



Annex – MTS Slovenia

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

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

SECTION I – DEFINITONS

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

“MoF” means the Ministry of Finance of the Republic of Slovenia.

“Primary Dealer” means an official Primary Dealer as recognised by the MoF.

SECTION II – GENERAL PROVISIONS

Article 1 - Market Rules

1. For the purpose of this Article, all decisions made by the Company, in accordance with the General MTS Domestic Market Rules, are made with prior agreement of the Committee following consultation with the MoF.

SECTION III – ADMISSION AND RESIGNATION

Article 2 - Participant Types

1. Market Maker:

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

2. MoF

MoF is permitted to take part in trading through Orders only. As such, the MoF will not be subject to the provisions related to quoting commitments contained in these Rules.





Article 3 - General Conditions for admission

1. For the purpose of this Article, all opinions of the Company, in accordance with the General MTS Domestic Market Rules, are in consultation with the MoF and Committee.
2. belong, either directly or via an agent, with one of the clearing and settlement institutions specified below, and has suitable links with such institutions for the settlement of trades on the System:
 - I. Clearstream Banking Luxembourg or
 - II. Euroclear Bank NV SA

The specified list of institutions (above) may be updated by the Committee from time to time.

Article 4 - Additional Conditions for admission

The General MTS Domestic Market Rules apply

Article 5 - Admission procedure for Participants

The General MTS Domestic Market Rules apply

Article 6 - Resignation procedure for Participants

The General MTS Domestic Market Rules apply

Article 7 - MTS Slovenia Committee

1. Members of the Committee shall be representatives of the MoF, the Company and the Primary Dealers. The Company shall appoint the Committee following agreement with the MoF. The Company shall not remove any Committee member without prior consultation with the MoF. The Committee shall have such power and authority (including as to the establishment of committees of MTS Slovenia and the delegation of power and authority to such committees) as the Company may determine following agreement with the MoF
2. The Company at all times shall have the authority to overrule any decision or action taken by the MoF or the Committee with respect to commercial, technological or regulatory matters notwithstanding the operation of these Rules or the Committee.
3. Where there is a conflict between the MoF and the Committee, the opinion of the MoF shall prevail subject to the condition that any such decisions must not contravene any regulatory requirements of the FSA and all other applicable laws, or technical requirements of the System.





SECTION IV – UNDERTAKINGS

Article 8 - Undertakings

1. For the purpose of this Article, all undertakings to notify the Company also include the MoF.
2. Obligations under this Article only apply to spot contracts.

Article 9 - Additional undertakings

The General MTS Domestic Market Rules apply

SECTION V – TRADING

Article 10 - General System Operations

The General MTS Domestic Market Rules apply

Article 11 - Opening Hours and Days

The General MTS Domestic Market Rules apply

Article 12 - Suspension and postponing of operations

The General MTS Domestic Market Rules apply

Article 13 - Selection of Eligible Securities, Tradable Securities

1. The issuer is the Republic of Slovenia
2. The eligibility criteria for Tradable Securities issued by the Republic of Slovenia acting through the MoF are:
 - a. Nominal Fixed coupon-bearing Eligible Securities;
 - b. With a remaining term of more than 1.25 years at the time of selection/ issuance; and
 - c. Either:
 - I. with an outstanding amount of at least Euro 1 billion; or
 - II. with an outstanding amount of no less than Euro 500 million at first instance, where the issuer has publicly announced its commitment to “tap” that security in one or more tranches so that it shall reach a total principal amount outstanding of at least Euro 1 billion within 180 calendar days of the issue date of the first issuance of that security.
3. MTS Slovenia Market Makers can input Quotes for a minimum quantity of Euro 2 million for each Eligible Security for spot contracts. The minimum trading quantity is Euro 1 million for each Eligible Security for spot contracts.

Article 14 - Quoting Commitments

The quoting commitments of Participants include:





1. On each Trading Day to make Quotes on the System, for at least five (5) hours in relation to each Security assigned to it from time to time by the Company, and to do so in compliance with the Quoting/ Spread Obligations specified below.
2. Quoting/ Spread Obligations

Maturity bucket	Minimum Quote size (Euro million)	Maximum Bid/offer Spread
<u>A (1.25 – 3.5 years)</u>	2	10
<u>B (3.5 – 6.5 years)</u>	2	15
<u>C (6 - 13.5 years)</u>	2	20
<u>D (13.5+ years)</u>	2	25

NB: Spread is expressed in 'ticks' where 1 tick represents 0.01% of the par value of the Financial Instrument.

Article 15 - Suspension of Quoting Commitments on Tradable Securities

After consultation with the Committee, the chairman of the Committee may at its discretion instruct the Company to:

- (A) temporarily suspend all quoting commitments;
- (B) temporarily amend any of the values in table above; or
- (C) introduce temporary alternative procedures for the evaluation of Market Makers' quoting performance.

Article 16 - Assignment of Securities to Market Makers

The General MTS Domestic Market Rules apply

Article 17 – Quotes

The General MTS Domestic Market Rules apply

SECTION VI – CONTRACTS

Article 18 - Trades

The General MTS Domestic Market Rules apply

Article 19 - Types of Contracts

The General MTS Domestic Market Rules apply

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

The General MTS Domestic Market Rules apply



**Article 21 - Procedures for the conclusion of contracts**

The General MTS Domestic Market Rules apply

Article 22 - Clearing and Settlement of contracts

The System is connected to the clearing and settlement institutions and to the Central Counterparty. On a real time basis, the System sends instructions to these institutions on behalf of Participants.

Participants will authorise the chosen settlement institution (either Clearstream Banking Luxembourg or Euroclear Bank NV SA) to settle instructions sent by MTS Austria by executing a “Power of Attorney” – arranged by the relevant settlement institution– in favour of EuroMTS. Alternatively, a Participant may make use of a settlement agent, executing with such settlement agent a declaration in the form specified by the Company. In this latter case, the settlement agent will be requested to sign the Power of Attorney arranged by the chosen settlement institution.

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

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

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

Article 23 - Settlement Cycle

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

Article 24 - Cancellation of trades

The General MTS Domestic Market Rules apply

Article 25 - Law governing contracts

The General MTS Domestic Market Rules apply

SECTION VII – PROVISION OF INFORMATION**Article 26 - Provision of Information to Participants**

The General MTS Domestic Market Rules apply



**Article 27 - Provision of Information to the authorities**

The obligations of the Company to provide information to FSA are also obligations to the Slovenia regulator.

Article 28 - Provision of Information to the issuer

The General MTS Domestic Market Rules apply

SECTION VIII – SUPERVISION AND SANCTIONS**Article 29 - Verification of regular course of trading**

The General MTS Domestic Market Rules apply

Article 30 - Breach of Participant undertakings

The General MTS Domestic Market Rules apply

Article 31 - Failure to honour Quoting Commitments

Art. 31 of the General MTS Domestic Market Rules does not apply to MTS Slovenia; failures to honour Quoting Commitments will be regulated by Art. 32 and ff below.

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

The General MTS Domestic Market Rules apply

Article 33 - Adoption and enforcement of sanctions

The General MTS Domestic Market Rules apply

Article 34 - Automatic suspension from trading

The General MTS Domestic Market Rules apply

SECTION IX – FINAL PROVISIONS**Article 35 - Liability**

The General MTS Domestic Market Rules apply

Article 36 - Disputes

The General MTS Domestic Market Rules apply

