirements set out by the Market Rule Book and by this Circular for admission to the Market.

2. General information on the Issuer.

The following must be duly accredited along with the application for admission of securities in the MARF:

2.1 The incorporation and continuing existence of the Issuer.

2.2 The literal content of its bylaws.

2.3 The filing of the individual financial statements and, where applicable, the consolidated financial statements for the last two years, at the Companies Register or in the one which corresponds to the Issuer, unless it is a recently-created issuer, in which case accreditation will be limited to those financial statements it has filed, where appropriate.

2.4 Where the admission application is for asset-backed securities, the issuer identification requirement will have been met with the securitisation fund's deed of incorporation.

2.5 In the case of issues carried out by a company which has collateral from a third party, filing of the guarantor company's financial statements for the last two years.

3. Admission documents.

Registered Advisers must have assisted the Issuer in preparing the informational document of admission of securities and in complying with the obligations which correspond to them in their operations in the Market, ensuring that issuers comply with their reporting duties, in accordance with Market Rule Book.

The Issuer must submit the following documentation to the Market:

- a. Certification issued by legal representative in accordance with current legislation, which includes the regulatory conditions required for the issue, in which admission to the Market is requested and, where appropriate, indicating the characteristics of the securities issued.
- b. Where appropriate, a guarantee document, signed by legal representative, with notary certification of the signatures.
- c. Informational document of admission of securities, or informational base document of admission of securities, where appropriate. The same document used for admission to trading in another market may be accepted as the informational document, with any updates and adaptations deemed appropriate.
- d. If requested by the Issuer or investors, a credit risk assessment or solvency report, issued by an entity registered and certified by ESMA.

Similarly, depending on the type of security and its issuance procedure, the following documentation must also be presented by the Issuer:

3.1. Admission of commercial paper issues pursuant to informational base document of admission of commercial paper.

- 3.1.1. Certification of the list of authorised signatures for the signing of subsequent certificates, on which their signatures appear.
- 3.1.2. Complementary certification of the issue and certificate of the result of the placement, proving payout of each issue, signed by legal representative.

3.2. Admission of fixed income securities issues pursuant to informational base document.

- 3.2.1. Final terms and conditions of each issue.
- 3.2.2. Certificate of the result of placement, proving payout of each issue, signed by legal representative.

3.3. Admission of specific medium- and long-term fixed income securities issues

3.3.1. Certificate of result of placement, proving payout of each issue, signed by legal representative.

3.4. Admission of asset-backed securities issued by a closed-liability securitisation fund.

3.4.1. Authorised copy of deed of incorporation, asset transfer and securities issue and record of their payout.

3.4.2. Certificate of result of placement, proving payout of each issue, signed by legal representative.

3.5. Admission of asset-backed securities issued by an open-liability securitisation fund.

3.5.1. Authorised copy of the deed of incorporation, asset transfer and securities issue.

3.5.2. Terms and conditions of each issue.

3.5.3. Authorised copy of securities issue deed and record of their payout.

3.5.4. Certificate of the result of placement, proving payout of each issue, signed by legal representative.

3.6. Extension or modification of informational document of admission of securities.

3.6.1. Admission request letter of supplement to the informational document of admission of securities. Such letter must include a written declaration on the validity of the information provided for acceptance of the initial informational document of admission of securities.

3.6.2. If further resolutions must be adopted to carry out the extension or modification of informational document of admission of securities, certification of these will be provided to the Market, adopted by the corresponding corporate bodies.

3.6.3. A supplement to the initial informational document of admission of securities, which expressly states that from the approval date of the informational document of admission of securities to the date of presenting the new documentation, no new risks have arisen that modify those described in the initial informational document of admission. If this is not the case, details must be given about these risks.

Such supplement must also include a description of the items in the initial informational document of admission of securities that have been modified.

Four. Early redemption of securities.

If the Issuer decides to redeem the securities admitted to the Market, before their final maturity date, it must prepare a communication in which the following details need to be included:

- The Issuer's complete identification.
- Complete name of the issue and the ISIN code.
- Number of securities to be redeemed.
- Redemption date and indication of whether it is partial or total early redemption.
- Face value to be redeemed and in cases of partial early redemption, the outstanding balance after redemption.
- Indication that all the legal obligations and formalities included in the informational document of admission of securities have been complied with.

It is compulsory to attach a copy of the documentation to the abovementioned communication, signed by legal representative, in order for the redemption to take place.

Five. Processing and admission.

Once the request for the admission of securities and the relevant documentation is received, the Admissions and Suspensions Committee will assess whether the marketable securities, for which admission is requested, meet the necessary requirements.

Admission resolutions will be reported to the National Securities Market Commission (CNMV) in accordance with the framework set out in the Market Rule Book.

Likewise, the Issuer and the Registered Advisor of the issue will be notified.

Six. Removal of marketable securities.

1. In accordance with Article 29 of the Market Rule Book, without prejudice to any decisions made in this regard by the CNMV, marketable securities may be removed from trading in the Market when a reasoned decision is made to do so by the Admissions and Suspensions Committee in the following cases:

- a) At the request of the Issuer, if relevant regulatory requirements are satisfied.
- b) The Issuer fails to comply with the conditions required of it to qualify as an issuer of securities in the Market.
- c) Failure by the Issuer to comply with the requirements or conditions for the admission of its marketable securities.
- d) Serious and repeated breach of the obligations of the Issuer.

- e) The Issuer is in liquidation under the Spanish Insolvency Act (Ley Concursal) or at the stage of winding-up under the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital).
2. Furthermore, the Board of Directors of the Market's Governing Company may remove securities admitted to the Market from trading, if they are removed from other regulated markets or multilateral trading facilities and if warranted by the circumstances.
3. If the request to remove securities originates with the Issuer, they must submit a written request signed by legal representative and clearly stating:
- a) The company details of the Issuer.
 - b) The details of the issue that is requested to be removed from trading.
 - c) The planned date of removal from trading.

This communication must be accompanied by supporting documentation evidencing the agreement and consent granted by the holders of the securities to request their removal from trading.

4. In those cases in which the Market's Admissions and Suspensions Committee agrees to the removal of the securities due to failure or breach of the obligations resulting from their admission to the Market, the decision will be taken following a hearing with the Issuer in question.
5. Any decision to remove securities must be notified to the CNMV, which must be informed immediately of any decision made by the Market in this respect. Such decisions must be made public.
6. In addition, the Governing Company will remove securities admitted to the Market upon demand by the CNMV, in any circumstances envisaged by law.

REPEAL PROVISION.

This Circular repeals Circular 1/2015 of 30 September, on admission and removal of securities.

FINAL PROVISION. Entry into force.

This Circular will enter into force on 4 December 2018