

BULGARIAN STOCK EXCHANGE



БЪЛГАРСКА
ФОНДОВА БОРСА
СОФИЯ

RULES OF THE SME GROWTH MARKET (BEAM) – A MULTILATERAL TRADING FACILITY, ORGANISED BY THE BULGARIAN STOCK EXCHANGE AD

PART I. GENERAL RULES

Chapter One

GENERAL PROVISIONS

Article 1. These Rules of the BEAM SME Growth Market (BEAM Market) – a Multilateral Trading Facility (MTF), organised by the Bulgarian Stock Exchange AD, stipulated in Article 154, in conjunction with Article 109, Paragraphs 1 and 2, and in compliance with the requirements envisaged in Articles 122 and 123 of the Markets in Financial Instruments Act (MFIA) – are aimed at establishing clear and binding rules for all participants in the multilateral trading facility, for legitimate, fair and organised trading and objective order execution criteria.

Article 2. (1) The Rules of the BEAM SME Growth Market shall include the following:

1. General Rules;
2. Rules for the Activities of the BEAM SME Growth Market Advisors;
3. Rules for the Admission of Financial Instruments to the BEAM SME Growth Market;
4. Trading Rules for the BEAM SME Growth Market;
5. Surveillance Rules on the BEAM SME Growth Market;

(2) With regard to the requirements to participants in the BEAM Market, the risk management rules for the BEAM Market and the dispute settlement rules for the BEAM Market shall be implemented in accordance respectively with Part II Membership Rules, Part VI Risk Management Rules, and Part VII Arbitration Court Rules of the Rules and Regulations of the Bulgarian Stock Exchange AD.

(3) Any amendments and supplements to the Rules for the BEAM Market shall be adopted by the Board of Directors and submitted to the Financial Supervision Commission. Amendments shall take effect on the day following the elapse of 30 (thirty) calendar days from the date of their announcement, unless the Board has specified another term.

Article 3. (1) The Bulgarian Stock Exchange AD, in its capacity as a regulated market under Article 152 (1) of the MFIA and as a market operator under Article 152 (3) of the MFIA, shall serve as the organiser of an MTF under Article 154 (1) and 154 (3) of the MFIA.

(2) The Bulgarian Stock Exchange AD, as a legal entity simultaneously acting as a regulated market, a market operator and an MTF organiser, is entitled to exercise any of the rights related to the regulated market and MTFs, and holds the necessary licenses thereof, issued by the FSC.

(3) The rules under Article 2 (1) item 5 comply with the terms, conditions and scope of Article 33 of Directive 2014/65/EU.

Chapter Two

ACTIVITY PRINCIPLES

Article 4. The Bulgarian Stock Exchange AD, as an organiser of a growth market, provides market participants with mechanisms to conclude transactions in financial instruments, by carrying out activities pursuant to Article 154 of the MFIA and Article 4 (1) item 22 of Directive 2014/65/EU.

Article 5. Transactions on the BEAM Market shall only be concluded remotely, by electronic means, using the operated system.

Article 6. (1) The MFT activity shall be based on the following principles:

1. Ensuring equal conditions for access to and participation in financial instrument trading for MFT participants and their clients;
2. Ensuring equal access to market information for all participants and their clients;
3. Applying uniform rules for the conclusion and execution of transactions in financial instruments;
4. Applying objective standards, honest and impartial treatment of MTF participants and their clients with respect to trading carried out via the MTF;
5. Ensuring complete transparency regarding the pricing of financial instruments traded via the MTF.

(2) The BEAM Market is characterised by the following:

1. Issuers shall be subject to lower transparency requirements compared to the regulated market, respectively investing in them is associated with a higher risk;
2. The Exchange, through the requirements set out in these Rules, shall ensure a sufficient level of disclosure of information regarding issuers, including their financial statements, in order to guarantee fair and proper trading and price formation process.
3. The obligations for the disclosure of information under these Rules shall be attributed to the issuer filing an application for admission to trading on the BEAM Market;
4. The provisions of the IMAMAFIA, Regulation (EU) No 596/2014, as well as any other applicable rules and regulations governing the prevention and detection of market abuse, shall be applicable to the trading on the BEAM Market.

Chapter Three

REQUIREMENTS FOR PARTICIPANTS

Article 7. (1) Participation in the BEAM Market shall only be available to Exchange members that were accepted under and comply with the requirements of Part II Membership Rules of the Rules and Regulations of the Exchange (Membership Rules).

(2) Transactions shall be concluded via remote access, under the terms and conditions of these Rules.

(3) BEAM Market participants shall have the right to provide their clients with electronic platforms granting access to the BEAM Market, approved by the Exchange.

(4) Participants may operate as market makers on the BEAM Market if registered as such in accordance with the Membership Rules.

Article 8. (1) Participants shall be obliged to comply at all times with the Rules, the applicable law, as well as the Agreement concluded with the Exchange.

(2) Participants shall be required to respect, implement and comply with the Board's decisions.

Article 9. (1) All participants shall be placed on a completely equal footing and shall have identical rights and obligations.

(2) Participants shall have equal access to market information, and shall enjoy equal terms and conditions for participation in the trading.

(3) All participants shall be entitled to use and provide to their clients platforms for access to the MTF.

Article 10. The Exchange shall keep a register of participants and persons authorised to conclude transactions within the MTF (MTF Brokers).

Article 11. The Membership Rules of the Rules and Regulations of the Exchange shall be fully applicable with regard to the procedures, terms and conditions for:

1. admitting participants and brokers to the BEAM Market;
2. removing participants and brokers from the BEAM Market;
3. registering market makers in the BEAM Market;
4. approving platforms for access to the BEAM Market;
5. keeping a register of participants and brokers in the BEAM Market.

Chapter Four RISK MANAGEMENT

Article 12. The management of the risks related to the operation of the BEAM Market shall be done in accordance with the procedures, terms and conditions under Part VI Risk Management Rules of the Rules and Regulations of the Exchange.

Chapter Five
TERMS, CONDITIONS AND PROCEDURES FOR THE SETTLEMENT OF
DISPUTES BETWEEN BEAM MARKET PARTICIPANTS AND THE EXCHANGE

Article 13. Disputes between BEAM Market participants and the Exchange, as the organiser of the MTF, shall be resolved by the Arbitration Court with the Bulgarian Stock Exchange AD and pursuant to Part VII Rules of the Arbitration Court with the Exchange.

ADDITIONAL PROVISIONS

§ 1. The terms used in these Rules, but not defined herein, shall have the meanings assigned to them in the POSA (Public Offering of Securities Act) and the MFIA (Markets in Financial Instruments Act) and their implementing acts, respectively in the general commercial legislation and commercial practice.

§ 2. For the purposes of these Rules:

1. 'Market information' shall mean the information generated by the Exchange in connection with the trading carried out thereon.
2. 'MTF Broker' shall mean the Exchange brokers entered into the Broker Register after their admission by a decision of the Board of Directors.

§ 3. The following abbreviations have been used in these Rules:

1. 'MTF' – a multilateral trading facility, organised by the Bulgarian Stock Exchange AD;
 2. 'SME' – Small and Medium-Sized Enterprises, as defined in Article 77 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
 3. 'The Exchange' – the Bulgarian Stock Exchange AD, respectively the regulated market organised by the Bulgarian Stock Exchange AD.
'The System' – the electronic trading system through which the MTF trading is implemented.
 4. 'FSC' – the Financial Supervision Commission.
 5. 'MFIA' – the Markets in Financial Instruments Act.
 6. 'IMAMAFIA' – the Implementation of Measures Against Market Abuse of Financial Instruments Act.
 7. 'POSA' – the Public Offering of Securities Act.
 7. 'Directive 2014/65/EU' – Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
 8. 'Regulation (EU) No 596/2014' – Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive
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Rules of the BEAM Market

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2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (text with EEA relevance).

TRANSITIONAL AND FINAL PROVISIONS

§ 1. These rules shall take effect as of 12.02.2019.