



Annex – MTS Netherlands

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

In addition to the definitions listed in the General MTS Domestic Market Rules, the following definitions are also applicable to MTS Netherlands:

“DSL”	means Dutch State Loan, an interest-bearing public government bond issued by the DSTA.
“DSL Segment”	means the segment of the System dedicated for trading between Participants in DSL’s.
“DSTA”	means the Dutch State Treasury Agency, a Participant that takes part in trading on the System in the TRS Segment through Quotes only.
“DTC”	means Dutch Treasury Certificate, a short-term zero-coupon Treasury bill issued by the DSTA.
“DTC Segment”	means the segment of the System dedicated for trading between Participants in DTCs.
“DTC Specialist”	means an institution that has been designated by the DSTA as DTC Single Market Specialist.
“Primary Dealer”	means an institution that has been designated by DSTA as a Primary Dealer.





“TRS Segment”

means the segment of the System dedicated for trading between the DSTA and Primary Dealers.

SECTION II – GENERAL PROVISIONS

Article 1 - Market Rules

1. For the purpose of this Article, all decisions taken by the Company pursuant to the General MTS Domestic Market Rules shall be taken by the Board unless specifically delegated by means of a Board Resolution to another body of the Company.
2. For the operations and functioning of the TRS Segment, Articles 26.2.b up to and including Article 26.2.e and Article 28 of the General MTS Domestic Market Rules are not applicable. Trading in the TRS Segment is subject to these Market Rules and to the issuance policies and issuance calendar of DSTA.

For DSTA, the Articles 8.q and 8.r, 29, 30 31, 32 and 36 of the General MTS Domestic Market Rules are not applicable.

SECTION III – ADMISSION AND RESIGNATION

Article 2 - Participant Types

MTS Netherlands 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.

3. DSTA:

A Participant that only has access to the TRS Segment of the System and takes part in trading through Quotes only.

Article 3 - General Conditions for admission

1. In addition to the General conditions for admission specified in the General MTS Domestic Market Rules, the following institutions may also be admitted to trading on the System:





a) The DSTA

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

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

- I. Clearstream Banking Luxembourg or
- II. 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 Netherlands. 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 Netherlands

1. The Board shall appoint members of the Committee who shall be representatives of the Company and the Participants. The Board also provide the Committee with its operating procedures ('Procedures).
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

Additional Undertakings of Price Takers:

In addition to the undertakings in the General MTS Domestic Market Rules, each Price Taker shall undertake to the Company and other System Participants from time to time:





1. to ensure fulfilment of the conditions referred to in Article 3 of the General MTS Domestic Market Rules and the relevant section of Article 4 of this Annex.
2. to notify the Company immediately in case of any breach of any of the undertakings in Article 3 of the General MTS Domestic Market Rules and Article 4 of this Annex.

Additional Undertakings of Market Makers:

1. In addition to the undertakings in the General MTS Domestic Market Rules, each Market Maker who is not registered as a Primary Dealer with the DSTA undertakes to the Company and other System Participants from time to time, to make Double-Sided Quotes on the System in relation to all Eligible Securities assigned to it and to do so in compliance with the provisions regarding Quoting Commitments. Such undertaking shall not apply to a Tradable Security while it is suspended from trading on the System.
2. The Company may at its discretion:
 - a. Agree to a temporary suspension of its undertaking in paragraph [1] above; or
 - b. Temporarily suspend a Market Maker's undertaking in paragraph [1] above if normal market conditions do not apply or a MMI occurs; or
 - c. Temporarily amend the methods of calculation referred to in the provisions regarding Quoting Commitments, if normal market conditions do not apply or a 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 Kingdom of the Netherlands
2. The eligibility criteria for Tradable Securities are:
 - a. Fixed coupon-bearing Eligible Securities
 - b. T-Bills
3. The minimum Quantities for Quotes and Orders in each Segment of MTS Netherlands are:
 - a. TRS Segment

All Securities	According to the issuance policy of the DTSA
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b. DSL Segment

Securities belonging to maturity buckets A, B and C	Euro 5.0 million
Securities belonging to maturity buckets D and E	Euro 2.5 million

c. DTC Segment

All Securities	Euro 10.0 million
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The System will reject Quotes and Orders entered for amounts lower than the ones reported in the tables above.

Article 14 - Quoting Commitments

1. Market Makers who are not registered as Primary Dealers with the DSTA 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 minus 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

In addition to the provisions specified in the General MTS Domestic Market Rules, MTS Netherlands has a further specific provision regarding the contribution of Quotes:

1. Contribution of Quotes in the DSL segment must be made in price.
2. Quotes in the DTC Segment must be made in yield.

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 Netherlands by executing a "Power of Attorney" – arranged by the relevant settlement institution in favour of Euro MTS. Alternatively, a Participant may make use of a settlement agent, executing with such settlement agent a declaration 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 Netherlands.

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 DSL Segment is T+3 and for the DTC Segment T+2 with the exception of securities traded in the grey market.
 - b. The settlement cycle for the TRS segment is according to the issuance conditions of DSTA.
 - c. Securities traded in the grey market will be settled on the date of first settlement as determined in the issue conditions of the Kingdom of the Netherlands.

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

In addition to the provisions specified in Article 28 of the General MTS Domestic Market Rules, the Company shall:

1. not supply the DSTA with any specific information on the daily activity of any individual Participant; and
2. supply the necessary data and information required by the DSTA for its evaluation of Primary Dealers' and DTC specialists' secondary market quoting commitments.

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.

