

REGULATION no. 13/2018

on trading venues

Pursuant to the provisions of art. 1 paragraph (2), art. 2 paragraph (1) point a) and d), art. 3 paragraph (1) point b), art. 5 point a), art 6 paragraph (1) and (2), as well as of the art. 14 from the Emergency Government Ordinance no. 93/2012 concerning the establishment, organisation, and operation of Financial Supervisory Authority, approved with amendments and additions by Law no. 113/2013, with subsequent amendments and additions,

In accordance with art. 66 paragraph (2) and (4), art. 129 paragraph (3) and (7), art. 130 and 131, art. 133, art. 134 paragraph (2) point d), art 135 paragraph (6), art. 136 paragraph (1), (6) and (7), art. 137 paragraph (1) point g), art. 147 paragraph (4), as well as art. 280 paragraph (1) by Law no. 126/2018 on markets in financial instruments,

Following the deliberations of the Council of Financial Supervisory Ordinance meeting from the date of 14.11.2018,

Financial Supervisory Authority shall issue the following regulation:

TITLE I

General provisions

Art. 1. – (1) This regulation lays down rules on authorisation, organisation and operation of the market operators, market regulation, multilateral trading systems, hereinafter referred to as *SMT* and systems organised by trading, hereinafter referred to as *SOT* in accordance with the Law no. 126/2018 on markets in financial instruments, hereinafter referred to as *Law no. 126/2018*.

(2) Financial Supervisory Authority, hereinafter referred to as *F.S.A.*, is the appropriate authority which applies the provisions of the current regulation, by exercising of prerogatives laid down in Emergency Government Ordinance no. 93/2012 concerning the establishment, organisation and operation of Financial Supervisory Authority, approved with amendments and additions by Law no. 113/2013, with subsequent amendments and additions.

Art. 2. – Terms, abbreviations and expression used in this regulation have the meaning assigned in Law no. 126/2018.

Art. 3. – (1) Decisions on authorisation or withdrawal of authorisations of entities mentioned in art. 1 paragraph (1) shall be issued by F.S.A. under the provisions of this regulation, no later than 6 months after the registration of the complete document of the applicant, unless the Law no. 126/2018, provisions of this regulation or European regulations issued in the appliance of Directive 2014/65/EU establish another term.

(2) Any additional information or amendment of documents initially submitted request of F.S.A. concerning authorisation/approval suspends the time limits laid down in this

regulation, which resume their currency from the date on which the submission of that information or amendment, submission that can not be made later than 60 days after the date of the request F.S.A., under the penalty of the rejection of the application.

(3) The documents shall be returned to the applicant, with the presentation of the reasons of refund, in the case in which these are incomplete, illegible or their submission is established in an inappropriate form or the lack of some documents, as well as in the situation in which the provisions of the Law no. 126/2018 are not fully fulfilled, the provisions of F.S.A. regulations or of the European regulations issued in the application of the Directive 2014/65/EU.

(4) The decisions concerning the amendment and addition of the regulations issued by the market operators/S.S.I.F. which manages a SMT/SOT provided for in this regulation are issued by the F.S.A. no later than 90 days after the registration of the complete documentation.

(5) F.S.A. may require additional information or the amendment of the regulations referred to in paragraph (4), initially submitted, no later than 30 days and in this case, the time limit laid down in the paragraph (4) shall be suspended.

(6) The time limit of 90 days mentioned in the paragraph (4) resume its currency from the date on which the submission of information or of required amendments according to paragraph (5).

TITLE II

Market operators and regulated markets

CHAPTER I

Authorisation and withdrawal of authorisation of market operator and of regulated market

Art. 4. – (1) In order to function in a legal way, a market operator has the obligation to require F.S.A. the operating license in order to organise and manage the regulated markets by the financial instruments, according to annex no. 1.

(2) Granting the authorisation of operating license of the market operator shall be made provided that this to require also the authorisation of at least one regulated market.

(3) The authorisation of the market operator and of the regulated market is granted only if A.S.F. considers that both the market operator and the trading system/systems of the financial instruments fulfil the conditions laid down by this regulation.

(4) Authorisation decision of the regulated market shall also include the approval of the regulation taken by the market operator for the organisation and operating of the market.

Art. 5. – In case of rejection of request submitted by the market operator, F.S.A. shall issue a motivated decision which notify thereof; this decision may be challenged no later than 30 days after the date of communication.

Art. 6. – (1) Market operator has the obligation to submit to F.S.A. approval the respective regulations and to notify F.S.A., in advance, the procedures/ technical clarifications, subject to the requirements in art. 151 by Law no. 126/2018 and in this regulation.

(2) Market operator has the obligation to publish on its own website its own regulations/ procedures/ technical clarifications referred to in paragraph (1) no later than 3 working days after the date of their notification/ approval by F.S.A.

(3) The own regulations/ procedures/ technical clarifications referred to in paragraph (1) shall be applicable from the date mentioned by the statutory body of the market operator, but no earlier than the 5th working day from the date of their publication on the operator market site.

(4) In justified cases, F.S.A. may approve the reducing of the time limit referred to in paragraph (3).

(5) The own regulations/ procedures/ technical clarifications referred to in paragraph (1) are available on the market operator website, in Romanian and English languages.

Art. 7. – (1) In its all official documents, the market operator must specify expressly the number and the date of authorisation decision issued by F.S.A., as well as the identification data.

(2) The designation of a market operator under F.S.A. authorisation and surveillance must be so established that it is not likely to produce confusion with the name of another authorised entity to operate in the territory of Romania.

Art. 8. – (1) In the case in which a market operator intends to manage other types of regulated markets than the one/ones authorised by F.S.A. at the time of granting of operating license, F.S.A. shall decide on regulated market authorisation, no later than 60 days from the date of submission of request, accompanied by the statutory body decision of the market operator concerning the establishment of the regulated market as well as the documents referred to in section 6 and section 17 point c) from the annex no. 1.

(2) Through type of regulated market is understood the market characterised either through various techniques and trading rules, or through the financial instruments category admitted to trading (shares and another transferable securities equivalent to the shares, debt securities, government securities, derivative financial instruments, etc.).

(3) The market operator must notify to the market participant the amendments brought to their regulations, no later than 24 hours from their approval by F.S.A.

(4) In the implementation of provisions of art. 147 paragraph (2) point c) of Law no. 126/2018, when shall assess if a financial instrument may be subject of an equitable trading, orderly and efficient, the market operator assesses the compliance with the conditions of Delegated Regulation (EU) 2017/568 of supplementing Committee dated 24 May 2016 of Directive 2014/65/ EU of European Parliament and Council as regards technical regulatory standards concerning the admission of financial instruments to trading on regulated markets, hereinafter referred to as *Delegated Regulation (EU) 2017/568*.

SECTION I

Capital and financial resources

Art. 9. – F.S.A. cannot grant the authorisation to a market operator, if this does not dispose of social capital, respectively initial capital, that represents the equivalent in lei of at least 5 million euro, calculated at reference rate published by Romania's National Bank on the date of application.

Art. 10. – (1) Social capital of a market operator, Romanian legal person, must be fully paid-in in cash at the time of subscription, including the case of its increase, equity in kind being prohibited.

(2) To formation, the equities to social capital must be paid-in in an account with a credit institution. This account is stuck until the registration of the market operator, Romanian legal person, in commercial register.

(3) The shares of a market operator, Romanian legal person, can only be nominative. In their instruments of incorporation, the market operators cannot establish exceptions to the principle that a share offers the right to a single vote.

Art. 11. – (1) Initial capital referred to in art. 9 shall consist the amount of the following elements: capital, the retained earnings, and reserves.

(2) To the formation of a market operator, initial capital is represented by the social capital, excepting the cases in which the market operator that shall be set up is resulted from a process of reorganisation through merger or division.

(3) Within the meaning of paragraph (1), the market operator capital consist of capital instruments that meet the following conditions:

a) represent subscribed and paid social capital, including the accounts of capital premium (share premium and acquisition premium);

b) fully absorb losses in going concern situations;

c) in the event of bankruptcy or liquidation, they have a rank below all other claims in insolvency proceedings or under the applicable law in terms of insolvency.

(4) Within the meaning of paragraph (1), the market operator holds a retained earnings and reserves that are considered elements of initial capital only if these are available for an unrestricted and immediate use for the purpose of covering risks or losses as soon as they appear.

(5) The differences from the fair value measurement of available financial assets for sale shall be treated as follows:

a) unrealised losses/ gains resulting from the fair value measurement of available financial assets for sale must be inferred/ fully included from/in calculation of initial capital;

b) in order to include in the initial capital the gains resulting from the fair value measurement of available financial assets, the valuation policy of available financial instruments for sale, established by society, provision should be made expressly for their monthly assessment;

(6) Reserves from the reevaluation of tangible and intangible assets shall not be taken into consideration.

(7) The market operator deducts from the calculation of initial capital the losses for the current financial year.

Art. 12. – (1) A market operator can hold the participants to legal persons whose principal or exclusive activity is referred to in art. 16, including to any other authorised entities and supervised by a competent authority of a member state and which have as activity object regulated operations by the Regulation (EU) no. 648/2012 and Regulation (EU) no. 600/2014 of the European Parliament and Council of 15 May 2014 concerning the markets in financial instruments and amendments of Regulation (EU) no. 648/2012, hereinafter referred to as *Regulation (EU) no. 600/2014*.

(2) The market operator can constitute foundations and/or associations by means of which perform circumscribed activities to its object of related activity, and their establishment shall be notified to F.S.A.

Art. 13. – (1) The market operator retains its money funds and its financial instruments to credit institution which have their registered office in Romania or in another member state and which are subject to prudential supervision made by competent authority.

(2) The market operator shall ensure that has immediate and unconditional access to their own assets if necessary.

(3) The market operator invests its financial resources only in money market instruments and in liquid financial instruments, excepting the financial derivatives and instruments with embedded leverage

(4) Those investments shall be able to be liquidated rapidly, with a minimum negative effect.

(5) The market operator shall ensure and shall have integral responsibility that its global exposure to risk regarding any credit institution in which keeps its financial assets fall within acceptable concentration limits.

Art. 14. – (1) Financial instruments referred to in art. 13 are debt securities which meet the following conditions:

- a) Shall be issued or guaranteed by:
 1. An authority of central government;
 2. A central bank;
 3. A bank of multilateral development bank;

- b) Shall be expressed in one of the following currencies:
 1. Currency issued by Romania's National Bank;
 2. Any other currency for which European Central Bank shall public a currency exchange rate and risks of which can be managed by the market operator;

- c) they shall be freely transferable without any legal constraints or third party claims that impair liquidation;
- d) periodically, price data on these instruments shall be made publicly available.

(2) By way of exception to the provisions of art. 13 paragraph (3), a market operator may place financial resources in financial derivative sif the following conditions are cumulatively met:

a) derivative transactions shall be concluded for the purpose of hedging currency risk arising from holding of cash or some denominated financial instruments of that currency or interest rate risk which may affect the market operator assets.

b) reliable price data on financial derivatives are published, on a periodic bases;

c) they are concluded for the specific period of time necessary to reduce the currency or interest rate risk to which the market operator is exposed.

SECTION II

Operator market object

Art. 15. – The activity of management of regulated markets/ SMT/ SOT shall be carried out with compliance with requirements imposed by Law no. 126/2018, by the Regulation (EU) no. 600/2014 and Delegated Regulation (EU) no. 2017/584 of supplementing Commission of 14 July 2016 of Directive 2014/65/EU of European Parliament and of Council regarding the regulatory technical standards specifying the organisational requirements for the trading venues, hereinafter referred to as *Delegated Regulation (EU) no. 2017/584*.

Art. 16. – Related activities carried out by the market operation regarding the class of the main activity referred to in art.15 are those provided for in art. 162 paragraph (2) of Law no 126/2018 as well as, having regard to the provisions set out in art. 129 paragraph (3) point b) from the same law, the following:

- a) the accomplishment, management, implementation, maintenance, development and marketing of computer programs, information technologies and database concerning or related to trading, surveillance, reporting, periodic and continous information, record, information provision, security activity, in the matter of financial instruments, operations in financial instruments, issuers of financial instruments, entities that operate on the capital market;
- b) polling services of the potential capital market, acceptance and familiarisation with the products, new operations and instruments, behaviour of investors regarding good and services, polling services of public opinion about economic issues, including statistical analysis of results;
- c) the advertising services for participants of trading venues managed by a market operator and for issuers whose financial instruments are traded on trading venues managed by a market operator, through its own means, round-table discussion, symposia, etc.;
- d) providing, promotion or facilitation of access to services and/or good regarding the class of the main and/or secondary activity for participants of the trading venues managed by him and/or their final customers;

- e) organisation of vocational training courses for the staff that activates on the trading venues managed by market operator, implementation of courses, colloquia, seminars, meetings, intended for the vocational training of staff involved in provisions of services of financial investments, including the market operator's staff, as well as the education of the public and of another categories of persons active in this field, editing and marketing of materials in the field of capital market;
- f) managing the arbitration system of the market operator;
- g) establishment and management of SMT/SOT.

SECTION III

Ownership structure, identity and integrity of the shareholders

Art. 17. – The article of association of the market operator must include limitation provisions of the shareholders voting rights, in accordance with art. 136 paragraph (5) of Law no. 126/2018, as well as provisions for the purpose of applying the procedure laid down in art. 272 of Law no. 126/2018.

SECTION IV

Management and leadership of the market operator

Art. 18. – (1) Management of a market operator shall be entrusted to a management board or, were appropriate, to a supervisory board, consists of at least 5 individual shareholders. The manner of incorporation, the duties and responsibilities of the management board or, were appropriate, of the supervisory board shall be established in the article of association of the company in accordance with the provisions of Companies Act no. 31/1990, republished, with the subsequent modifications and additions, in compliance with the provisions of Law no. 126/2018, as well as the secondary regulations issued in its application.

(2) The effective management of the market operator must be ensured by at least two natural persons, hereinafter referred to as directors, or by at least 3 members of directorate, depending on the type of market operator's management. The directors/ members of directorate must conclude with the market operator contract of mandate according to provisions of Law no. 31/1990, republished, with the subsequent modifications and additions.

(3) Management board/ supervisory board establishes functions of each director/ members of directorate, that shall be detailed in the market operator's regulations.

Art. 19. – (1) The members of the management body of the market operator, respectively the members of the management board/ supervisory board and the directors / members of the directorate, must meet the conditions stipulated in the *Regulation of the Financial Supervisory Authority no. 14/2015* regarding the evaluation and approval of the members of the management structure and of the persons with key functions within the entities regulated by the Financial Supervisory Authority, hereinafter referred to as *F.S.A. Regulation no. 2/2016*, ESMA regulations issued in accordance with the provisions of art. 16

par. (1) of Regulation (EU) no 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing of European Supervisory Authority (European Securities and Markets Authority), amending Decision no. 716/2009 / EC and repealing of the Commission Decision 2009/77 / EC, hereinafter referred to as *Regulation (EU) no 716/2009. 1.095 / 2010*, as well as, cumulatively, the following conditions:

- a) not be part of the management structure, not be members of the management board / supervisory board, employees or financial auditors at another market operator;
- b) not to hold the participants in another Romanian market operator;
- c) not hold any position in a central public administration, local government or an autonomous administrative authority.

(2) Directors/Members of directorate of a market operator may not be directors/ members of directorate of a company whose transferable securities are admitted to trading on a regulated market managed by the concerned market operator or traded within a SMT/SOT managed by the concerned market operator.

(3) The provisions of the par. (2) are not applicable if the market operator is admitted to trade in its own regulated market or within its own SMT.

(4) The provisions of the par. (2) are applicable to spouses and relatives or in-laws, including the second degree, of the directors/ members of directorate of the market operators.

(5) Directors/ members of directorate of a market operator may not be directors/ members of the directorate of a central depository or a central counterparty.

(6) Members of management board/ supervisory board and the authorised market operator's directors/ members of directorate waive the incompatibility situations no later than 30 days after the date of communication of their approval by F.S.A. or after the date of occurrence of the incompatibility situation, by transmitting after the deadline the supporting documents that reveals the evidencing of the incompatibility.

Art. 20. - Periodic review by the Committee for the nomination of the policy of the management body according to art. 134 par. (2) letter d) of the Law no. 126/2018 shall be carried out at least once a year in accordance with the procedures issued by the market operator.

SECTION V

Change of the market operator management system

Art. 21. – (1) If the convener of a general assembly of shareholders contains a point on the agenda regarding the change of the market operator's management system through the transition from the unitary administration to the dualistic administration, the convener will contain a distinct point regarding the election of the persons who will be members of the supervisory board.

(2) If the shareholders of a market operator decide the transition from the unitary management system to the dual system of administration, the decision of the general

assembly of the shareholders setting out the change of the management system will include the name of the persons who will be members of the supervisory board.

(3) The members of the supervisory board proposed for authorisation in accordance with par. (2) submit to F.S.A., no later than 30 working days from the date of the decision of the general assembly of shareholders, the proposals for the members of the directorate.

(4) The members of the supervisory board and the proposed members of directorate are authorised by F.S.A in accordance with the provisions of the F.S.A Regulations no. 14/2015.

(5) The articles of association of the market operator, modified as a result of the decision of the general assembly of the shareholders referred to in par. (2) shall enter into force 15 days after the date of communication of the authorisation decision of the F.S.A of the members of the supervisory board.

(6) The authorisation decision of the F.S.A. of the members of the directorate shall come into force on the date of its transmission to F.S.A. by the supervisory board provided in the articles of association of the market operator of the decision confirmation of composition of the members of the directorate.

(7) The market operator has the obligation to register the members of the directorate at the Trade Register Office after their authorisation by F.S.A.\

Art. 22. – The provisions of the art. 21 shall also apply mutatis mutandis to the transition from the dual system of administration to the unitary management system.

Art. 23. – (1) Within 30 days of the occurrence of a situation of incompatibility, legal impediment, definitive impossibility to exercise the mandate or vacancy of the position of member of the management board/ supervisory board the market operator shall initiate the necessary steps to subject the authorisation F.S.A. another person designated, in accordance with the articles of association of the company, for the exercise of that mandate until its expiry, subject to the conditions set out in art. 19 and those stipulated in the F.S.A. no. 14/2015.

(2) Any circumstance which creates a unavailability with a duration equal to or greater than 90 consecutive days is considered a final impossibility of exercise of the mandate.

SECTION VI

Tasks of the Administrative Board/ The Supervisory Board of the market operator

Art. 24. – (1) In the case of a market operator administered in a unitary system, the tasks of the management board of the market operator, established in accordance with the provisions of Law no. 31/1990, republished, with the subsequent amendments and additions and of Law no. 126/2018, shall include at least the following:

- a) approves the conclusion of contracts with entities authorised to manage clearing-settlement systems in order to ensure the efficient and timely completion of transactions made in its systems;

- b) approves the conclusion of the service contract with a financial auditor, member of the Chamber of Financial Auditors of Romania and which fulfills the common criteria established by F.S.A. and the Chamber of Financial Auditors in Romania;
- c) takes measures to ensure a safe management of the system's technical operations and, in particular, to ensure efficient emergency procedures that ensure the continuity of the business and eliminate the risk of malfunctions of the technical systems;
- d) verifies the fulfillment of the experience and integrity requirements by the persons that have management and control functions in the structure of the market operator;
- e) proposes to approve to the general assembly of the shareholders or, in case of delegation of powers according to the articles of association and the provisions of art. 147 par. (1) of the Law no. 126/2018, approves the rules and procedures to ensure the sound administration of regulated markets;
- f) designates, dismisses, and establishes the remuneration of the market operator's directors, deciding their tasks as well;
- g) adopts the draft budget of the market operator, which it presents for approval to the general assembly of the shareholders;
- h) approves the conclusion of legal acts whose estimated value exceeds the limit set for the directors, within the limits established by the articles of association or by the decision of the general assembly of the shareholders;
- i) establishes the general development strategy of the market operator and submits it for approval to the general assembly of the shareholders;
- j) settles the complaints against decisions of the directors;
- k) approves or submits for approval to the general assembly of shareholders, in accordance with the articles of association, the level of commissions and fees charged by the market operator for the specific operations on the regulated markets administered by the latter;
- l) designates the persons that shall be placed on the judges list of the arbitration system of the market operator;
- m) approves the participation of the company, under art. 12, to the social capital of other companies.

(2) In the case of a dual-system market operator, the tasks provided in paragraph (1) point (a), (d), (f), (h), (i) and (j) shall be returned to the supervisory board and the references to the director/ directors from the par. (1) point (f), (h) and (j) shall be deemed to be made to the members of the directorate.

Art. 25. – (1) In application of provisions of art. 133 of Law no. 126/2018 in compliance with the provisions of the F.S.A. Regulation no. 14/2015 and the ESMA regulations issued in accordance with the provisions of art. 16 par. (1) of Regulation (EU) No. 1095/2010, each member of the management board and each director or, as the case may be, each member of the supervisory board/ directorate has the obligation to notify to the management board/ supervisory board of the market operator the nature and extent of the interest or its material relations, whenever necessary and at least once a year, until 31 March.

(2) The annual notification referred to in paragraph (1) shall also be transmitted if there were no situations of the nature mentioned in art. 133 of Law no. 126/2018.

(3) When a member of the management board/ supervisory board or a director/ member of directorate of market operator does not declare a conflict of interest in accordance with the provisions of paragraph (1):

a) the market operator, a shareholder or F.S.A. requests the court to cancel any contract in which he has an undisclosed material interest, as provided in paragraph (1), by sanctioning the member of the management board/ supervisory board or the director/ member of the directorate, according to art. 257 par. (1) lit. a) point (i) of the Law no. 126/2018;

b) F.S.A. requires the market operator to revoke the decision of the management board/ supervisory board or members of the directorate, for which, without the vote of that member, would not have obtained the majority required for its adoption, namely the decision of the director, and the replacement of the member of the management board/ supervisory board or of that director/member of directorate.

Art. 26. – (1) The members of the management board/ supervisory board, as well as directors/ members of directorate of the market operator shall define and supervise the implementation of governance mechanisms that ensure the efficient and prudent management of the market operator, including the separation of tasks within the market operator and the prevention of conflicts of interest, in a way that ensures the integrity of the market, according to the provisions of art. 135 par. (1) - (3) of the Law no. 126/2018 and in compliance with the provisions of the A.S.F. no. 2/2016, of the A.S.F. no. 14/2015 and Delegate Regulation (EU) no. 2017/584.

(2) The market operator shall adopt a policy in relation to conflicts of interest resulting from or likely to affect the activity of the market operator, including those related to outsourced activities by the market operator.

(3) Where the market operator is part of a group, its procedures for administrative organisation must take into account any circumstances that it is or ought to be aware of which may lead to a conflict of interest as a result of the structure and activities conducted by other entities within the group, in compliance with the provisions of the F.S.A. Regulation no. 14/2015 and the ESMA regulations issued in accordance with the provisions of art. 16 par. (1) of Regulation (EU) No.1095/2010.

(4) The market operator must have sufficient and adequate staff to fulfill its obligations.

Art. 27. – (1) Directors, if so mandated by the management board/ members of the directorate, if designated by the supervisory board if the market operator, legally represent the company before public authorities and in relations with Romanian natural and/or legal persons and/or foreign persons. By their signature, directors/members of directorate employ the Company as a legal entity.

(2) Directors/ Members of the directorate of the market operator:

a) follow the rules and procedures of regulated markets by market participants;

b) exercise sanctioning powers or preventive establishment of measures against participants in regulated markets and their personnel who have access to the regulated market;

c) immediately informs F.S.A., but not later than 24 hours, of any irregularity or malfunction in the trading system.

(3) In the case of a market operator administered in a dual system, the tasks provided in art. 24 paragraph (1) point (b), (c), (e), (g), (k), (l) and (m) shall belong to the members of the directorate.

SECTION VII

Internal control mechanisms

Art. 28. – (1) In order to carry out its tasks, the market operator must have adequate internal control mechanisms including compliance, internal audit and an evaluation and administration system, established by its own rules, in accordance with the regulations in force.

(2) The Romanian market operator has the obligation to establish a specialized compliance function for the supervision of compliance by the company and its personnel with the applicable market law incidents to the market operator and the internal rules as well as to minimize the risks of non-fulfillment of the company's obligations as an operator market.

(3) The market operator has the obligation to establish, implement and maintain adequate policies and procedures designed to detect any risk of the company failing to meet its obligations under the provisions of this Regulation, Regulation (EU) 600/2014 and the European regulations issued pursuant to Directive 2014/65 / EU and allow F.S.A. to exercise its prerogatives.

(4) The market operator has exclusive and full responsibility for the fulfillment of the obligations stipulated in paragraph (3).

Art. 29. – (1) The market operator must establish and maintain a permanent and operational compliance function that is carried out independently and involves the following responsibilities:

- a) to monitor and evaluate on a continuous basis the effectiveness and appropriate manner of implementing the measures and procedures established in accordance with art. 28 par. (3) and the measures taken to remedy any event of default of the obligations of the company as a market operator or deficiencies found in the performance of the company's obligations;
- b) to provide advice and assistance to the relevant persons responsible for carrying out certain activity in order to comply with the requirements imposed on the market operator, according to the provisions of the regulations provided by art. 28 par. (3).

(3) If there are several persons in the market operator who perform the compliance function, they are subject to the approval of F.S.A. in compliance with the provisions of the A.S.F. no. 14/2015.

(4) In order to enable the compliance officer to carry out its duties in a fair and independent manner, the market operator must ensure that the following conditions are met by the market operator:

a) have the necessary authority, resources and experience, as well as access to all relevant information;

b) to bear the responsibility for observing the duties attributable to the position and for any approval of the reports regarding compliance with the regulations provided in art. 28 par. (3);

c) not be involved in the activities that he/she monitor them;

d) the method of determining of remuneration must not compromise its objectivity and should not lead to this possibility.

Art. 30. – (1) To be authorised by F.S.A. in the compliance function, a natural person must meet the following conditions:

a) must be employed with an individual employment contract and have attributions of compliance only within that market operator;

b) to have participated in training courses, to have passed the test of knowledge of the legislation in force organised by a professional training body certified by F.S.A. and have requested F.S.A. the issue of the professional attestation, according to the regulations in force;

c) not to hold any management or executive positions within the respective market operator or within another market operator;

d) not to be a shareholder, member of the management board/ supervisory board employed, not to have the compliance function or not to have contractual labor relationships, as the case may be, with an SSIF/credit institution providing investment services or carrying out activities to an investment management company, to an alternative investment fund manager or to a self-managed alternative investment fund or not to be an employee of an issuer whose securities are traded on a regulated SMT/SOT managed market by that market operator or by a company that has a commercial relationship with that market operator.

(2) In addition to the conditions mentioned in paragraph (1), the authorisation of the person performing the compliance function within the market operator shall be carried out in accordance with the provisions of the A.SF Rules. no. 14/2015.

Art. 31. – The person that meets the compliance function operates on the basis of procedures written by supervisory and control, designed to ensure the respect of the law, regulations, instructions and procedures in force, as well as the rules and internal procedures of the company by the market operator and his employees.

Art. 32. – In the implementation of the responsibilities laid down in art. 29 par. (1), the person who performs the compliance function has the following duties:

a) monitors and verifies on a regular basis the application of the legal provisions affecting the activity of the market operator and the internal procedures by the market operator or its employees and keeps track of the irregularities discovered;

b) ensures that the company and its employees are informed as to legal regime applicable to the capital market in the context of the activity conducted by the market operator;

c) endorses the documents submitted by the market operator to F.S.A. in order to obtain the authorisations/approvals stipulated by the F.S.A. regulations, as well as the reports submitted by F.S.A.;

- d) proposes necessary measures to be taken to remedy any situation of violation of laws and regulations in force affecting the market operator or, where appropriate, of the internal regulations and procedures of the company by the market operator or his employees;
- e) analyzes and endorses information/advertising material of the market operator.

Art. 33. – (1) When carrying out the tasks laid down in art. 32, the person that performs the compliance function shall keep a register highlighting the investigations carried out, the duration of such investigations, the period to which they relate, the outcome of the investigations, the proposals submitted in writing to the management board/ supervisory board/ directors/ members of directorate of the market operator, as well as the decisions adopted by them. The register may also be kept in electronic format.

(2) In the event that the person that performs the compliance function becomes aware during his/ her activity of possible violations of the legal regime affecting the operator market activity including the internal procedures of the company, he/ she has to inform the management board/ supervisory board/ directors/ members of directorate and internal auditors of the market operator and to propose the necessary measures.

(3) In case of deviations from the regulations in force concerning the activity of the market operator, the members of the management board/ supervisory board, directors/ members of directorate and internal auditors of the market operator shall immediately notify F.S.A. and, where necessary, to other entities from the capital market that are involved the situation found and measures adopted.

(4) In the event that the members of the management board/ supervisory board and directors/ members of directorate do not take the necessary measures within a maximum of 10 days from the date of the information provided in paragraph (2), the person who performs the compliance function shall immediately notify F.S.A. deviations from existing regulations found.

Art. 34. – (1) Annually, by 31 January, the person that performs the compliance function shall submit to the management board/ supervisory board of the market operator, a report containing the activity carried out in the previous year, the investigations carried out, the deviations found, the proposals made, the measures taken and the degree of resolving, as well as the program/ plan of investigations proposed for this year. The report, the endorsed proposed and the plan of investigation approved by the management board/ supervisory board shall be submitted by this F.S.A., every year, until March 1st.

(2) The plan of investigation referred to in par. (1) shall contain at least the following:

- a) information regarding the number of investigations taken into account during the reporting period covered by the plan of investigation;
- b) topic of the investigation;
- c) procedures used in order to perform the investigation.

Art. 35. – (1) The market operator shall establish a functional and effective risk assessment and management system, properly integrated into the organisational structure, to identify, assess, monitor, manage and report the risks faced by the market operator.

(2) The market operator has the obligation to set up and maintain a permanent and operational risk assessment and management function independent from the operational functions. The risk assessment and management function must be structured to facilitate the functional and efficient implementation of the risk management system.

(3) In order to authorise and carry out the activity within a market operator, the person performing the risk assessment and management function must meet all of the following requirements:

a) be engaged with a labor contract with the market operator and perform specific activities of the risk management function only within that market operator;

b) not to be a significant shareholder, member of the management board/ supervisory board or director/ member of directorate of the market operator;

c) not to be a shareholder in an SSIF/credit institution that provides investment services or performs investment business, to an asset management company, to an alternative investment fund manager, to an alternative investment fund that is self administered, not to hold any function within a SSIF/credit institution that provides investment services or investing activities or an investment management company, not to be engaged by an issuer whose financial instruments are dealt in on a regulated SMT/SOT managed by that market operator or a company having a business relationship with that market operator;

d) not to have any management or executive position in that market operator or other market operator;

e) to have participated in the apprenticeship placements and to have passed the test concerning the knowledge of the legislation in force organised by the training organisation certified by F.S.A and have requested A.S.F. the issue of the professional attestation, according to the regulations in force.

(4) In addition to the requirements mentioned in paragraph (3), the authorisation of the the risk assessment and management function of the market operator shall be carried out in conformity with the provisions of the F.S.A. Regulation no. 14/2015.

Art. 36. – The market operator establishes within the associated procedures of the internal controlling mechanism the obligation of the representatives of the compliance, risk assessment and management functions and internal audit o report directly to the management board/ supervisory board, independently of reporting to directors/members of the directorate, in the cases where, after the exercise of tasks notes the non-compliance with the legislation in force, of the own rules or, where appropriate, when risk developments are identified and can affect the market operator activity or the trading venues operated.

SECTION VIII

Technical equipment and resources

Art. 37. – (1) In the application of the provisions of the art. 127 and art. 138 of the Law no. 126/2018 and of the provisions of the Delegated Regulation (EU) 2017/584, the market operator complies with the organisational requirements imposed concerning the regulated market management.

(2) The IT system used by the market operator must meet at least the following requirements:

a) of automatic, safe, and transparent trading of all financial instruments, allowing remote access, system entry, amendment, withdrawal and cancellation of orders individually by participants that fulfil the access conditions established by the market operator, for every type of regulated market;

b) of providing information that includes at least the following:

1. identification data of participants in whose account have been introduced order to trade and/or transactions have been concluded;

2. identification codes of traded financial instruments;

3. date, hour, minute and second on which the transaction were executed

4. the code/number of every transaction;

5. the number of contracts with options performed for every range of options, as well as the participants that have performed options;

6. the number of open interests for each maturity;

c) of registration and record keeping, as well as archiving of all details regarding the concluded transactions;

d) adequate protection of the integrity of the regulated market by ensuring real-time communication through the system between the participants, the market operator, the central depository and the clearing-settlement system administered by this, the central counterparty, if necessary.

(3) The IT system must be built so as to assure the continuous trading, storage and real-time delivery of at least the following information for each financial instrument: maximum price, minimum price, last transaction price, traded volume, variation and open interests.

(4) In order to comply with the requirements of par. (2) and (3), the market operator must ensure that:

a) transparent and non-discretionary regulations and procedures are established in order to ensure fair and orderly trading for each of the regulated markets it manages and also, objective criteria for the efficient execution of orders are established in order to ensure investor protection;

b) dispose of techniques for the safe management of technical system operations, including the installation of recovery and restoration systems of lost data in the event of disaster, in order to cope with the risks of malfunctions in the systems;

c) dispose of techniques that facilitate the efficient, timely conclusion, execution and registration of transactions executed within its systems;

d) the participants are fully responsible for any order entered into the market.

(5) The market operator must have a space for the registered office that is appropriate for the conduct of his/her business so that it can provide a minimal technical endowment comprising computer programs and calculation and communication computer equipment appropriate to the regulated markets in which they are traded in electronically system as well as security and control mechanisms of computer systems to ensure the safe storage of stored data and information.

(6) The space dedicated to the registered office of the market operator must assure the proper conduct of activity and have the following characteristics:

- a) to be exclusively intended for the management of regulated markets and related activities in relation to this;
- b) to have an area that assures the compliance with the technical rules for the installation and operation of the equipments and the smooth operation of the activity of the staff;
- c) to provide the security of the area according to the regulations in force;
- d) to have a back-up electricity supply.

(7) If the operator market has both a registered office and a head office, the conditions referred to in paragraph (5) and (6) shall be respected by the head office, representing the headquarters from which the market operator carries out the activities authorised by F.S.A.

SECTION IX

Amendments in the organisational and operational mode of the market operator and regulated market

Art. 38. – (1) The following amendments in the organisational and operational mode of the market operator/regulated market shall be subject to authorisation/approval by F.S.A. before the entry into force or, where appropriate, their registration with the Trade Register Office, in accordance with art. 129 par. (7) of the Law no. 126/2018 and the provisions of this regulation:

- a) issuing, modifying and completing regulated market/regulated markets managed by the market operator;
- b) social capital increase/decrease;
- c) designation of new members of the management board/supervisory board, directors/members of directorate;
- d) change of registered office/head office;
- e) establishment/abolition of secondary offices;
- f) change of name;
- g) replacement of the IT system used by the market operator.

(2) In case of prolongation / renewal of the mandates of the members of the management board/ supervisory board, the directors / members of the directorate, the competent management structure of the market operator shall notify F.S.A the assessment of that person according to chapter. II of the F.S.A. no. 14/2015, accompanied by the questionnaire in annex no. 1 to the same regulation.

(3) Within a maximum 5 days from the date of issue of the certificate of registration of the claim from the trade registered office but no later than 90 days from the date of issue of the approval / authorisation decision, the market operator has the obligation to send to F.S.A. a copy of the certificate of inscription of claims, respectively the new registration certificate, if the generated amendment requires registration with the Trade Register Office and, if necessary, the issuance of a new certificate.

(4) In order to issue the decision of F.S.A. regarding the amendments in the way of organisation and functioning referred to in paragraph (1), the market operator shall submit an application accompanied by the documents provided in annex no. 2.

Art. 39. – (1) If the social capital increase/decrease of the market operator takes place as a result of the merger/division operations, the application for authorisation of the change of the social capital shall be accompanied by the information and documents provided in annex no. 3.

(2) Before requesting F.S.A. authorisation, the companies participating in merger/division must take all the measures, to ensure that the company/companies resulting as a market operator fulfill the requirements established in this regulation and other legal provisions.

(3) Societies resulting from one merger by merger or as a result of the division shall require F.S.A., if necessary:

a) the withdrawal of operating license of the societies participating in merger, according to provisions of section 10;

b) the issue of a new operating license, in conformity with the provisions of this regulation.

Art. 40. – (1) A market operator may establish secondary offices, in accordance with the following conditions:

- a) to hold an adequate space that assures the conduct under optimal conditions of the market operator activities referred to in art. 16;
- b) to have a proper regulation of organisation and operation, endorsed by the management board/ members of the directorate of the market operator;
- c) to comply with the regulations in force applicable to the market operator.

(2) Monthly, by the 5th of the following month at the latest, all documents related to the activities carried out by the secondary offices shall be transmitted in original for archiving to the registered office/head office of the market operator.

(3) The market operator has the obligation to maintain the the conditions imposed on the authorisation of the secondary offices during their entire lifetime, by notifying F.S.A. any amendment within 5 days of its occurrence.

SECTION X

Withdrawal and suspension of the authorisation of the market operator and the regulated market

Art. 41. – (1) The withdrawal of the operating license of a market operator may be decided by F.S.A. under the conditions provided by art. 131 of Law no. 126/2018.

(2) The market operator has the obligation to to convene, within maximum 30 days from the date of communication of the withdrawal decision, the general assembly of the shareholders, which shall take into consideration the change of the object of activity of the company or the dissolution and liquidation of the company.

(3) In the event that the market operator does not meet its obligation referred to in par. (2), F.S.A. requests to the management board/ members of directorate of this to convene the general assembly of the shareholders in order to change the object of activity of company or dissolution and liquidation of the company.

(4) If the provisions of the par (3) are no longer met, F.S.A. shall request to the competent court to order the convocation of the general assembly of the shareholders for assigning the market operator in the provisions of par. (2).

(5) Withdrawal of the operating license or initiation of the withdrawal procedure does not exonerate the market operator from the execution of F.S.A. and to the capital market entities of obligations arising prior to the issuance of the decision to withdraw the authorisation.

Art. 42. – (1) If the market operator requests the withdrawal of its authorisation for operation and / or authorisation of the regulated market / regulated markets, in accordance with the provisions of art. 131 par. (1) lit. e) of Law no. 126/2018, it shall submit an application for a waiver of the duly substantiated authorisation, together with the following documents:

- a) the decision of the statutory body of the market operator;
- b) proof of the publication of the announcement of the market operator regarding the intention to cease its activity or the regulated market/regulated markets in 3 national journals within maximum 5 days from the date of the decision of the statutory body;
- c) an affidavit of the directors/members of the directorate of the market operator, in the original, showing that on the regulated managed market/s, have not been carried out operations after the date established at the general assembly of the shareholders in which was decided the withdrawal of authorisation of the market operator;
- d) supporting documents attesting the cessation of contractual relations with issuers/participants and proof of payment of debts to participants, F.S.A. and to any other entities involved in the capital market;
- e) proof of cessation of the contractual relations of the market operator with the central depository or central counterparty related to the conduct of the managed regulated market activity for which a withdrawal request is made;
- f) the decision of the statutory body including an indication of the address of the archive and of the identification and contact details of the person responsible for managing the archive of the company; the archive of the company is kept according to the provisions of the National Archives Law no. 16/1996, republished, for a period of at least 10 years;
- g) the financial auditor's report regarding the situation of the company, if the withdrawal of the authorisation takes place after the expiry of the 150-day period for the submission of the annual financial auditing report referred to in Art. 66 par. (1) lit. b);
- h) trial balance related to the ongoing month;
- i) the application for authorisation of amendments of the organisation and functioning Regulation and the organisation chart of the market operator, modified as a result of the cessation of the activity in the regulated market/s, if such a change is required;
- j) any other documents and information that F.S.A. considers them necessary for the application.

(2) The date on which the activity of the regulated market/s ceases is established by the statutory body of the market operator, so that to assure the compliance with the legal

deadlines required for the issuers traded on the regulated market/s for the general assembly of the shareholders to provide for the adoption of a decisions on the trading of the issuer's shares on another regulated market or, if necessary, the withdrawal from trading of their shares in accordance with the regulations issued for that purpose by the F.S.A.

(3) F.S.A. shall decide regarding the withdrawal of the authorisation of the market operator, respectively of the regulated market/s on the date when the conditions for investor protection are met, but no later than 90 days from the date of record of the complete documentation according to the provisions of par. (1).

SECTION XI

Mergers and divisions

Art. 43. – (1) In the case of a merger, the issuers traded on the regulated / regulated market (s) for which withdrawal of a merger authorisation is requested will be taken over on the regulated market/markets for the same type of financial instruments managed by the absorbent/resulted market operator, taking into account the legal provisions applicable to issuers traded on the regulated market/s regarding the conduct of general assembly of the shareholders that provide for the adoption of a decision concerning the admission to trading of the shares of the issuers on another regulated market or, if necessary, removal from trading of their shares, in accordance with the regulations issued for this purpose by the F.S.A.

(2) In the event that the section of the management regulated market by the absorbant market operator have different requirements and / or characteristics applicable to issuers traded on those markets, by reference to the sections of the regulated markets for which withdrawal of the authorisation is requested as a result of a merger, the market operator shall request the F.S.A. the amendment of its own regulations in order to organise market segments specifically constituted within the regulated markets managed by the absorbing market operator.

(3) If the market operator does not manage, prior to the merger, trading venues for the same type of financial instruments as well as the ones managed by the merging market operator, prior to the completion of the merger process, the market operator requires F.S.A. the authorisation for the managing of those trading venues.

(4) The market operators involved in merge shall forward to F.S.A., after the date of the general assembly of the shareholders that have decided regarding the the approval of the draft terms of merger, the documents referred to in art. 42, par. (1), where appropriate, together with the draft terms of merger and the proof of non-challenge to the trade registry office of the draft terms of merger.

Art. 44. – (1) In the event of a division of a market operator managing one or more trading venues, the resulting market operator/s has/have the obligation to decide on how to continue managing the trading venues administered before the splitting process and notifies F.S.A. in this respect.

(2) The provisions of the art. 42 and 43 are also applied, where appropriate, in the situation of a division of a market operator that manages one or more trading venues.

Art. 45. – The provisions of the art. 42 and 43 are properly applied in the case of management of a SMT/SOT by a market operator.

Art. 46. – In the case of withdrawal of the authorisation of the market operation as a sanction, F.S.A. shall designate a provisional manager that carries out only act of management, within the conservation of the existing heritage on the date of withdrawal of authorisation, as well as the supervisory of the transfer of the operations by another company authorised to carry out specific operations of the market operator and the publishment of these situations.

Art. 47. – (1) F.S.A. may withdraw the authorisation of the regulated market in the following situations:

- a) implicitly, in the case of the withdrawal of the operating license of the market operator on request or as a sanction, excepting the merger/division cases;
- b) unde the conditions stipulated in art. 131 par. (1) of Law no. 126/2018.

(2) If the market operator manages only a regulated market, the withdrawal of the regulated market authorisation, mentioned in par. (1), involve the legal withdrawal of the operating license of the market operator.

(3) F.S.A. may suspend the authorisation of a regulated market if the market operator does not ensure its proper, orderly and regular operation.

Art. 48. – In the cases of withdrawal and suspension mentioned in art. 47, the measures referred to in art. 131 par (3) and (4) of Law no. 126/2018 shall be applied.

CHAPTER II

Requirements related to the functioning of the market operator and regulated market

SECTION I

The access of participants on the regulated market

Art. 49. – In application of provisions of art. 152 par (7) of Law no. 126/2018, the market operator must notify F.S.A. the list of participants before the commencing trading on a regulated market, but no later than 60 days from the date of obtaining the authorisation.

Art. 50. – In application of provisions of art. 147 par. (2), art. 151 par. (2) and art. 153 of Law no. 126/2018, the market operator establishes by regulation rigorous and impartial disciplinary shares for cases of serious breaches of the rules established for market participants.

Art. 51. – In application of provisions of art. 151 of Law no. 126/2018, the market operator allows access on a regulated market that meet the requirements imposed by that market rules, by regulations F.S.A. and European regulations issued in the application of Directive 2014/65/EU.

SECTION II

Admission, suspension or withdrawal to/from trading of financial instruments on the regulated market

Art. 52. – Admission, suspension and withdrawal to/from trading of financial instruments are made by respecting the provisions of art. 147 par. (2) point c) and art. 148-150 of Law no. 126/2018 and of art. 80 of Delegated Regulation (EU) 2017/565 of the supplementing Committee dated 25 April 2016 of Directive 2014/65/EU of the European Parliament and Council regarding the organisational requirements and operational functions applicable to the investment firms and terms defined in the sense of mentioned directive, hereinafter referred to as *Delegated Regulation (EU) 2017/565*.

Art. 53. – The minimal conditions for the admission to trading on a regulated market/SMT of the financial derivatives must include at least the following:

- a) the particularities of the derivative contract shall comply with the provisions of art. 148 par. (1) of Law no. 126/2018;
- b) the contract terms must be clear and allow for a correlation between the price of the financial derivative and the price of the underlying asset;
- c) the price of the underlying asset must be public;
- d) sufficient specific information needed to assess the financial derivative;
- e) the agreements to determine the settlement price of a derivative contract must ensure that the price adequately reflects the price of the underlying asset and minimizes handling possibilities;
- f) when a financial derivative requires the delivery of the underlying asset in exchange for settlement of cash funds:
 1. there must be adequate procedures concerning the settlement and delivery of the underlying asset;
 2. there must be adequate means to obtain relevant, accurate and up-to-date information on the underlying asset.

SECTION III

Monitoring compliance with regulated market rules and detecting market abuse

Art. 54. – (1) The market operator must monitor how redemption of the shares issued by listed companies on regulated markets and transactions based on confidential information are carried out and, where there is a breach of their redemption rules, the market operator shall notify ASF within 48 hours of the finding, while taking all necessary measures at its level.

(2) The market operator must supervise the participants' behavior to market and enterprise investigations in those problems that concern the breaches of regulations of the regulated market, with the establishment of the related sanctions, and hearings, if necessary.

(3) In case of breaching the provisions of regulated market regulations, the market operator may impose sanctions, independent of the sanctions established by F.S.A.

Art. 55. – The way of organising and operating of the arbitration system shall be established by the regulations of the market operator, according to the provisions of art. 147 par. (5) of the Law no. 126/2018.

Art. 56. – F.S.A. informs ESMA about any arbitration system of the market operator.

SECTION 4

Transaction Disruption Mechanisms

Art. 57. – F.S.A. applies the ESMA guidance concerning the calibrating circuit breaker type systems and the publishing of market disruptions under MiFID II, as set out in annex 4.

Art. 58. – The trading venues put in place mechanisms to interrupt or temporarily restrict trading if there is a significant price evolution to a financial instrument, in accordance with the provisions of the ESMA Guidance art. 57.

SECTION V

Pre and Post Transaction Transparency Requirements within the Regulated Market

Art. 59. – The market operator shall comply with the transparency requirements imposed in accordance with the provisions of Regulation (EU) no. 600/2014.

Art. 60. – F.S.A. may grant derogations from the pre and post-trade transparency requirements, in compliance with the provisions of Regulation (EU) No. 600/2014.

Art. 61. – F.S.A. may approve the procedures of the market operator establishment postponement of publication of the details of certain transactions, in compliance with the provisions of Regulation (EU) No. 600/2014.

CHAPTER III

Surveillance of market operators

SECTION I

Reports on the activity of the market operator

Art. 62. – (1) In applying the provisions of art. 153 par. (3) of the Law no. 126/2018, the market operator shall notify within a maximum of one working day F.S.A. about the situations provided by art. 81 and art. 82 of Delegate Regulation (EU) 2017/565, as well as on the settlement of the situation or remedial measures.

(2) Agreements, alliances or co-operations specific to the object of activity shall be notified in advance to F.S.A.

Art. 63. – (1) The market operator has the obligation to transmit A.S.F. all decisions of the general meetings of the shareholders and of the management board/supervisory board and, respectively, the decisions of the directors/members of the directorate regarding the financial market management activity, within a maximum of 10 working days from the date of the meetings.

(2) At the request of F.S.A., the market operator must transmit the minutes related to the meetings of the general meetings of the shareholders.

Art. 64. – (1) The market operator must organise and conduct the accounting in accordance with the provisions of the Accounting Law no. 82/1991, republished, with the subsequent amendments and additions and the F.S.A. issued in application of Law no. 82/1991 and to prepare annual financial statements and, where appropriate, consolidated annual financial statements, which provide a true and fair view of the financial position, financial performance, cash flows and other aspects of the business. The bookkeeping and financial statements of a market operator must also reflect the operations and financial situation of branches and subsidiaries on an individual basis and, respectively, on a consolidated basis.

(2) The annual financial statements of a market operator and, where appropriate, the consolidated annual financial statements must be audited by the financial auditor in accordance with accepted standards and practices at international level.

Art. 65. – (1) F.S.A. may require audit work at a market operator for purposes other than those provided for in art. 64 par. (2).

(2) At the request of the F.S.A., the auditor of the market operator has the obligation to provide any details, clarifications, explanations related to the performed audit activity.

Art. 66. – (1) The market operator has the obligation to transmit to F.S.A. annually, within 150 days from the end of the fiscal year, the following:

- a) annual accounts;
- b) financial auditor's report;
- c) the internal auditor's report;
- d) the management board/ supervisory board' report;
- e) the activity report of the market operator drawn up by directors/members of directorate and approved by the management board/supervisory board.

(2) A synthetic activity report of the market operator will be published on its own Internet page.

(3) The report referred to in paragraph (1) point e) will be drawn up and presented taking into account the following organisational requirements:

- a) the separation of operational and control functions and the procedure for managing conflicts of interest;
- b) the control of operations, specifying the tasks and responsibilities, in particular with regard to the monitoring and correction of irregularities;
- c) procedures for reporting at different levels of the management structure, with specific indication of reporting of errors and measures taken to eliminate them.

(4) The report referred to in paragraph (1) point e) must include at least the following:

- a) organisation chart and functional structure;
- b) delegation of tasks;
- c) the structure of the internal control mechanism and the main results of the control activity at all levels of the organisational structure;

d) measures taken to ensure compliance with the rules and good functioning of regulated markets, with particular reference to technical means;

e) assessment of the measures taken to limit the risks, highlighting any arising operational issue.

(5) The market operator has the obligation to test the computer equipment and the electronic trading program, especially regarding the security measures of the IT system, as well as the recovery procedures, according to the provisions of the Norm no. 4/2018 on the management of operational risks generated by computer systems used by authorised/endorsed/registered entities regulated and/or supervised by the Financial Supervisory Authority, hereinafter referred to as *F.S.A. norm no. 4/2018*.

(6) The Audit Committee of the market operator shall prepare an annual report on the activity carried out according to its attributions and shall transmit it to the F.S.A., in compliance with the requirements of art. 35 of Norm F.S.A. no. 27/2015 regarding the activity of financial audit at the entities authorised, regulated and supervised by the Financial Supervisory Authority, with subsequent amendments and completions. The annual report shall also contain recommendations made and addressed to the management board/supervisory board on internal control, internal audit and financial audit.

(7) The market operation has the obligation to transmit F.S.A. annually, by 30 June, the annual self-assessment report made in accordance with Delegated Regulation (EU) of supplementing Committee dated 14 July 2016 of the Directive 2014/65/EU of the European Parliament and Council regarding the technical standards of regulation in which are specified the organisational requirements for the trading venues.

Art. 67. – The market operator has the obligation to transmit to F.S.A., within the deadline set by the F.S.A. regulations applicable to the entities controlled by F.S.A., Financial Instruments Business and Investments Sector, half-yearly accounting reports that will include the following situations:

1. statement of assets, debts and equity;
2. face of the income statement;
3. explanatory notes.

Art. 68. – (1) The market operator has the obligation to transmit to F.S.A. a quarterly report containing the following information:

- a) statement of assets, debts and equity;
- b) face of the income statement, by respecting the structure of the half-yearly reports;
- c) the situation of highly liquid financial assets;
- d) causes that caused changes to the content of previous quarterly reports, if necessary.

(2) Quarterly reports shall be transmitted to F.S.A within 45 days of the end of each quarter.

Art. 69. – Changing the trading hours of a trading venue shall be notified to F.S.A. and participants, at least 30 working days prior to its entry into force.

SECTION II

Reports on the activity of the regulated market

Art. 70 – (1) The market operator has to distinctly highlight for each session the transactions concluded on each managed regulated market.

(2) Electronic records of transactions referred to in paragraph (1) shall be kept for a minimum period of 10 years.

Art. 71. – (1) The daily report for each market shall be submitted to the F.S.A. in electronic form at the latest one hour before the opening of the next trading session and shall include at least the following:

1. Report containing the transactions carried out:
 - a) Ticket
 - b) Part
 - c) Data and hour of the transaction
 - d) Symbol
 - e) MIC code of the market
 - f) Internal code of the market
 - g) Price
 - h) Gross price (specific bonds – dirty price)
 - i) Volume
 - j) Value
 - k) Broker code
 - l) Member code
 - m) User broker
 - n) Internal account
 - o) Global account
 - p) Type of account
 - q) Order number
 - r) Settlement date
 - s) Type of instrument
 - t) State of the market at the moment of transaction
 - u) State of the transaction
 - v) Currency
 - w) Derogations of transparency.

2. Report containing orders entered/managed:
 - a) Order number;
 - b) Order status;
 - c) Symbol;
 - d) Market;
 - e) Date and hour of the introduction;
 - f) Date and hour of the amendment;
 - g) Valid until
 - h) Purpose
 - i) Order volume
 - j) Price

- k) Initial type of price
 - l) Volume restriction
 - m) SSIF
 - n) User SSIF
 - o) Account
 - p) Type of account
 - q) Number of internal account
 - r) Visible volume
 - s) Type of period
 - t) Trigger price
 - u) Type of modification
 - v) Ticket from the last transaction
 - w) Last quantity
 - x) Last price
3. Report concerning the daily summary of transaction.

(2) The monthly report for each market shall be submitted to the F.S.A. in electronic form within 10 days of the end of the month for which reporting is made and shall include at least the following:

- a) The total value of the transactions and the comparative evolution with the previous month of its value;
- b) The number of the traded financial instruments, compared to registered number during the previous month;
- c) The number of transactions, compared to the registered number during the previous month;
- d) The evolution of that market indices.

(3) The annual activity report drawn up for each market must cover at least the volume of transactions for each type of financial instrument for the year ended and for the previous year. This report shall be submitted to F.S.A. together with the report of the market operator, within the time limit stipulated in art. 66 par. (1).

(4) Monthly and annual reports, except for confidential information, shall be made public within the time limits set out in paragraph (1) - (3) on the website of the market operator.

TITLE III

SMT and SOT

CHAPTER I

Establishment and operation of SMT and SOT

SECTION I

Approval of the SMT and SOT establishment

Art. 72. – (1) It is forbidden to S.S.I.F. and market operators to manage an SMT or a SMP before requesting F.S.A. and to obtain approval for the establishment of that SMT/SOT.

(2) SMT/SOT shall be registered in the F.S.A. Register after their constitution.

(3) F.S.A. shall decide about the approval of the establishment of SMT/SOT within 90 days from the date of application and the complete documents provided in art. 75. By the approval decision of establishment of the SMT/SOT shall be also approved its operating rules, as well as its management by that market operator/SSIF.

Art. 73. – (1) May apply for the approval of the establishment of an SMT / SOT:

- a) Market operators;
- b) Credit institutions;
- c) Financial investment services companies having an initial capital representing the equivalent in lei of at least EUR 730,000.

(2) The provisions of this regulation applicable to S.S.I.F. who administer an SMT/SOT shall also apply accordingly to credit institutions administering an SMT / SOT under the conditions set out in art. 2 of the Law no. 126/2018, the term S.S.I.F. and will be duly replaced by the term credit institution.

Art. 74. – The name of an SMT / SOT must be so established that it is not likely to cause confusion with the name of another entity authorised to operate on the territory of Romania and must not contain terms such as "stock market", "regulated market" or combinations of these syntagms, even taken in part.

Art. 75. – (1) Market Operator Request / S.S.I.F. on the approval of the establishment and management of SMT / SOT must be accompanied by the information set out in Committee Implementing Regulation (EU) 2016/824 of 25 May 2016 laying down implementing technical standards on the content and format of the description of the operation of multilateral systems trading and organised trading systems and on the notification of the European Securities and Markets Authority in accordance with Directive 2014/65 / EU of the European Parliament and of the Council on markets in financial instruments, hereinafter referred to as *Implementing Regulation (EU) No . 2016/824* as well as the following documents:

- a) the decision of the statutory body of the market operator/S.S.I.F. on setting up and managing a SMT/SOT;
- b) the articles of association or the amendment to it, including information on the inclusion in the activity of the market operator/S.S.I.F. of the activity of management of an SMT/SOT;
- c) organisation chart of the market operator/S.S.I.F.;
- d) the operating rules of SMT/SOT;
- e) the contract with a central depository/central counterparty, as required;
- f) the running schedule of SMT/SOTL
- g) the procedures for how to solve disputes between participants or members of SMT/SOT and market operator/S.S.I.F. which manages the system in question;
- h) the categories, levels and limits of commissions and tariffs to be applied, in compliance with Delegated Regulation (EU) 2017/573 of supplementing Committee dated 6 June 2016 of the Directive 2014/65/EU of the European Parliament and Council concerning the markets of financial instruments as regards the technical regulated standards related to the insurance requirements of colocation services and of fair and non-discriminatory charging structures, hereinafter referred to as Delegated Regulation (EU) 2017/573;
- i) the proof of payment on the account of F.S.A. of the tariff provided for the approval of the establishment and management of SMT/SOT and of the registration in the F.S.A.

- j) a feasibility study comprising at least the information on the trading system used and its characteristics and an estimate of the volume of operations for at least one year of activity;
- k) copy of the contract concluded with a financial auditor, member of the Chamber of Financial Auditors of Romania and fulfilling the common criteria established by F.S.A. and the Chamber of Financial Auditors in Romania;
- l) the list and proof of the legal possession of the technical equipment in the copy, respectively proof of the right of use and access to them, which shall be used for the sole purpose of carrying out the object of activity subject to authorisation;
- m) a copy of the ownership of the proprietary right or, where applicable, the use of the electronic trading program to be used for the activity subject to authorisation, or the original declaration of the legal representative of the market operator / SSIF, showing that the electronic trading program is produced by its IT department, as well as its operating manual;
- n) the audit report conducted by an IT system auditor independent of the market operator/S.S.I.F., certifying the fulfillment of the technical requirements and the degree of security of the system used by the market operator/S.S.I.F. ; the report must also contain the evidence of pre-launch testing of the system and the test plan applied.
- o) the affidavit signed by a handwritten person, by the legal representative of the market operator/S.S.I.F., which shows that the respective company complies with the conditions stipulated by the Law no. 126/2018, this regulation and the European regulations issued pursuant to Directive 2014/65 / EU;
- p) the list of specimens of signatures for the representative/representatives of the market operator/S.S.I.F. in relationship with F.S.A.;
- q) proof of the agreement in principle on behalf of at least three members or users to actively and realistically use SMT / SOT;
- r) any other documents that F.S.A. may require them to assess compliance with the conditions for authorisation.

(2) In the application of the provisions of art. 67 – 74 of Law no. 126/2018 and of provisions of Implementing Regulation (EU) No. 2016/824, the operating rules of SMT/SOT shall include the following information:

- a) the order types which may be introduced in system and the principles on which buyers and sellers are present, how prices are formed, the structure and mode of operation of the system, and the rules for its management;
- b) standard contracts governing the relationship of the market operator/S.S.I.F. with participants or members and issuers of financial instruments;
- c) the methods for monitoring compliance with the rules and the measures to be taken in case of violation;
- d) the rules regarding the compliance with the F.S.A. requirements on the prevention and detection of market abuse, the prevention of money laundering and the financing of acts of terrorism.

(3) Any changes to the SMT/SOT operating rules must be subject to prior approval by the F.S.A prior to their communication to the participants or members and issuers whose financial instruments are traded within those systems.

(4) The submission to F.S.A. of the information referred to in par. (1) – (3) shall be carried out according to art. 9 of Implementing Regulation (EU) no. 2016/824.

Art. 76. – (1) F.S.A. is entitled to withdraw the establishment and management approval of an SMT/SOT in the following situations:

- a) at the request of the market operator/S.S.I.F.;
- b) if the market operator/S.S.I.F. no longer fulfills the conditions which were on the basis for the approval of the establishment and management of SMT/SOT;
- c) whether the approval of the SMT/SOT establishment has been obtained on the basis of false or misleading statements or information;
- d) if the market operator / S.S.I.F. has violated the provisions of Law no. 126/2018 of this Regulation and the European regulations issued pursuant to Directive 2014/65/EU on the administration of a SMT/SOT;
- e) if the SMT/SOT did not start operating within 6 months of the approval of its establishment and management by the market operator/S.S.I.F. or if there have been no transactions for more than 6 months.

(2) Suspension or withdrawal of authorisation of a S.S.I.F or of a market operator that manages a SMT/SOT shall automatically entail suspension and withdrawal of the approval of the SMT/SOT establishment granted by F.S.A. to it.

Art. 77. – (1) Withdrawal of the authorisation to set up an SMT/SOT at the request of a market operator/S.S.I.F. shall be made on the basis of a request for withdrawal submitted to F.S.A., accompanied by the documents referred to in paragraph (2).

(2) In order to withdraw the authorisation referred to in par. (1), the request for withdrawal made by the market operator/S.S.I.F. must be motivated and accompanied by the following documents:

- a) the decision of the statutory body of cessation of the SMT/SOT activity with an indication of the date of cessation its activity;
- b) affidavit of the director of the market operator/S.S.I.F., in original, showing that no operations were executed on the SMT/SOT managed after the date established in the decision of the statutory body approving the request to withdraw its establishment and administration;
- c) proof of payment of debts to participants or members, F.S.A. and to any other entities involved in the capital market;
- d) explanatory note regarding the establishment of the archive related to the activity of the SMT/SOT which will contain the documents and the related records and the decision of the statutory body indicating the address of the archive and the identification and contact details of the person responsible for the administration of the society archive; the archive of the company is kept according to the provisions of the National Archives Law no. 16/1996, republished, for a period of at least 10 years;
- e) proof of cessation of the contractual relationship of the market operator/S.S.I.F. with the central depository/central counterparty, related to the SMT/SOT conduct of business managed for which a withdrawal request is made, if necessary;
- f) supporting documents proving the fact that the contractual relations with the issuers/participants/members for which services were provided via SMT/SOT have ceased;
- g) the application for authorisation of the amendments of the Organisation and Operating Regulation and the market operator/S.S.I.F. organisation chart, modified as a result of cessation of the activity carried out within the SMT/SOT, if such modification is necessary;

- h) supporting documents proving the fulfillment of the conditions for the transfer/withdrawal of the issuers for which services were provided through the SMT/SOT, in compliance with the provisions of the applicable legislation in force.
- i) any other documents and information that F.S.A. considers them necessary for the settlement of the request.

(3) F.S.A. shall decide on the withdrawal of the authorisation of establishment and management of a SMT/SOT on the date when the necessary conditions for investor protection are met, but no later than 90 days from the date of registration of the complete documentation referred to in paragraph (2).

SECTION II

Trading and finalization of transactions within a SMT/SOT

Art. 78. – (1) In applying the provisions of art. 2 par. (1) point k) of the Implementing Regulation (EU) no. 2016/824, the market operator/S.S.I.F. must notify to F.S.A. the participants or members list prior to the beginning of trading within SMT/SOT, but no later than 3 months from the date of approval of its constitution.

(2) The market operator/S.S.I.F. has the obligation to notify to F.S.A. the access or exclusion of a participant or member in/from SMT/SOT within a maximum of two working days of the event.

Art. 79. – (1) In order to maintain the integrity of the technical system which assures the recording, management and execution of orders, as well as the reporting of transactions made under a SMT/SOT, a market operator/S.S.I.F. meets the requirements imposed by the Implementing Regulation (EU) no. 2016/824 as well as the following obligations:

- a) to carry out tests in compliance with the provisions of the F.S.A no. 4/2018 to verify the system's ability to process orders in real time and in a fair manner and to manage substantial variations in the volume traded; the tests must be carried out both before the system's production in production and later during its operation.
- b) to ensure the recovery of lost data in case of system malfunctions;
- c) to promptly notify A.S.F. with regard to all changes made in its systems.

(2) The market operator/S.S.I.F. must ensure that the SMT/SOT electronic procedures record the transactions in such a way that a search can be made on each traded financial instrument, each transaction and each participant or member within the system.

SECTION III

Monitoring compliance with SMT/SOT rules and detecting market abuse

Art. 80 – In application of the provisions of art. 105 of Law no. 126/2018, the market operator/S.S.I.F. notifies to F.S.A. within a maximum of one working day with regard to the situations provided by art. 81 and art. 82 of Delegated Regulation (EU) 2017/565.

SECTION IV

Pre and Post Transparency Requirements within an SMT / SOT

Art. 80. – (1) Market Operator/S.S.I.F. who manages a SMT/SOT complies with the transparency obligations imposed by Regulation (EU) No. 600/2014, in compliance with the provisions of art. 2 par. (1) lit. i) of Implementing Regulation (EU) 2016/824.

(2) The market operator/S.S.I.F. from Romania, that want the transaction, without the consent of the originator, within the SMT/SOT that manages, of some transferable securities issued in a non-member State and traded on a market from that State, has the obligation to include in the operating rules provisions in this purpose, which shall refer at least to:

- a) the way in which the market operator / S.S.I.F. ensure that investors are periodically and continuously informed about the issuer concerned;
- b) Withdrawal of those securities from SMT/SOT trading if they are no longer available for trading on the non-EU market or no information can be provided for local investors.

CHAPTER II

Supervisory of SMT and SOT

Art. 82. – The market operator/S.S.I.F must assure the F.S.A. real-time access to the managed SMT/SOT system.

Art. 83. – (1) Market operator/S.S.I.F. system must separately reveal the transactions concluded within the SMT/SOT, in accordance with the provisions of art. 71 par. (1), following to be made public on the website of the market operator/S.S.I.F., no later than the beginning of the next trading session but without exceeding 24 hours.

(2) The market operator/S.S.I.F. must forward to A.S.F. an annual report for the year ended and for the previous year. This report will be transmitted by January 31 of the year following that for which the report is reported. Market Operator/S.S.I.F. annual report must include the list of SMT/SOT participants established and managed by it.

Art. 84. – (1) In order to ensure the protection of investors, market operators/S.S.I.F. must keep for at least 10 years, in electronic form, the following:

- a) all reports to be drawn up in accordance with art. 83;
- b) notifications made by the market operator/S.S.I.F. to SMT/SOT participants regarding the trading hours, system malfunctions, changes to system procedures, restrictions or limitations on access to SMT/SOT;
- c) at least one copy of the access procedures to the SMT/SOT, as well as the documents regarding the decision of the market operator/S.S.I.F. granting, refusing or limiting access of any person to the system;
- d) any other documents drafted or received by the market operator/S.S.I.F., which justify the operations within the system.

(2) Each market operator/S.S.I.F. shall provide F.S.A. on request, by electronic signature, within no more than 4 working days, copies of the SMT/SOT records to be kept according to par. (1).

TITLE IV

Registration of financial derivatives at F.S.A.

Art. 85. – (1) Financial derivatives are recorded at F.S.A. before the trading commencement on a trading venue authorised by A.S.F.

(2) The registration certificate of the financial derivatives at F.S.A. is issued no later than 30 working days from the transmission of the complete documentation in this regard. In the case of rejection of an application for registration, F.S.A. issues a reasoned decision that can be appealed within 30 days of the date of communication.

(3) Any F.S.A. request for additional information or modification of the documents submitted initially interrupts the deadline provided in paragraph (2), which shall start to run again from the date of submission of such information or changes, which can not be made later than 60 days from the date of request of A.S.F. under the sanction of rejection of the application.

Art. 86. – (1) For A.S.F. registration of the financial derivatives, the manager of the trading venues shall submit an application accompanied by the following documents:

- a) characteristic features of financial derivatives;
- b) the decision of the statutory body approving the characteristic features of the financial derivatives;
- c) proof of payment on the account of F.S.A. of the registration fee for financial derivatives;

(2) The request referred to in paragraph (1) shall indicate the trading venue on which the financial derivatives will be traded.

(3) After the registration of financial instruments at F.S.A., the manager of the trading venue shall determine the commencement date of trading.

(4) Prior to the commencement of trading of a derivative financial instrument registered with F.S.A., the manager of the trading venue shall publish on its own website the following:

- a) the characteristic features provided in the registration certificate referred to in art. 85 par. (2) ;
- b) date of commencement of trading;
- c) the daily variation limit, if necessary;
- d) initial margin, if necessary.

Art. 87. - The characteristic features of derivatives that are subject to the F.S.A. shall include, as appropriate, at least the following:

1. the symbol;
2. the underlying asset;
3. the size of the object of the contract or the multiplier;;
4. the method of determining the price at which the daily market marking is performed (daily settlement price);
5. months of initiation;
6. style (European, American, etc.);
7. minimum number of series and the way of characterizing a series;
8. last day of transaction;
9. maturity date;
10. exercise date;

11. data of expiry of the option;
12. the method of determining the liquidation price at maturity (final settlement price);
13. the method of maturing the remaining open positions in the central counterparty's accounts, ie final settlement in funds or physical delivery;
14. the method of exercise the option;
15. the settlement method for exercising the option, namely settlement in funds or physical delivery;
16. The method of determining the liquidation price in the situation where the derivative is withdrawn from trading.

Art. 88. – (1) Changes in the characteristic features of derivatives referred to in Article 87, as well as, where applicable, the initial margin and the daily allowable variation of a derivative shall be notified to F.S.A. prior to publishing on the website of the site's administrator.

(2) Changes in the daily allowable daily allowance limit and initial margin level shall enter into force no earlier than 24 hours after their publication on the website of the trading venue's web site.

(3) Changes in the characteristic features of financial derivatives such as futures contracts and contracts with options provided in art. Article 87 (4) to (15) shall apply to contracts commencing subsequent to the publication of those changes on the website of the trading venue's website.

(4) The amendment of the characteristic features of financial derivatives such as futures and contracts with options provided in art. 87 points 2 and 3, as well as the amendment of the characteristic features of financial derivatives such as financial contracts for difference, implies the recording of new derivatives in accordance with the provisions of art. 86.

Art. 89. – Adjustment of characteristic features of derivative financial instruments registered with F.S.A. carried out as a result of changes in the underlying asset of those instruments do not imply the recording of new derivative financial instruments at F.S.A.

Art. 90. – (1) Deletion of the financial derivatives registered with A.S.F. occurs in the following cases:

- a) at the request of the manager of the trading venue;
- b) as a result of the withdrawal of the authorisation of the trading venue manager or the trading venue;
- c) when the underlying asset no longer exists;
- d) when the conditions for admission to trading on a trading venue are no longer met;

(2) For the deletion of the financial derivatives registered with F.S.A., under the conditions stipulated in paragraph (1) lit. a), the administrator of the trading venue shall submit an application accompanied by the following documents:

- a) the decision of the statutory body for the deletion of the financial instruments registered at F.S.A.;
- b) proof of payment on the account of F.S.A of the fee for the deletion of the financial instruments registered at F.S.A.

TITLE V

Transitional and final provisions

Art. 91. – Infringement of the provisions of this Regulation shall be sanctioned in accordance with Chapters I and II of Title X of Law no. 126/2018.

Art. 92. – All the documents required by this Regulation, which are necessary for the authorisation, as well as those related to records and reports, shall be transmitted to F.S.A. in Romanian language. Documents relating to foreign natural and legal persons shall be presented in certified copies and translations.

Art. 93. - Transmission in original of the documents provided by the regulations of F.S.A. by the managers of the trading venues, at the request of the judicial bodies or other public authorities, shall be carried out in compliance with the following conditions:

- a) a copy of each original document shall be kept at the premises of the manager of the trading venue under the same conditions as the original document;
- b) the legal representative of the manager of the trading venue and, as the case may be, the person performing the compliance function within the manager of the trading venue certifies the conformity of each copy with the original document;
- c) the copy must bear the words "copy according to the original" and the signature of the legal representative and, where applicable, of the person who performs the compliance function within the manager of the trading venue;
- d) evidence of the transmission of the original documents, which shall be kept together with the copy referred to in a).

Art. 94. – Annexes no. 1-4 are an integral part of this Regulation.

Art. 95. – (1) This Regulation shall be published in the Official Gazette of Romania, Part I, in the Bulletin and on the website of the F.S.A. and shall enter into force on the date of its publication in the Official Gazette of Romania, Part I.

(2) On the date of entry into force of this Regulation, the following shall be repealed:

- a) Order of the National Securities Commission no. 15/2006 for the approval of Regulation no. 2/2006 on regulated markets and alternative trading systems, published in the Official Gazette of Romania, Part I, no. 228 of 14 March 2006, as subsequently amended and supplemented;
- b) Order of the National Securities Commission no. 27/2006 for the approval of Instruction no. 3/2006 on the registration of derivatives to the National Securities Commission, published in the Official Gazette of Romania, Part I, no. 281 of 29 March 2006, as subsequently amended and supplemented;
- c) Decision of the National Securities Commission no. 1522 / 26.10.2009^{*1}.

Chairman of the Financial Supervisory Authority

¹ Decision of the National Securities Commission no. 1522/26.10.2009 was not published in the Official Gazette of Romania, Part I.

Leonardo Badea

Bucharest, 19.11.2018

No. 13

Annex no. 1

LIST OF DOCUMENTS FOR THE AUTHORISATION OF THE MARKET OPERATOR. ¹	
1. Articles of associations	
- original	<input type="checkbox"/>

- a copy bearing a definite date, in the original		<input type="checkbox"/>
2. Copy of the conclusion of the Delegated Judge to the Trade Registry Office regarding the incorporation and registration of the company		<input type="checkbox"/>
3. Copy of the registration certificate at the Trade Register Office		<input type="checkbox"/>
4. Proof of holding the subscribed and fully paid-up social capital, respectively the initial capital, according to art. 9 of the F.S.A. no. 13/2018 on trading venues		<input type="checkbox"/>
5. Regulations	Regulation of organisation and functioning	Internal rules on procedures for work, supervision and internal control
	<input type="checkbox"/>	<input type="checkbox"/>
6. Regulations and procedures of the regulated market (s) for which the market operator requests the authorisation. ²		<input type="checkbox"/>
7. Feasibility study including at least information on the need for the trading system/s, the estimation of the volume of operations for at least a working year and the features of the designed/existing system.		<input type="checkbox"/>
8. The copy of the act attesting to the legal possession of the space necessary for the operation of the market operator, materialized in one of the following forms: ³		<input type="checkbox"/>
- a property deed to be concluded in authentic form, transcribed in the real estate transcription register or inscribed in the land book of the court in which the real estate is located;		<input type="checkbox"/>
- a lease that must contain a renewal clause and be registered, where appropriate, with the tax authority.		<input type="checkbox"/>
9. Copy of the contract with the central depository administering the clearing-settlement system and, where applicable, the contract with the central counterparty		<input type="checkbox"/>
10. Copy of the contract concluded with a financial auditor, member of the Chamber of Financial Auditors of Romania, and fulfilling the common criteria established by F.S.A. and the Chamber of Financial Auditors in Romania		<input type="checkbox"/>
11. The categories, levels and thresholds of fees and charges to be applied if approved by the statutory body of the market operator at the time of authorisation, subject to the provisions of Delegated Regulation (EU) 2017/573.		<input type="checkbox"/>
12. List and proof of legal possession of the technical equipment, in copy, respectively proof of the right of use and access to them, which will be used for the sole purpose of carrying out the object of activity subject to authorisation		<input type="checkbox"/>

13. The copy of the ownership of the proprietary title or, where applicable, the use of the electronic trading program, which will be used only for the activity subject to the authorisation, or the original declaration of the legal representative of the market operator in its original which indicates that the electronic trading program is produced by its IT department as well as the operating manual specific to each regulated, organised and managed market type.	□
14. An audit report by a computer system auditor, independent of the market operator, certifying the degree of security of the system used by the market operator.	□
15. Affidavit, signed by a handler, from the legal representative of the market operator, showing that the company complies with the conditions provided by Law no. 126/2018 on the financial instruments markets, by the regulations issued by F.S.A. in its application and the European regulations issued pursuant to Directive 2014/65 / EU;	□
16. List of signature specimens for the representative/representatives of the market operator in relation with F.S.A.	□
17. Proof of payment to the F.S.A. account of the tariff for: a) the issuance of the market operator's authorisation; b) the registration of the market operator in the F.S.A. Registry; c) authorisation of each regulated market individually.	□
18. Any other documents that F.S.A. may require them to assess compliance with the permit conditions.	□
Name and surname of the legal representatives Name and surname of the contact persons	Signature of the legal representative: Signature of the contact person:
Date:	

¹ The name of the applicant will be filled in.

² There will be listed the regulations and procedures of each regulated market for which the market operator requires approval. The full text of the regulations and procedures, in paper and electronic form, will be attached to this schedule.

³ The lease agreement must be valid for at least 12 months from the date of filing the application for authorisation. The space act will be renewed and deposited at F.S.A. within 15 days of the expiration date. Sub-lease or joint venture contracts shall not be accepted as proof of holding the space for the registered office / head office.

NOTE: If the space in the form is not sufficient for detailing the answers, the additions will be made on a separate page with the signature of the legal representative.

LIST OF DOCUMENTS TO AUTHORISE CHANGES IN THE ORGANISATION AND FUNCTIONING OF THE MARKET OPERATOR ¹		
General documents		
1. the decision of the statutory body of the market operator ²		<input type="checkbox"/>
2. the addendum to the articles of association of the market operator		
- original		<input type="checkbox"/>
- a copy bearing a definite date, in the original;		<input type="checkbox"/>
3. proof of payment to the F.S.A. account, if necessary, of the tariff for:		
a) authorising changes in organisational and running mode;		<input type="checkbox"/>
b) authorisation / approval member of management board/supervisory board/director/member of directorate;		<input type="checkbox"/>
c) approval of regulations.		<input type="checkbox"/>
Specific documents for: (Check the attached documents, depending on the amendment requested.)		
Issuance, modification and completion of regulated market/s managed by the market operator	4. substantiating the elaboration, modification and completion of the regulations and procedures of the regulated market, as well as the drafts of the regulations subject to approval, highlighting, where appropriate, the modifications / completions made	<input type="checkbox"/>
Social capital increase/reduction	5. the proof of the full payment of the social capital in a special account opened for this purpose at a credit institution	<input type="checkbox"/>
	6. the assessment report made under the law, in the case of consideration in kind, and the documents attesting to the property	<input type="checkbox"/>
	7. the financial auditor's report on the lawfulness of the increase / decrease of the share capital	<input type="checkbox"/>
Designation of new members of the management board/supervisory board, directors or members of directorate	8. the documentation provided under III of the F.S.A. no. 14/2015, for members of the management board/supervisory board, directors/members of the directorate	
Change of registered office / head office	9. a copy of the act attesting the legal possession of the space for the registered office / head office required for its operation, materialized in one of the following forms: ³	

	Property deed <input type="checkbox"/>	Rental agreement	<input type="checkbox"/>
Establishment ⁴ /Dissolution of secondary offices	10. copy of the act attesting the legal possession of the space intended for the operation of the secondary office, materialized in one of the following forms: ⁴		
	Property deed <input type="checkbox"/>	Rental agreement	<input type="checkbox"/>
	11. documents attesting the fulfillment of the requirements of art. 40 par. (1) of the F.S.A. no. 13/2018 on trading venues		<input type="checkbox"/>
Amendment of the object	12. Documents referred to in points 1, 2 and 3		
Replacement of the IT system used by the market operator	13. Feasibility study including at least information on the need for the trading system/s, the necessary time period to put in function of the trading system/s, the estimation of the volume of operations for at least a working year and the features of the designed/existing system.		
	14. List and proof of legal possession of the technical equipment, copy, respectively proof of the right of use and access to them, which will be used for the sole purpose of carrying out the object of activity subject to authorisation		
	15. The copy of the ownership of the property right or, where applicable, of the use of the electronic trading program, which will be used only for the activity subject to the authorisation, or the original declaration of the legal representative of the market operator in its original showing that the electronic trading program is produced by its IT department as well as the operating manual specific to each regulated, organised and managed market type.		
	16. An audit report made by a computer system auditor, independent of the market operator, certifying the degree of security of the system used by the market operator		
Name and surname of the directors/members of directorate:			
Directos/members of directorate signatures:			
Date:			

¹ The name of the applicant will be filled in.

² In the case of social capital decrease, the decision will specify by which the social capital shall increase and the source/s that shall be used for the requested increase. If the reduction of the social capital, the decision has to comply with the minimum level of the capital provided in art. 9 of the F.S.A. Regulation no. 13/2018 concerning the trading venues, to present the reasons for the reduction is made and the method of carrying out.

In the case of amendment of the management system, from the unitary system of management to the two-tier of management, according to Section 5 of the F.S.A. Regulation no. 13/2018, for authorising of the members of the directorate, the documentation shall not contain the decision of the supervisory board.

³ Documents demonstrating the holding of legal certificate of the area shall be shall be drawn up in compliance with the stipulations in section 8 of Annex no. 1 to the F.S.A. Regulation no. 13/2018.

⁴ Documents demonstrating the holding of legal certificate of the area shall be drawn up in compliance with the stipulations in section 8 of Annex no. 1 to the F.S.A. Regulation no. 13/2018.

NOTE: If the space in the form is not sufficient for detailing the answers, the additions will be made on a separate page with the signature of the legal representative.

LIST OF DOCUMENTS FOR AUTHORISATION OF CHANGING THE SOCIAL CAPITAL OF THE MARKET OPERATOR AS A RESULT OF MERGER / DIVISION. ¹	
1. The request of the directors/members of the directorate of the market operator regarding the cessation of the merged/divided market operator activity, accompanied by:	<input type="checkbox"/>
a) affidavit of the directors/members of directorate of the market operator, in original, showing that on that regulated market/s have not been initiated new contracts after the date established in the general assembly of the shareholders in which the merger/division has been set	<input type="checkbox"/>
b) Evidence of payments of debts from:	
- participants	<input type="checkbox"/>
- F.S.A.	<input type="checkbox"/>
- another entities of the capital market	<input type="checkbox"/>
2. The decisions of the extraordinary general assemblies of the participant market operators in the merger	
3. Merger/division project, according to the Law no. 31/1990, republished, with subsequent amendments and additions, and, the proof of non-challenge to the Trade Registry Office of the merger/division project.	<input type="checkbox"/>
4. Amendment of the articles of association of the of the participating market operators or, where applicable, the amendment of the resulted market operators	<input type="checkbox"/>
5. Merger/division balance sheets	<input type="checkbox"/>
6. The report of the managers regarding the merger/division.	<input type="checkbox"/>
7. The report of the statutory financial regarding the merger/division	<input type="checkbox"/>
8. Act on the registered office/ head office of the market operators resulted from the merger/fusion, concluded in compliance with the provisions of art. 37, par. (5) and (6) the F.S.A. Regulation no. 13/2018 concerning the trading venues.	<input type="checkbox"/>
9. Information on the situation of regulated markets managed by the operator/ operators involved in the merger/division process ²	<input type="checkbox"/>
10. List of fees/commissions on the regulated market/markets	<input type="checkbox"/>
11. The proving payment in F.S.A. account of the authorisation fee.	<input type="checkbox"/>
12. Any other information that F.S.A. may request them in order to review the documentation	
Name and surname of the directors/members of directorate:	Directors/members of director directorate:
Date:	

¹The name of the applicant will be filled in.

²In the case of a merger, the provisions of art. 43 Of F.S.A. Regulation no. 13/2018 shall be complied with. In the case of a merger of a market operator, the provisions of art. 44 of the F.S.A. Regulation no. 13/2018 shall be complied with.

NOTE: If the space in the form is not sufficient for the detailing of the answers, the additions shall be made on a separate page, with the legal representative signature.

GUIDELINE

Calibration of Circuit Breaker Circuit Systems and Publishing Interruptions of MiFID II Trading

Field of application

To whom shall be applied?

This guideline is applied to the trading venues which allow or favour algorithmic trading on their own systems, as well as competent authorities.

What?

This guideline clarifies the provisions of Article 48 (5) of Directive 2014/65 / EU of the European Parliament and of the Council on markets of financial instruments and amending of Directive 2002/92/EC and Directive 2011/61/EU (MiFID II)².

The guideline is not limited to a certain type of circuit breaker and applies invariably to all mechanisms that trading venues could implement in accordance with MiFID II Article 48 (5).

Definitions

Unless stated otherwise, the terms used in MiFID II have the same meaning in this guidance. In addition, the following definitions are applied:

Circuit breaker type systems - Mechanisms to be used by trading venues in accordance with MiFID II Article 48 (5) to temporarily suspend or restrict trading if there is a significant price evolution of a financial instrument.

Interruptions of trading – The interruptions in trading shall include the following types of mechanisms:

- *Mechanisms that interrupt the continuous trading, containing:*
 - Mechanism by which the trading stops at a certain security for a certain period of time, where no transaction is executed and no new prices are established;

And

- Mechanism by which the trading passes from the continuous trading to a trading of tender type. Latter may take place pursuant to a trading or an introducing of a order that may result a trading outside of the statistical price ranges predetermined by the trading venue.
- *Mechanisms that extend the period of scheduled or unscheduled tenders in the event of price discrepancy with a predefined reference price at the end of the tender.*

² JO L 173, 12.6.2014, pp. 349-496.

Purpose

The purpose of this guideline is to develop some common standards that have to be taken into consideration by the trading venues in order to for the calibration of their circuit breakers and, in more general terms, to assure a consistent application of the provisions of art. 48 par (5) of MiFID II.

Compliance and reporting obligations

The status of the guideline

This document contains contains guidelines issued pursuant to Article 48 (13) of MiFID II and supplemented by guidelines issued under Article 16 of Regulation (EU) No. 1095/2010 (ESMA Regulation). In accordance with Article 16 (3) of the ESMA Regulation, competent authorities and financial market participants must make every effort to comply with the guidelines and recommendations.

The competent authorities subject to the guidelines must comply with through their introduction in their supervisory practices, including, if necessary, in certain guidelines of a document are mainly addressed to the financial market participants.

Requirements on the reporting

This document contains guidelines issued pursuant to Article 48 par. (13) of MiFID II and supplemented by guidelines issued under Article 16 of Regulation (EU) No. 1095/2010 (ESMA Regulation). In accordance with Article 16 par. (3) of the ESMA Regulation³, competent authorities and financial market participants must make every effort to comply with the guidelines and recommendations.

Financial market participants have the obligation to report if this guideline is observed or not.

Guidelines on Article 48 par. (5) of MiFID II

Calibration of volatility parameters

Circuit breaker type system operated by trading venues should use benchmark prices that reflect the volatility of the instrument concerned in a consistent and reliable manner and, where appropriate, should have the ability to use external benchmarks.

The trading venue should calibrate their circuit breaker type systems in accordance with a statistically supported predefined methodology, taking into account the following non-exhaustive list of items, if necessary:

- **The nature of the financial instrument:** in order to take into account the nature of the financial instrument, trading venues should calibrate circuit breaker types at least at the level of a class of financial instruments and, if necessary, at a more precise level, taking into account, in a combined manner, the other parameters described below. For this purpose, the classes of financial instruments should be:

³ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing the European Supervisory Authority (European Securities and Markets Authority), amending Decision No. 716/2009 / EC and repealing Commission Decision 2009/77 / EC (JO L 331, 15.12.2010, p. 84).

- for other financial instruments than the other of equity, across underlying classes defined in annex III of RTS 2 concerning the transparency of this type of instruments (i.e. bonds, structured financial products, security derivatives, interest rate derivatives, public limited derivatives, commodity derivatives, exchange derivatives, related credit derivatives, derivatives referred to in point 10 of Section C of Annex I to MiFID II, financial contracts for differences and emission allowances); and
- for equity instruments from the level of classes of financial derivatives described in table 2 of annex III of RTS 1 concerning the transparency of capital instruments of "identifier MiFIR" category (i.e. bonds, depositary receipts, exchange-traded funds, certificates and other financial instruments equivalent to the shares).
- **Liquidity Profile and Quota Level of the Financial Instrument:** the trading venues should calibrate their circuit breaker type systems, taking into consideration the liquidity of the financial instrument, the existence of some clear liquidity patterns, as well as the possible changes of liquidity due to some pre-established events, such as new issues or expected corporate operations.

The trading venues should especially have stricter parameters for the instruments considered liquid. The calibration should include the subscription rights and instruments with low levels of quotation, allowing larger parameters.

- **Volatility profile of the financial instrument:** the trading venues the calibration of circuit breakers should be supported by a statistical survey that takes into account previous volatility in order to allow trading venues to deduct future volatility.

Trading venues may take into account values such as the overnight volatility of the financial instrument, the absolute maximum daily deviation and the expected frequency of activation of the mechanism.

- **Imbalance of order:** trading venues should identify situations where significant imbalances of order or exceptional circumstances require recalibrating the parameters of the circuit breaker type. Where appropriate, trading venues should be able to manually recalibrate their parameters following a predetermined procedure and to minimize the duration of the trading interruption.
- **Modality and rules of trading:** trading venues should have stricter parameters of continuous circuit breaker type systems and quotation-based systems. Trading venues can calibrate the volatility parameters differently, depending on the trading stage.
- **Internal benchmarks:** circuit breaker type systems should be calibrated using a static reference price (such as opening price, clearing price or intraday tender price) and a dynamic one (such as the last traded price or average price on a certain period), unless the trading venue can demonstrate to the competent national authority that volatility is managed adequately, with static or dynamic thresholds.
- **External benchmarks:** when trading volatility parameters are calibrated, trading venues should consider, but not necessarily reproduce, the statistical correlation between instruments, in particular in cross-asset type (e.g. cash and future instruments) and cross-market (e.g. multi-quoted instruments) and volatility management mechanisms on the markets in which these instruments are traded. For trading venues that use transaction facilities on a price basis, the valid reference should be the primary or the most relevant market for liquidity, as referred to in article 4 par. (1) of Regulation (EU) No. 600/2014. To that end, trading venues may use free

public information about the financial instruments and the trading venues that they consider relevant.

- **Lead time for interruptions:** trading venues may follow a flexible approach when deciding the duration of volatility interruptions and introducing a certain degree of randomisation during a particular trading cessation. In this case, trading venues should establish and communicate to members and participants the minimum and maximum expected time to resume trading after an interruption.
- **Newly issued instruments:** trading venues should calibrate the volatility parameters by estimations that takes into consideration a inter pares comparative analysis of the financial instrumens similar with a pattern of expected similar liquidated, based on the estimated market capitalisation, on the size of the industrial sector or the volume of issuances.

When calibrating their own circuit breaker type systems, trading venues should take into account the number of uses of the mechanism on their own platforms in previous years.

External communications when triggering trading interruptions

Trading venues should immediately publish, by the means regularly used to provide pre and post trade information, the activation of a trading interruption (which should be clearly distinguished from the trading suspensions referred to in Article 32 , Article 52 and MiFID II Article 69 par. (2)), the type of trading interruption, the trading stage in which it was triggered, the prolongation of the interruption and the termination of the interruption.