



Annex – MTS Germany

This Annex together with the General MTS Domestic Market Rules collectively constitutes the rulebook for MTS Germany and should be read in conjunction with one another. The General MTS Domestic Market Rules apply to MTS Germany in their full and entire meaning.

All capitalised terms are taken in their full meaning from the Definitions within the General MTS Domestic Market Rules

SECTION I – DEFINITIONS

The General MTS Domestic Market Rules apply

SECTION II – GENERAL PROVISIONS

Article 1 - Market Rules

The General MTS Domestic Market Rules apply

SECTION III – ADMISSION AND RESIGNATION

Article 2 - Participant Types

MTS Germany distinguishes between two categories of Participants.

1. Price Taker:

Participants are permitted to take part in trading of Tradable Securities through Orders only.

2. Market Maker:

Participants are permitted to take part in trading through Quotes and/ or Orders. Market Makers are Participants that are accepted by the Company as a 'Market Maker' and agree to have the quoting obligations in relation to certain Eligible Securities in accordance with the General MTS Domestic Market Rules.

Article 3 - General Conditions for admission

In addition to the General conditions for admission specified in the General MTS Domestic Market Rules, institutions requiring admission to trading must:

1. belong, either directly or via an agent, to one of the clearing and settlement institutions specified below, and has suitable links with such institutions for the settlement of trades on the System:





- a. Clearstream Banking Luxemburg or
- b. Euroclear Bank NV SA.

Article 4 - Additional Conditions for admission

There are no additional conditions imposed upon Participants that wish to be admitted to trading on MTS Germany. Article 3 of the General MTS Domestic Market Rules and this Annex apply.

Article 5 - Admission procedure for Participants

The General MTS Domestic Market Rules apply

Article 6 - Resignation procedure for Participants

The General MTS Domestic Market Rules apply

Article 7 - Regional Sub-Committee for MTS Germany

1. Members of the Regional Sub-Committee are appointed in accordance with the Regional Sub-Committee Rules. Eligible members shall be Market Makers and representatives of the Company.
2. The Board at all times shall have the authority to overrule any decision or action taken by the Committee with respect to commercial, technological or regulatory matters notwithstanding the operation of the procedures.
3. Any decisions made by the Committee must not contravene any regulatory requirements of the FSA or any other applicable laws, or technical requirements of the System.

SECTION IV – UNDERTAKINGS**Article 8 - Undertakings**

The General MTS Domestic Market Rules apply

Article 9 - Additional undertakings of Market Makers

1. In addition to the undertakings in Article 8 of the General MTS Domestic Market Rules , each Market Maker undertakes to the Company to provide its commitment to quote on the System the Eligible Securities assigned to it and to do so in compliance with the provisions in relation to Quoting Commitments at Article 14 of this Annex. Such undertaking shall not apply to a Tradable Security while it is suspended from trading on the System and shall not apply to Finanzagenthur.
2. The Company may at its discretion:
 - a. agree to a temporary suspension of its undertaking in Article 9.1 above; or





- b. temporarily suspend a Participant's undertaking in Article 9.1 above if normal market conditions do not apply or an MMI occurs; or
- c. temporarily amend any of the values or methods of calculation in the provisions relating to Quoting Commitments at Article 14 of this Annex, or other relevant Articles containing the Quoting Commitments if normal market conditions do not apply or an MMI occurs.

SECTION V – TRADING

Article 10 - General System Operations

The General MTS Domestic Market Rules apply

Article 11 - Opening Hours and Days

The General MTS Domestic Market Rules apply

Article 12 - Suspension and postponing of operations

The General MTS Domestic Market Rules apply

Article 13 - Selection of Eligible Securities, Tradable Securities

1. The issuer is the Republic of Germany.
2. The eligibility criteria for Tradable Securities are:
 - a. Fixed coupon-bearing Eligible Securities either:
 - I. Issued within the previous two years; or
 - II. If not originally issued within the previous two years, the Eligible Securities must have been “tapped” or auctioned for a total sum of not less than 1 billion Euros during the previous two years.
 - b. Principal amount outstanding of not less than Euro 3 billion
3. The System will reject Quotes and Orders entered for amounts lower than Euro 2.5 million.

Article 14 - Quoting Commitments

1. Market Makers shall commit to make Double-Sided Quotes of the Tradable securities assigned to them in accordance with Article 16 of the General MTS Domestic Market Rules .
 - a. Within the Market Average Spread plus one standard deviation; and
 - b. For at least a period of time equal to the Market Average quotation times less one standard deviation



**Article 15 - Suspension of Quoting Commitments on Tradable Securities**

The General MTS Domestic Market Rules apply

Article 16 - Assignment of Securities to Market Makers

The General MTS Domestic Market Rules apply

Article 17 - Quotes

The General MTS Domestic Market Rules apply

SECTION VI – CONTRACTS**Article 18 - Trades**

The General MTS Domestic Market Rules apply

Article 19 – Types of Contracts

The General MTS Domestic Market Rules apply

Article 20 - Conclusion and registration of contracts and Mid-Price crossing

The General MTS Domestic Market Rules apply

Article 21 - Procedures for the conclusion of contracts

The General MTS Domestic Market Rules apply

Article 22 - Clearing and Settlement of contracts

The System is connected to the clearing and settlement institutions and to the Central Counterparty. On a real time basis, the System sends instructions to these institutions on behalf of Participants. Participants will authorise the chosen settlement institution (either Clearstream Banking Luxemburg or Euroclear Bank NV SA) to settle instructions sent by MTS Germany by executing a “Power of Attorney” – arranged by the relevant settlement institution– in favour of EuroMTS. Alternatively, a Participant may make use of a settlement agent, executing with such settlement agent an agreement in the form specified by the Company. In this latter case, the settlement agent will be requested to sign the Power of Attorney arranged by the chosen settlement institution.

A Participant shall only be permitted to use one single account to settle transactions executed on MTS Germany.

Furthermore a Participant can opt to use LCH.Clearnet Ltd as a Central Counterparty.





A participant wishing to use the Central Counterparty will lodge with the Company the CCP application form specified by the Company.

Article 23 - Settlement Cycle

1. Settlement follows the TARGET calendar: all TARGET opening days are settlement days.
 - a. The settlement cycle for the Bond Segment is T+3 and for the T-Bill Segment T+2 with the exception of securities traded in the grey market.
 - b. Securities traded in the grey market will be settled on the date of first settlement as determined in the issue conditions of the Republic of Germany.

Article 24 - Cancellation of trades

The General MTS Domestic Market Rules apply

Article 25 - Law governing contracts

The General MTS Domestic Market Rules apply

SECTION VII – PROVISION OF INFORMATION

Article 26 - Provision of Information to Participants

The General MTS Domestic Market Rules apply

Article 27 - Provision of Information to the authorities

The General MTS Domestic Market Rules apply

Article 28 - Provision of Information to the issuer

The General MTS Domestic Market Rules apply

SECTION VIII – SUPERVISION AND SANCTIONS

Article 29 - Verification of regular course of trading

The General MTS Domestic Market Rules apply

Article 30 - Breach of Participant undertakings

The General MTS Domestic Market Rules apply

Article 31 - Failure to honour Quoting Commitments

The General MTS Domestic Market Rules apply





Article 32 - Procedure in respect of Article 30 (Breach of Participant Undertakings)

The General MTS Domestic Market Rules apply

Article 33 - Adoption and enforcement of sanctions

The General MTS Domestic Market Rules apply

Article 34 - Automatic suspension from trading

The General MTS Domestic Market Rules apply

SECTION IX – FINAL PROVISIONS

Article 35 - Liability

The General MTS Domestic Market Rules apply

Article 36 - Disputes

The General MTS Domestic Market Rules apply

