

BULGARIAN STOCK EXCHANGE



**BULGARIAN
STOCK EXCHANGE**

RULES AND REGULATIONS

PART IV TRADING RULES

Chapter One
TRADING SESSIONS

Section One
GENERAL PROVISIONS

Article 1. (1) The Exchange, through the System and in accordance with its non-discrimination rules, shall meet or support meeting the interests of its members and their clients in the purchase and sale of financial instruments admitted to trading on a market organised by the Exchange, resulting in the conclusion of a contract by the relevant parties regarding the said financial instruments.

(2) The Exchange shall ensure equal conditions for its members and their clients for participation in trading.

(3) Trading on markets organised by the Exchange shall be remote and shall be implemented through an electronic trading System.

(4) The System of the Exchange shall include measures ensuring its effective operation in accordance with the implemented data security management system.

(5) Participation in trading sessions shall take place through broker terminals (workstations) and platforms for direct market or sponsored access that are connected to the System via one or more standardized data protocols. Each trading participant shall be responsible for the control of access to the terminal assigned thereto and to all electronic devices connected to the System, as well as for keeping the secrecy of the unique identification numbers and passwords entrusted to such participant.

(6) Messages shall be sent to or received from the System only by brokers that are admitted in accordance with the Membership Rules, or by clients of Exchange members that have been permitted sponsored access in accordance with the Membership Rules. Each broker or client having sponsored access shall be responsible for the control of access to the terminal assigned thereto and to all electronic devices connected to the System, as well as for keeping the secrecy of the unique identification numbers and passwords entrusted to such broker or client.

(7) Any transactions executed using the unique identification numbers and passwords assigned to an Exchange member's brokers, or using the unique identification numbers and passwords assigned to the clients of an Exchange member that have been permitted sponsored access, shall be mandatory and binding on the respective Exchange member.

(8) An Exchange member shall be fully liable for all orders, transactions and messages to the System, including orders entered using such member's unique identification number, and also in cases of permitted direct and sponsored market access. For any actions referred to in the previous sentence, the Exchange member shall be

subject to control and sanctions under the Rules.

(9) The conditions for connecting a workstation and for access to the System shall be laid down in mandatory instructions issued by the Board and shall constitute a part of or an appendix to the agreement for participants on the Exchange organised markets, or to the Exchange membership agreement. Control of compliance with the conditions referred to in the first sentence shall be exercised by the Board or its designee.

(10) All transactions executed on the Exchange shall be guaranteed by the Financial Instruments Settlement Insurance Fund with the Central Depository, in accordance with the agreement between the Exchange and the Central Depository.

Section Two PHASES AND DURATION

Article 2. (1) A trading session shall be the officially announced period during which transactions may be executed on the Exchange.

(2) Members may enter, modify or cancel buy or sell orders during a session, both in the pre-trading and in the post-trading phase, within the periods determined by the Board.

(3) The duration and the schedule of trading sessions shall be determined by the Board. Trading shall take place in parallel on all market segments. For the BSE International Market, the Board may determine a different schedule.

(4) Any changes in the schedule regarding the frequency and duration of trading sessions, or the period allowed for entry of orders, shall be made by the Board and shall be published in the Exchange Bulletin at least five (5) business days in advance.

(5) All transactions executed in accordance with these Rules shall be deemed concluded in the city of Sofia.

(6) At trading sessions on the Exchange, members shall be represented by brokers that are duly admitted in accordance with the Membership Rules. Each broker shall be identified in a manner approved by the Board.

Article 3. (1) If financial instruments are traded continuously on a market segment, trading sessions shall go through the following phases in the order specified below:

1. opening auction;
 2. continuous trading;
 3. closing auction;
 4. trade-at-close.
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(2) During continuous trading, one or more intraday auctions may be scheduled.

Article 4. If financial instruments are not traded continuously on a market segment, trading sessions shall consist of one or more auctions.

Article 5. The overall conduct of trading sessions shall be arranged and controlled by the Trading Director.

Chapter Two

ORDERS AND QUOTES FOR PURCHASE AND SALE OF FINANCIAL INSTRUMENTS

Section One

GENERAL PROVISIONS

Article 6. Transactions in financial instruments admitted to trading on the Exchange shall be executed based on buy and sell orders made by Exchange members and on market makers' quotes (exchange transactions).

Article 7. Orders and quotes shall constitute a firm request to buy or sell a certain quantity of financial instruments at a certain price or at a market price, subject to certain additional parameters.

Article 8. By placing orders or quotes, brokers shall state their readiness to settle the transactions executed as a result of such orders or quotes within the standard settlement period.

Section Two

TYPES OF EXCHANGE ORDERS

Article 9. (1) The following principal types of exchange orders may be placed on the Exchange:

1. limit orders: orders to buy or sell a certain quantity of financial instruments at a specified limit price;
2. market orders: orders to buy or sell a certain quantity of financial instruments at the best price on the stock exchange at the time of entering such orders into the Exchange's trading system;

(2) Depending on the conditions for their execution during continuous trading, orders may be of the following types:

1. immediate-or-cancel orders that are executed immediately and as fully as possible. Any non-executed portion of such orders are rejected by the System;
2. fill-or-kill orders that are executed immediately and in full; where this proves impossible, any such orders are rejected by the System;
3. book-or-cancel orders that remain active in the System only if not immediately executable; otherwise such orders are rejected by the System.

(3) Depending on their validity, orders shall be:

1. good-till-cancelled orders: orders that are transferred from one Exchange session to the next one until cancelled;
2. good-for-day orders: orders only valid for one session that, upon the session's end, are rejected by the System;
3. good-till-date orders: orders whose non-executed portion is transferred from one Exchange session to the next one until a previously specified date at the time of entering the order occurs.

(4) Depending on the phase of a trading session for which orders are intended, orders shall be valid:

1. only in an opening auction;
2. only in a closing auction;
3. only in intraday auctions;
4. only in auctions, regardless of their type;
5. for the entire trading session.

Article 10. (1) It shall be permissible on the Exchange to enter stop orders the execution of which shall be possible upon reaching a predefined price (a stop price).

(2) Stop orders shall be:

1. stop market orders that are automatically entered into the System as market orders when the current market price reaches or exceeds the stop price set for stop buy orders, or respectively reaches or falls below the said stop price for stop sell orders;
2. stop limit orders that are automatically entered into the System as limit orders where the current market price reaches or exceeds the stop price set for stop buy orders, or respectively reaches or falls below the said stop price for stop sell orders.

(3) For stop orders no additional execution conditions or trading restrictions may be set.

Article 11. (1) It shall be permissible on the Exchange to enter trailing stop orders with a dynamic stop price which is adjusted according to the reference price and whose execution becomes possible upon reaching a defined stop price.

(2) The dynamic stop price shall be entered as an initial stop price supplemented with an absolute or percentage difference from the respective reference price.

(3) The dynamic stop price shall be constantly monitored and adjusted according to the following rule:

1. if the reference price of a trailing stop "sell" ("buy") order increases (decreases) in such a way that the difference of the trailing stop price from the reference price is exceeded, the dynamic stop price shall be increased (decreased), so that the difference is kept constant;
 2. if the reference price of a trailing stop "sell" ("buy") order decreases (increases), then the dynamic stop price shall not be adjusted;
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3. if the reference price reaches or exceeds the dynamic stop price for trailing stop “buy” orders, respectively reaches or falls below it for trailing stop “sell” orders, then the trailing stop order shall be automatically entered into the System as a market order.

(4) For trailing stop orders no additional execution conditions or trading restrictions may be set.

Article 12. (1) It shall be permissible on the Exchange to enter iceberg orders, i.e. limit orders with validity pursuant to Article 9 (3), which are characterised by an overall volume and by a peak volume and for which only the peak’s remainder is visible in the System at any time.

(2) The overall volume of an iceberg order shall always be a round lot, and the minimum amount of such order at the time of its entering or subsequent modification shall be at least ten thousand euros (EUR 10,000).

(3) For bonds and government securities iceberg orders shall not be allowed.

(4) An iceberg order that fails to meet the requirements for the minimum amount under paragraphs 2 and 3 above shall be rejected by the System.

(5) The minimum peak volume shall be at least five (5) per cent of the overall volume of an iceberg order, as it can be set when entering the order or as a random number between a low and a high limit.

(6) Upon execution of the remainder of the peak volume, the System shall enter an order having the same price and a new peak volume until the overall volume is exhausted.

(7) The last order entered into the System shall be of a volume equal to the remainder of the overall volume of the iceberg order.

(8) Iceberg orders shall have no special designation as such in the System.

(9) The overall volume of iceberg orders shall participate in auctions.

(10) No additional execution conditions or trading restrictions may be assigned to iceberg orders.

Article 13. (1) It shall be permissible on the Exchange to enter a combined “one-cancels-other” order, consisting of a limit and stop market order, containing a limit and a stop price, with the first order to be executed being the one whose limit or stop price is reached the first.

(2) Upon the initial entry, the order “one-cancels-other” shall be visible in the System as a regular limit order. In the event that the stop price is reached, the limit order shall be deleted from the System and a market order with a new time priority shall be entered.

(3) When entering/modifying a "one-cancels-other" order, the following conditions must be fulfilled:

1. the stop price of a buy order must be higher than the price of the best bid;
2. the stop price of a sell order must be lower than the price of the best ask;
3. the stop price of a buy order must be higher than the entered limit price of the buy order;
4. the stop price of a sell order must be lower than the entered limit price of the sell order.

(4) An order that fails to meet the respective requirement under Paragraph 3 above shall be rejected by the System.

(5) In the event that the limit order is partially executed, the volume of the market order shall be adjusted accordingly.

(6) No additional execution conditions or trading restrictions may be assigned to one-cancels-other orders.

Section Three PRIORITIES OF ORDERS

Article 14. (1) Upon entry of an order into the System, a priority and a unique number shall be *ex officio* assigned to the order. The priorities of orders entered on the Exchange shall be as follows:

1. first priority: price;
2. second priority: time of entry, where the prices of the relevant orders are the same.

(2) The price priority shall ensure that:

1. buy orders with a higher price take precedence over orders with a lower price and, respectively, sell orders with a lower limit price take precedence over orders with a higher price;
2. market orders take precedence over limit orders.

(3) The time of entry priority shall ensure that orders entered earlier take precedence, where the prices of such orders are the same.

(4) Only the time of entry priority shall apply to market orders.

(5) When a broker modifies the parameters of an existing order in the System, the time of entry of such order shall be updated if the new parameters adversely affect the execution and the priorities of the other active orders.

(6) An order shall be deleted in the System upon:

1. its cancellation by the broker; or
 2. its *ex officio* cancellation by the System due to expiry of its validity; or
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3. its *ex officio* cancellation by the Exchange following an express written request by the Exchange member which has entered the order; or
4. its full execution following the conclusion of a transaction thereon.

(7) A newly entered peak volume of an iceberg order shall have the same price priority as the preceding peak volume.

Section Four

ORDER PARAMETERS

Article 15. (1) Each exchange order shall mandatorily contain:

1. a unique number allocated by the System;
2. exact time of entry;
3. BSE code of financial instruments issue;
4. buy/sell identification;
5. principal type of the order;
6. price conditions;
7. overall volume of the order, and peak volume in the case of iceberg orders;
8. stop price in the case of stop orders;
9. identification code of the Exchange member and the broker, or algorithm which has entered the order;
10. execution conditions;
11. validity constraints;
12. identification of the trading session phase for which the order is intended;
13. marking whether the order is proprietary or agent;
14. short code of the client, where the order is for the account of a client;
15. identification code of the person or algorithm responsible for the investment decision in case such decision has been made within the Exchange member;
16. relevant applicable data in accordance with Article 2 (1) of Delegated Regulation (EU) 2017/580.

(2) Not all parameters referred to in paragraph 1 need to be visible in the System.

(3) During the pre-trading and post-trading phase in which entry of orders is permissible, brokers shall only have information about the orders entered by them.

Article 16. (1) For financial instruments admitted to trading on the Exchange, the Board shall establish the round trading lots for each type of instruments separately. The Exchange shall inform the participants in Exchange trading of any change in such lots, and shall announce the date from which the new lots are to be considered minimum tradable units of Exchange orders.

(2) For financial instruments listed on BSE International Market, the minimum volume of an order for each

instrument shall be determined individually at the time of their listing. The Exchange shall inform the participants in Exchange trading of any change, and shall announce the date from which the new minimum amounts are to apply.

(3) During continuous trading, only orders in round lots may be entered.

(4) Orders of any volumes may participate in auctions.

Article 17. (1) Buy and sell orders and quotes for stocks, depository receipts and exchange-traded funds shall be entered at a minimum tick size determined in accordance with Delegated Regulation (EU) 2017/588.

(2) The Exchange shall publish on its webpage the list of financial instruments under paragraph 1 admitted to trading and their respective tick sizes.

(3) In case of change of the minimum tick size, any existing orders in the System for the respective instruments shall be deleted.

(4) The price of buy and sell orders for interest-bearing bonds shall not include the interest accrued from the date of the last coupon payment until the entry of the order. In the case of zero-coupon bonds, the price of buy and sell orders shall include a proportional part of the discount as per the applicable convention.

(5) The price of orders referred to in paragraph 4 shall be entered as a percentage of the nominal value of a trading lot.

Section Five MARKET MAKER QUOTES

Article 18. (1) The System shall also allow the entry of quotes by Exchange members registered as market makers in accordance with the Membership Rules.

(2) A quote shall be the simultaneous entry into the System of a binding buy limit order and a binding sell limit order that are of a similar volume and within the maximum spread determined in accordance with these Rules.

(3) Quotes/orders shall be deemed similar in size where their sizes do not differ by more than fifty (50) per cent from each other, both at the time of their entry and after each execution.

(4) When entering quotes/orders, a market maker may mark them with an indicator for liquidity provision.

(5) A quote shall be good-for-day.

(6) Each market maker may only enter one quote for a particular issue with respect to which it is a market maker.

Section Six
RATIO OF UNEXECUTED ORDERS AND TRANSACTIONS

Article 19. (1) The Board of the Exchange shall define in a decision the maximum ratio between non-implemented orders and executed transactions (Order-to-Trade Ratio, OTR). OTR shall determine the coefficient between entered, modified and deleted orders and executed transactions.

(2) The decision under paragraph 1 shall be published on the webpage of the Exchange.

(3) The Exchange may determine different maximum amounts for the ratio under paragraph 1 depending on whether the participant is a market maker of a certain issue, or not.

Article 20. (1) After the end of a trading session, the Exchange shall calculate the ratio between non-implemented orders and executed transactions for each member of the Exchange as follows:

1. based on the volume of entered orders and executed transactions, using the following formula:

$$OTR_{vol} = \frac{\text{Total _ volume _ of _ orders}}{\text{MAX}(\text{Total _ volume _ of _ transactions}, 1)} - 1$$

2. based on the number of entered orders and executed transactions, using the following formula:

$$OTR_{no} = \frac{\text{Total _ number _ of _ orders}}{\text{MAX}(\text{Total _ number _ of _ transactions}, 1)} - 1$$

(2) Calculations under paragraph 1 shall be made for each member of the Exchange and for each issue individually.

(3) The Exchange shall daily provide each participant with an individual report on calculated ratios based on the volume and the number of orders for each issue.

Chapter Three
EXCHANGE TRANSACTIONS

Section One
EXECUTION OF TRANSACTIONS AS A RESULT OF AUCTIONS

Article 21. (1) Each auction shall include at least the following stages, occurring in the order specified below:

1. a call phase;
2. a price determination phase.

(2) During the call phase, brokers may enter new orders, or modify or cancel existing orders.

(3) During the call phase, if there are matching executable orders, only information on the indicative auction price, information on whether the surplus of executable orders is on the bid or on the ask side, and information on the auction's volume, is displayed in the System.

(4) The indicative auction price is the price which would be achieved if execution of the orders was immediately proceeded with.

(5) Where no matching executable orders are in place, the best bid and ask prices, and the accumulated volume of orders at such prices, are displayed in the System.

Article 22. The duration of the call phase shall be determined by the Board, and upon the expiry of such duration the call phase shall be randomly ended by the System within a period also determined by the Board.

Article 23. (1) The price determination phase shall start after the call phase is completed.

(2) The auction price shall be determined depending on the existing orders in the System at the end of the call phase and their combined executable volume.

(3) The determination of executable volume shall be carried out at each and every price level according to the relevant tick size, even if no limit orders are available at that level.

(4) All orders shall be executed at a uniform price at which the highest executable volume, respectively the lowest surplus, is present.

(5) If, during the price determination process, it is determined that there are two or more limit prices with the highest executable volume, respectively lowest surplus, then:

1. the auction price shall equal the highest bid price if the surplus for all limit prices is on the demand side;
2. the auction price shall equal the lowest ask price if the surplus for all limit prices is on the supply side.

(6) If the addition of the surplus as a criterion for price determination does not lead to an unequivocal determination of the auction price and if there is a surplus on the supply side for one part of the limit prices and a surplus on the demand side for another part of them, or if there is no surplus for any limit price, then the reference price shall be taken into account for price determination under the following principles:

1. if the reference price is lower than or equal to the highest limit price at which there is a surplus on the demand side, the auction price equals that limit price;
2. if the reference price is higher than or equal to the lowest limit price at which there is a surplus on the supply side, the auction price equals that limit price;
3. if the reference price lies between the two best bid and ask prices, the auction price equals the reference price.

(7) if, at the end of the call phase, there are no limit orders in place and the only executable orders are matching market orders, the auction price equals the reference price.

(8) if there are no executable orders at the end of the call phase, the System does not determine an auction price and proceeds with the next phase of the session.

Article 24. If an auction price is determined, the System proceeds with the execution of the matching executable orders at the said price, and a trade confirmation is sent to each of the parties to the transactions.

Article 25. (1) After the completion of the price determination phase, all market orders and limit orders which have not been executed, or have been only partially executed, shall be forwarded to the next possible trading phase according to their respective restrictions.

(2) Iceberg orders shall be transferred to the continuous trading phase with their respective remaining peak volumes.

(3) The book-or-cancel type of orders shall be deleted upon starting an auction. Any book-or-cancel orders entered during an auction shall be rejected by the System.

Article 26. (1) The price determined at the closing auction shall serve as a closing price for the respective session.

(2) If no price has been determined at the closing auction, the closing price for the respective session of the particular financial instrument shall equal the reference price.

(3) If no transactions are executed with the particular instrument at the respective session, the closing price shall equal the closing price for the preceding session.

Section Two

CONCLUSION OF TRANSACTIONS DURING CONTINUOUS TRADING

Article 27. Upon completion of the opening auction or of the intraday auction, the continuous trading phase is proceeded with.

Article 28. During continuous trading the System only displays information on the accumulated order volumes of each limit price and on the number of orders at each limit price.

Article 29. (1) During continuous trading, each order newly entered into the System shall be immediately checked for execution against active matching orders according to the priorities assigned to such orders.

(2) In addition to the priorities as allocated, price determination during continuous trading shall be carried out according to the following rules:

1. if at the time of entry of a market order only matching market orders are active, the market order is executed at the reference price;
2. if at the time of entry of a market order or a limit order only matching limit orders are active, the price of the executed transaction equals the highest bid price in the cases of entry of a sell order, or the lowest ask price respectively in the cases of entry of a buy order;
3. if at the time of entry of a market order there are active matching market and limit orders, then the incoming order is executed against the market orders according to the price/time priority, at the reference price or at the highest limit price in case of active market buy orders, or at the reference price or at the lowest limit price respectively in case of active market sell orders;
4. if at the time of entry of a limit order there are active matching market orders, the limit order is executed against the market orders at the reference price or, where this is in conflict with the priority of execution, at the price of the limit order itself;
5. if at the time of entry of a limit order there are active matching market and limit orders, the limit order is executed against the market orders according to the price/time priority at the reference price or, where this is in conflict with the priority of execution, at the highest bid price in the cases of entry of a sell order or at the lowest ask price respectively in the cases of entry of a buy order.

(3) Active market orders shall be immediately executed against the next matching order. In this case, the following principles shall apply:

1. market orders are given the reference price as a 'virtual' price. On this basis, such orders are executed at the reference price, provided that this does not violate the execution priorities.
2. if orders cannot be executed at the reference price, they are executed in accordance with the execution priorities at a price higher than the reference price in the cases of non-executed buy market orders, or at a price lower than the reference price in the cases of non-executed sell market orders. The price of execution equals either the price of a limit order already entered in the System or the price of the newly entered limit order in the System depending on the allocated execution priorities.

(4) If at the time of entry of an order no matching order is active in the System, no price is determined and no transaction is executed.

(5) If, after the entry of a limit order, the best bid price in the System proves to be lower than the best ask

price, no price is determined and no transaction is executed.

(6) Immediately after a transaction is executed as a result of matching executable orders, a trade confirmation shall be sent to each of the parties to the transaction.

Section Three

EXECUTION OF TRANSACTIONS AS A RESULT OF TRADE-AT-CLOSE

Article 30. After the end of the closing auction, in the event that transactions with a certain instrument have been executed and a price has been formed, the Trade-at-close phase is proceeded with.

Article 31. (1) Active market and limit orders with a price limit better than or equal to the closing auction price, for which the "Trade-at-close" flag is set, that are not executed during the trading session, participate in the Trade-at-close phase.

(2) During the Trade-at-close phase, new orders may be entered - only market and limit orders, meeting the conditions specified in paragraph 1 and marked with a flag "Trade-at-close".

Article 32. (1) During the Trade-at-close phase, the System displays information about the only possible price for executing transactions with the respective instrument - the closing auction price, the accumulated volumes of orders and their number. Each new order is immediately checked for execution against matching orders entered in the system.

(2) For the Trade-at-close phase, only the priority "time of entry" is valid, regardless of the type of order - market or limit.

Section Four

SPECIAL REQUIREMENTS FOR MARKET MAKERS' ACTIVITY

Article 33. Market makers shall be required to maintain quotes continuously during fifty per cent (50%) of the continuous trading period, without taking account of opening and closing auctions and volatility interruptions.

Article 34. (1) The obligation of market makers to maintain quotes in accordance with the foregoing Article shall not apply in the following exceptional circumstances:

1. a situation of extreme price volatility resulting in volatility interruptions in more than fifty per cent (50%) of the financial instruments for which market makers have been registered in accordance with the Membership Rules;
 2. upon the occurrence of any of the circumstances specified in Article 76 (1) of these Rules;
 3. upon the occurrence of any of the circumstances specified in Article 3, point "d" of Delegated Regulation (EU) 2017/578.
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(2) The Exchange shall immediately publish on its webpage the occurrence of any of the exceptional circumstances referred to under items 1 and 2 of paragraph 1 above, and the resumption of normal trading after they no longer exist.

(3) In case of exceptional circumstances under item 3 of paragraph 1, the relevant market maker shall notify the Exchange in writing of its being relieved of the obligation to maintain quotes for the same trading day.

Article 35. Market makers shall be entitled to update the price and the volume of their quotes at any time during a trading session, as well as in the pre-trading and the post-trading phases, during which entry of orders is allowed.

Article 36. (1) Each member of the Exchange shall be entitled to enter electronic quote requests to all market makers registered as such for a particular issue.

(2) The requests shall specify whether the member concerned is interested in buying or selling financial instruments of the relevant issue, and their volume.

(3) Information about the request made shall be sent via the System to all brokers, without disclosing any specific parameters.

(4) Only the market maker of the relevant issue shall have information on the member that has made the quote request.

(5) Each market maker shall be required to respond to the request within two (2) minutes, by placing a quote, in accordance with the requirements of Articles 18 and 37, regardless of whether such market maker had the obligation to maintain a quote at the time of the request.

(6) The market maker shall maintain the quote entered as a result of a request with unmodified parameters in the System for at least one (1) minute.

Article 37. (1) The maximum bid/ask spread of a market maker's quotes may not exceed 5% for issues of shares and exchange-traded products, or 1% for issues of bonds admitted to trading on the BSE Main Market.

(2) The maximum bid/ask spread of a market maker's quotes for an issue of shares admitted to trading on the BaSE Alternative Market may not exceed 15%.

(3) The maximum bid/ask spread of a market maker's quotes for financial instruments listed on the BSE International Market shall be defined in the listing order for each instrument individually.

(4) The spread shall be calculated using the following formula:

$$Spread(\%) = \left(\frac{A}{B} - 1\right) \times 100 ,$$

where 'A' is the sell order price, and 'B' is the buy order price.

Article 38. (1) The Exchange shall verify on a daily and monthly basis the extent to which the respective market makers have complied with their obligations under this Section, and shall provide them with relevant reports.

(2) The Exchange shall refund the amounts paid under Chapter Four of the Tariff of Fees in connection with market makers' activity on the BSE Main Market only under normal market conditions, provided that they meet the additional requirements of Section Six of this Chapter.

(3) The Exchange shall refund the amounts paid under Chapter Five of the Tariff of Fees in connection with the activity of a market maker of liquid instruments under stressed market conditions, in accordance with Section Four of this Chapter.

Section Five

SPECIFIC REQUIREMENTS FOR THE ACTIVITY OF MARKET MAKERS OF LIQUID INSTRUMENTS UNDER STRESSED MARKET CONDITIONS

Article 39. (1) With regard to the financial instruments for which liquid markets as defined under Article 1 (1) of Delegated Regulation (EU) 2017/567 are available, the Exchange shall set specific requirements for quoting under stressed market conditions.

(2) Stressed market conditions shall be determined upon resumption of trading after an extended volatility interruption after which significant changes in the price and the value of a financial instrument under paragraph 1 occur.

(3) After the resumption of trading, the System shall automatically verify whether the amount of orders executed as a result of an extended volatility interruption exceeds the average amount in the preceding year multiplied by 2.

Article 40. Stressed market conditions shall persist for sixty (60) minutes and may be extended for another sixty (60) minute period if significant short-term changes in the price and the value are identified again.

Article 41. (1) In case of stressed market conditions market makers shall comply with the following requirements:

1. maintain quotes for fifty (50) per cent of the duration of stressed market conditions;
 2. the maximum bid/ask spread of quotes may not exceed 10% for issues of shares and exchange-traded products.
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(2) The requirements of Article 18 and Section Four of this Chapter shall apply accordingly.

Section Six

SPECIFIC REQUIREMENTS FOR MARKET MAKERS' ACTIVITY REGARDING ACCESS TO INCENTIVES UNDER NORMAL MARKET CONDITIONS

Article 42. For the purposes of refunding any amounts paid under Chapter Four of the Tariff of Fees collected by the Exchange in connection with an Exchange member's activity as a market maker for the BSE Main Market under normal market conditions, or for the purposes of application of Article 26 of the abovementioned Tariff for the BSE International Market, in addition to the requirements of Article 18 and Section Four of this Chapter, the Exchange member shall be required to meet additional stricter requirements as follows:

1. maintain quotes for ninety (90) per cent of the time from the start of the opening auction to the end of the closing auction and during volatility interruptions;
2. if the respective financial instrument is traded only in auctions, maintain quotes continuously during such auctions, including during the volatility interruptions;
3. participate in auctions, including during volatility interruptions, by entering quotes within ninety (90) seconds from the start of the call phase and maintaining the quote throughout the price determination phase, having the right to change both the buy and sell prices and its volume;
4. enter a quote with a minimum value in monetary terms at the time of entry in the amount of:
 - (a) one thousand three hundred euros (EUR 1,300) for financial instruments on the BSE Main Market;
 - (b) five thousand euros (EUR 5,000) for financial instruments listed on the BSE International Market;
5. enter a new quote within five (5) minutes from the withdrawal or full execution of the preceding quote, as applicable.

Section Seven

SPECIFIC CONDITIONS FOR CONDUCT OF AUCTIONS FOR INITIAL PUBLIC OFFERING

Article 43. (1) An initial public offering (IPO) on the Exchange shall be carried out by admitting the issue that is offered for subscription on the Initial Public Offering segment by an Exchange member authorised by the issuer or an Exchange member authorised by the issuer on the Initial Public Offering segment. In the event that the prospectus provides for existing financial instruments to be offered for sale simultaneously with the new financial instruments offered for subscription, the offering of the former may be carried out in accordance with paragraph 2.

(2) An initial public offering on the Exchange shall be implemented by organising an auction under Section One with the following specifics:

1. brokers receive information from the System solely on the orders entered by them;
 2. during the auction, the Exchange shall provide information about the aggregate orders at each price level only to the issuer and the Exchange member authorised by the issuer;
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3. The sell order is entered by the Exchange *ex officio* on the basis of the application submitted for admission of the issue to the Initial Public Offering segment;
4. only market and limit orders shall be entered.

(3) The issuer may determine:

1. a price range within which the auction price is to be determined;
2. the auction price determination to be at a predetermined fixed price;
3. the possibility of a proportional allocation, when the price determination is carried out at a predetermined fixed price and at the end of the call phase the demand exceeds the supply.

(4) The determination of a price range within which the auction price is to be determined shall not preclude the entry of orders at prices outside the price range.

(5) After the end of the call phase, the auction price determination phase begins. All orders are to be executed at a single price within a predetermined price range, or at a predetermined fixed price.

(6) In case an auction is scheduled during several consecutive days, after the end of the auction each day the financial instrument is suspended from trading with which all existing and currently unexecuted orders are deleted.

(7) After the auction price is determined, trading in the relevant issue is suspended until its admission to any of the other markets organised by the Exchange.

(8) At the request of the issuer or an Exchange member authorised by the issuer and under the terms of the offer provided for in the prospectus, the Exchange shall provide during the auction public information about the orders entered in the System for each price level with aggregated quantities thereof on its website.

Article 44. The duration and the schedule for the conduct of the IPO auction shall be determined by the Board in a decision.

Article 45. The provisions of Chapter Four shall not apply to transactions in financial instruments admitted to the Initial Public Offering Segment.

Article 46. The issues of financial instruments which have been underwritten by Exchange members shall be offered for sale following their admission to trading on any of the other markets organised by the Exchange.

Section Eight

RULES FOR TRADING IN SUBSCRIPTION RIGHTS AND RIGHTS TO SUBSCRIBED SHARES

Article 47. (1) The provisions of Sections One and Two shall apply within the time limit set for trading in rights

for capital increases of public companies and rights to subscribed shares.

(2) Trading of the rights on the Exchange shall be suspended for the period from the last trading date to the date of the auction under Article 112b, (7) of the POSA.

(3) On the second business day following the final date for transfer of the rights, the Exchange shall once-only organise the auction under Article 112b, (7) of the POSA.

(4) The auction shall be conducted in accordance with Section One, and the sell order shall be entered solely by the Exchange member handling the capital increase.

(5) The order under paragraph 4 above shall be a market order for the entire quantity of unexercised rights, and shall be entered within one (1) minute as of the start of the call phase.

(6) Following the end of the auction, trading in the rights issue shall be discontinued.

(7) Trading in rights to subscribed shares shall commence at the earliest on the second business day following the expiration of two business days after the date of the initial public offering auction or after the final date for subscribing shares from the capital increase of a public company, and shall continue until the receipt of information from the issuer regarding the registration of the capital increase with the Commercial Register and Register of Non-Profit Legal Entities.

(8) In the event of an unsuccessful registration of the capital increase with the Commercial Register and Register of Non-Profit Legal Entities, the funds raised from the initial public offering auction shall be refunded to the persons registered as holders of rights to subscribed shares on the second business day following the last day for trading in rights to subscribed shares, through the system of the CD to the accounts of the respective investment intermediary without interest or other compensations.

(9) In the event of an unsuccessful subscription, the raised amounts shall be refunded in accordance with the procedure described in the notice under Article 89t of the POSA.

Article 48. (1) The provisions of Sections One and Two above shall apply to trading in rights under the initial increase of capital of special purpose investment companies.

(2) The Exchange member handling the capital increase shall enter a market order for sale of the entire issue of rights within one (1) minute as of the start of the call phase of the opening auction on the first trading day.

Article 49. Article 47 above shall apply to any subsequent capital increases of special purpose investment companies.

Article 50. The provisions of Chapter Four above shall not apply to transactions with rights for capital increases of public companies and special purpose investment vehicles as executed on the Exchange.

Section Nine
TRADING RULES FOR BONDS AND COMPENSATORY INSTRUMENTS

Article 51. (1) The provisions of Sections One and Two above shall apply to trading of interest-bearing bond issues on the Exchange with the following exceptions:

1. the price of buy and sell orders for bonds shall not include the interest accrued from the date of the last interest payment until the entry of the order. In the case of zero-coupon bonds, the price of buy and sell orders shall include a proportional part of the discount as per the applicable convention.
2. the price of buy and sell orders for bonds shall be entered into the System as a percentage of the unamortized value of a trading lot.
3. the unamortized value of a trading lot shall only reflect principal payments that have actually been made.

(2) The Exchange shall, on a daily basis, report on its official website the real state of each issuer and its bond issues.

Article 52. (1) The Exchange shall, on a daily basis, report on its official website the accrued interest for each issue of interest-bearing bonds admitted to trading, except for the cases under paragraph 3.

(2) The Exchange shall, on a daily basis, report on its official website a proportional part of the discount as per the applicable convention for each issue of zero-coupon bonds admitted to trading.

(3) In cases of delayed interest or amortization payments on a bond issue, the Exchange shall cease calculating of accrued interest as of the next working day following the receipt of a notice of the delay, and shall report on the Exchange's official website the date from which calculation has been ceased, the reason for that and the unamortized value of a trading lot.

Article 53. (1) In the confirmations of executed trades in interest-bearing bonds, the System shall give information on the price, including the interest accrued from the last interest payment until the settlement date of the transaction.

(2) Where an issuer of interest-bearing bonds delays payment of interest, the confirmations under paragraph 1 for the price of the transaction in these bonds shall not include the accrued interest for the current interest period.

(3) In the confirmations of executed trades in zero-coupon bonds, the execution price shall be the same as the price containing a proportional part of the discount as per the applicable convention.

Article 54. (1) The provisions of Sections One and Two above shall apply to trading in zero coupon bond issues on the Exchange, except that the price of buy and sell orders shall be entered into the System as a percentage of the nominal value of a trading lot.

(2) The provisions of Sections One and Two above shall apply to trading in compensatory instruments on the Exchange, except that the price of buy and sell orders shall be entered into the System as absolute value for their respective nominal value.

Section Ten

VOLATILITY INTERRUPTIONS AND MARKET ORDER INTERRUPTIONS

Article 55. (1) If, during continuous trading, upon entry of an executable order into the System, the potential price of the relevant transaction is outside a pre-defined static price range with respect to the last auction price or, if no such price is available, with respect to the closing price for the preceding day, a volatility interruption shall be initiated.

(2) If, during continuous trading, upon entry of an executable order into the System, the potential price of the relevant transaction lies outside a pre-defined dynamic price range with respect to the reference price, a volatility interruption shall be initiated.

(3) A volatility interruption shall trigger a change in the trading form from continuous trading to auction.

(4) Brokers shall be informed of volatility interruptions during continuous trading via the System.

(5) The call phase shall have a minimum duration of two (2) minutes.

(6) During volatility interruptions during continuous trading, the rules for organising auctions under Section One above shall apply.

Article 56. (1) If during an auction, at the end of the call phase, the potential auction price is outside a pre-defined static price range with respect to the last auction price and outside a pre-defined dynamic price range with respect to the reference price, a volatility interruption shall be initiated.

(2) A volatility interruption during an auction shall result in an extension of the call phase by two (2) minutes.

(3) Brokers shall be informed of volatility interruptions during an auction via the System.

(4) After the extension expires, the System shall automatically proceed with the price determination phase, if there are matching executable orders and if the potential auction price is within extended price ranges defined with respect to the values under paragraph 1.

(5) The extended price ranges referred to in the foregoing paragraph shall be two and a half times wider than those referred to in paragraph 1.

(6) If, the potential execution price is outside the extended price ranges after the extension expires, the price determination phase shall start following a manual intervention by the Exchange.

(7) If during an extended volatility interruption, as a result of a withdrawal of an order, an auction price cannot be determined, the System shall automatically switch to continuous trading phase.

(8) If the potential execution price is outside the extended price ranges and the interruption is still pending at the start time of the closing or intraday auction, the closing auction shall start after the end of the interruption as per the procedure of paragraph 6 above, and its duration shall remain unchanged.

(9) If, after the end of the extended price determination phase, no matching executable orders are active in the System, the next phase of the trading session shall start or the end of the trading session shall be indicated, as applicable.

Article 57. (1) For issues of shares admitted to the BSE Main Market, Premium Equities Segment and the EuroBridge Market Segment, the dynamic price range shall be five per cent (5%) of the reference price, and the static price range shall be ten per cent (10%) of the last price achieved at auction.

(2) For issues of shares that are admitted to the Standard Equities Segment of the BSE Main Market, , or the Special Purpose Vehicles Segment of the BSE Main Market, and are traded continuously, the dynamic price range shall be ten per cent (10%) of the reference price, and the static price range shall be twenty per cent (20%) of the last price achieved at auction.

(3) For issues of shares admitted to the Bulgarian Alternative Stock Exchange Market (BaSE), the dynamic price range shall be fifteen per cent (15%) of the reference price, and the static price range shall be thirty per cent (30%) of the last price achieved at auction.

(4) For issues of bonds, the dynamic price range shall be two point five per cent (2.5%) of the reference price, and the static price range shall be five per cent (5%) of the last price achieved at auction.

(5) For issues of compensatory instruments admitted to trading, the dynamic price range shall be ten per cent (10%) of the reference price, and the static price range shall be twenty per cent (20%) of the last price achieved at auction.

(6) For issues of leveraged exchange-traded products admitted to trading, the dynamic price range shall be ten per cent (10%) of the reference price, and the static price range shall be twenty per cent (20%) of the last price achieved at auction.

(7) For issues of non-leveraged exchange-traded products admitted to trading, the dynamic price range shall be five per cent (5%) of the reference price, and the static price range shall be ten per cent (10%) of the last price achieved at auction.

(8) For issues of financial instruments listed on the BSE International Market, the static and dynamic price ranges shall be defined in the listing decision.

(9) For the other types of financial instruments, with regard to which no dynamic and static price ranges are expressly defined, the ranges specified in Article 57 (2) shall apply.

(10) In extraordinary situations caused by events or circumstances of material significance for the international financial markets and affecting the markets of the Exchange, the Chief Executive Officer, or the Trading Director if the former is absent, may adopt a decision additionally extending the price ranges specified in the foregoing paragraphs by thirty per cent (30%) within a maximum of one trading session. For each such case, The Exchange members shall be informed accordingly via the System.

Article 58. During volatility interruptions, the rules for conduct of auctions under Section One above shall apply.

Section Eleven PRE-TRADE PRICE CONTROLS

Article 59. (1) If, at the time of entering an order or modifying an existing order in the System, the limit price is outside the ranges specified in Article 57, the order shall be blocked by the System with a notice that the price fails the price reasonability check.

(2) The broker shall be required to check the limit price and, if needed, to change the order's details.

(3) Where the limit price is properly entered into, the broker may confirm the order by entering it again.

Section Twelve CORPORATE EVENTS

Article 60. (1) Upon the occurrence of a corporate event directly affecting the formed market price of an instrument, such as a capital increase, dividend payments etc., the Exchange shall automatically adjust the last closing price as of the last date of conclusion of transactions giving the right to participate in the corporate

event concerned.

(2) The adjustment shall be made at the first trading session following the last date of conclusion of transactions, as a result of which the transferee has the right to obtain the dividend, to participate in the capital increase and other corporate events under the preceding paragraph that may result in a theoretical change in the price.

(3) The adjustment shall reflect the theoretical impact of the corporate event on the market price.

(4) Following the adjustment, all active orders in the System shall be deleted *ex officio*.

(5) Active orders on the BSE International Market shall be deleted prior to the first trading session following the day of occurrence of the corporate event.

(6) Following the adjustment, the static and dynamic price ranges under Section Seven above shall be calculated on the basis of the adjusted prices.

Section Thirteen

MARGIN PURCHASES AND SHORT SALES

Article 61. (1) Margin purchases and short sales shall be executed in accordance with Regulation (EU) No 236/2012 and the provisions of these Rules.

(2) In order to execute margin purchases for the account of a client, brokers shall enter buy orders into the System.

(3) In order to execute agent or proprietary short sales, brokers shall enter sell orders into the System.

(4) An order for a margin purchase or for a short sale must be in any case indicated as such at the time of its entry.

(5) Exchange members shall only enter orders for proprietary or agent short sales if they are able to deliver the financial instruments that are subject of the order.

(6) In cases of margin purchases or short sales, it shall be inadmissible to aggregate orders with identical parameters made by different clients.

(7) Orders for short sales shall be entered into the System as good-for-day orders.

(8) Orders for short sales entered during continuous trading may be immediate-or-cancel orders or fill-or-kill

orders.

Article 62. (1) Exchange members, save for banks, may not execute margin purchases or short sales if they have violated the capital requirements of Article 92 of Regulation (EU) No 575/2013 and the violation has not been remedied, or while they implement a rehabilitation program approved by the FSC.

(2) Exchange members may not enter orders for short sales of certain financial instruments if they have transactions in the same issue of instruments that have not been settled within the days of a regular settlement cycle through their sole fault, and if they act as short sellers for the purposes of these transactions.

(3) The provision of paragraph 1 above shall not apply in the cases of short sales made for the account of a client, under which the securities' lender is other than the Exchange member.

Article 63 Exchange members shall make margin purchases and short sales in compliance with Chapter Nine of Ordinance No. 38 on the requirements for the activity of investment intermediaries.

Article 64. (1) Transactions resulting from margin purchases or short sales shall be settled according to the standard procedure.

(2) Short positions that have been opened as a result of short sales shall be closed according to the standard procedure through a purchase.

Section Fourteen

SPECIFIC CONDITIONS FOR CONCLUSION OF TRANSACTIONS IN FINANCIAL INSTRUMENTS LISTED ON THE BSE MAIN MARKET, PRIVATISATION SEGMENT, AND AS A RESULT OF TECHNICAL PERFORMANCE OF AUCTIONS ON THE EXCHANGE

Article 65. (1) The Board may define specific conditions for the conclusion and settlement of transactions in financial instruments listed on the Privatisation Segment of the BSE Main Market, including the use of another system.

(2) On the basis of a contract with the PEKA, the Exchange may organise the technical execution of auctions for ranking buyers in accordance with Chapter Fifteen of the OCPA, or item 2 of Article 3(1) of the OAC.

(3) The Board shall approve the System, the type, the algorithm of auctions, the permissible types of orders, and the time period during which auctions are conducted.

Article 66. (1) After the conclusion of every auction, the Exchange shall send a report to the executed members containing as a minimum the following information:

1. code of the transaction;

2. code assigned to the financial instruments;
3. name of the issuer of the financial instruments;
4. number of trading lots subject to the transaction;
5. size of a trading lot;
6. unit value of the transaction;
7. total value;
8. means of payment;
9. information whether the executed order is for the proprietary account of the member concerned or for the account of a client of that member;
10. fee due to the Exchange in connection with the executed order, if applicable;
11. total value of all transactions resulting from executed orders;
12. total value of fees due to the Exchange as a result of the orders executed at the auction concerned, if applicable.

(2) The information under paragraph 1 above shall also be submitted to the PEKA and the CD, and to the Exchange member who has submitted the application for listing of the financial instruments on the Privatisation Segment of the BSE Main Market.

(3) After the conclusion of every auction, the Exchange shall publish the parameters of all orders entered by the members, irrespective of whether such orders have been selected or executed.

Article 67. In the cases referred to in Article 65 (2), the transactions executed between the parties shall be settled in accordance with the OCPA or the OAC, as applicable. The provisions of Chapter Four shall not apply.

Section Fifteen

CANCELLATION OF TRANSACTIONS EXECUTED ON THE EXCHANGE INITIATED BY EXCHANGE MEMBER

Article 68. In cases of an error made during the entry of an order which has resulted in the conclusion of one or more transactions, the liabilities of the Exchange members under Chapter Four may only be netted upon conclusion of a reverse AD transaction for the same quantity and with the same counterparty according to Chapter Five; however, only if the rules of the depository institution or clearing house allow this.

Article 69. (1) In cases other than those referred to in the foregoing Article, any transactions executed as a result of indisputable errors made during the entry of orders into the System by brokers through which the transactions have been executed, may be cancelled by a decision of the Chief Executive Officer, or of the Trading Director if the former is absent.

(2) In order to cancel transactions, the Exchange member that has made the mistake shall file a request to the Exchange in a standard form no later than the end of the post-trading phase, in which entry of orders is permissible, on the day of execution of the transaction concerned along with:

1. a document certifying the consent of the counterparty to cancel the transaction;
2. a declaration on the lack of an entered order with parameters equal to the parameters of the wrongly entered order;
3. an explanation regarding the reasons and the circumstances which have resulted in the entry of the order with wrong parameters;
4. an unconditional consent by the Exchange member to meet in full all potential claims that may arise against the Exchange in connection with the cancellation of the transaction;
5. a declaration in a standard form by the applicant and by the counterparty to the transaction that they are aware of and accept the terms and conditions and the time limits of the procedure for cancellation of transactions, including the possibility that the transaction may not be cancelled;
6. a copy of the client order as submitted, which has been subsequently entered by the broker with wrong parameters.

(3) For cancellation of a cross transaction, concluded for proprietary account on both sides (buy and sell), the documents under, items 3, 4 and 5 of paragraph 2 shall be filed along with the request under paragraph 2.

(4) The Exchange shall announce the cancellation of a transaction in accordance with the requirements of Article 12 (2) of Delegated Regulation (EU) 2017/587 and Article 7 (2) of Delegated Regulation (EU) 2017/583.

Article 70. (1) The Chief Executive Officer or the Trading Director, as applicable, shall decide on the request for cancellation in a decision by the end of the day of its receipt.

(2) The Exchange shall notify the Exchange members that are parties to the transaction of the decision under paragraph 1 on the day of its issuance by sending a written notice which may also be communicated to the addressee Exchange members by fax or other electronic means. The decision shall be final and shall take effect from its issuance.

(3) Cancellation of a transaction shall result in cancellation of the obligation under Chapter Four of the members that are parties to the said transaction.

(4) Cancellation of a transaction executed in violation of these Rules and Regulations shall not result in extinguishment of the grounds for imposing a sanction.

Article 71. After a decision approving the request for cancellation is issued, the relevant fee under the Tariff of Fees collected by the Exchange shall become due.

Section Sixteen

CANCELLATION OF TRANSACTIONS EXECUTED ON THE EXCHANGE DURING IMPROPER TRADING

Article 72. (1) Transactions executed as a result of malfunctioning of the mechanisms for management of

volatility interruptions or of the operational functions of the System, may be cancelled by the Board in a decision.

(2) Transactions executed in the circumstances under paragraph 1 shall be reported by the Trading Director to the Board no later than 01.00 pm on the next business day.

(3) The report shall contain a description of the conditions and reasons for the execution of the transactions.

(4) The Board shall decide on the report no later than the end of the day of its receipt.

(5) The Exchange shall notify the Exchange members that are parties to the transaction of the decision under paragraph 1 on the day of its issuance by sending a written notice which may also be communicated to the addressee Exchange members by fax or other electronic means. The decision shall be final and shall take effect from its issuance.

Article 73. After a decision cancelling a transaction in the circumstances under paragraph 1 of Article 72 is issued, the obligation of the Exchange members that are parties to the transaction under Chapter Four of these Rules and under Chapter Four of the Tariff of Fees collected by the Exchange shall be cancelled.

Section Seventeen

SUSPENSION OF ONE OR MORE ISSUES FROM TRADING

Article 74. (1) The Board shall have the right to adopt a decision on suspension from trading of issues of financial instruments admitted to trading in the following cases, unless such suspension may cause significant damage to investors' interests or the orderly functioning of the market as provided for in Article 80 of Delegated Regulation 2017/565:

1. occurrence of an event related to the relevant instruments or their issuers, which may affect the price of these instruments;
 2. a significant change, within a short period of time, in the price of the financial instrument on the relevant segment on which it is traded, or on a related market;
 3. a suspicion of market abuse arises;
 4. a violation of the requirements for disclosure of internal information under Part V Surveillance Rules;
 5. a tender offer concerning the relevant financial instrument;
 6. proceedings are initiated for transformation of the issuer;
 7. an application has been filed at the CD for entry of a change in the nominal value of the financial instruments;
 8. a change in the parameters of a bond issue as compared to those originally specified in the prospectus, and this change requires re-registration of the issue in accordance with the Listing Rules;
 9. upon the occurrence of an event with the issue or the issuer, which could lead to changes in the rights accompanying the financial instrument, which necessitates a change in the parameters of the issue in the
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Exchange systems;

10. receipt of a notice for missed interest or amortization payments, and receipt of a notice confirming actual payment accordingly;

11. receipt of a notice that an application has been filed at the CD by the investment intermediary that services the repurchase offer under Article 157a(1) of the POSA, for the transfer of the shares of the other shareholders to the account of the bidder;

12. suspension of financial instruments listed on the BSE International Market from trading on one or more regulated markets to which they have been admitted;

13. in case of termination of trading in financial instruments registered on the regulated market Frankfurt Stock Exchange (FSE) for issues admitted to trading on the EuroBridge Market Segment of the BSE Main Market;

14. for issues of rights to subscribed shares – following the receipt of a notice regarding the registration of the shares from the capital increase of the public company with the Commercial Register;

15. where the issuer has failed to fulfil its obligation to disclose the information under Article 27 of Ordinance No 2;

16. where for an issue of exchange traded fund admitted to trading on the BSE Main Market, Exchange Traded Products Segment, there is no market maker registered in accordance with the Membership Rules;

17. where the issuer, the authorised Exchange member, the management company or, accordingly, the person that has requested admission to trading of the financial instruments without the issuer's consent, has failed to pay the annual fee for maintenance of listing or the fee for admission to trading of a new issue of shares of the same class that has already been admitted to trading, within the time limits provided for in the Tariff of Fees collected by the Exchange;

18. in case of a procedure for registering the issue in TARGET2-Securities (T2S) or in case of a change in the currency of trading.

(2) In the cases referred to in items 1-14 of paragraph 1 above, the Chief Executive Officer may take a decision on suspension from trading for three (3) business days. A decision on suspension from trading under paragraph 1 may also be taken by the Trading Director, however limited to one (1) business day.

(3) Where a suspended issue is an underlying instrument with respect to an issue of exchange-traded products admitted to trading, the authority that has decided on the suspension may also declare suspension of trading in the respective issue of exchange-traded products for the same period.

(4) The Exchange shall immediately notify the FSC and the issuer of the suspension decision. The decision under the first sentence shall also be communicated by the Exchange to the market operators of the other regulated markets on which the financial instruments concerned have been admitted to trading.

(5) Where, after the suspension period expires, the reason for the suspension decision still exists, the authority that has taken the decision may adopt another decision extending the suspension period. Paragraphs 1-3 shall apply accordingly.

(6) When the reason for the suspension is no longer valid, trading shall be resumed on the basis of a decision taken by the authority that has issued the suspension decision, unless the latter provides otherwise.

(7) The Exchange shall announce the decisions on suspension from trading and on resumption of trading.

Article 75. Issues admitted to trading may be suspended from trading, without the need of a decision under paragraphs 1 and 2 of Article 74, only:

1. for the period from conducting the auction for the Initial Public Offering Segment until the admission of the issue to any of the other markets organised by the Exchange;
2. for the period from the final date for transfer of rights under the increase of the capital of a public company to the date of the auction under Article 112b (7) of the POSA.

Section Eighteen

SUSPENSION OF CONCLUSION OF TRANSACTIONS

Article 76. (1) The Board may adopt a decision on suspension of entry of orders and conclusion of transactions on the markets of the Exchange in the following cases:

1. a failure in the System;
2. a failure in the overall equipment used on the Exchange for the conduct of trading, or delay/interruption in the functioning of the System;
3. cyber-sabotage or a failure in the national telecommunication or technical networks, including loss of connectivity with the System for more than fifty (50) per cent of the Exchange members, which makes the access to the System impossible;
4. an emergency endangering the normal execution of the Exchange transactions, or a risk of occurrence of such situations;
5. insufficient capacity of the System to process incoming orders;
6. impossibility to maintain fair, proper and transparent execution of transactions;
7. multiple erroneous orders or transactions;
8. major national or international crises, including war, strikes, riots, martial law, trade-union activities or natural disasters, or other such events that may endanger or make the execution of Exchange transactions impossible.

(2) The Exchange shall immediately notify the FSC of the decision under the foregoing paragraph.

(3) Settlement of transactions concluded until the decision is made may be postponed.

(4) The Chief Executive Officer may adopt a decision under paragraph 1 for one (1) business day. Paragraph 2 shall apply accordingly.

Chapter Four SETTLEMENT OF TRANSACTIONS EXECUTED ON THE EXCHANGE

Section One GENERAL PROVISIONS

Article 77. (1) The settlement mechanism for transactions executed on the Exchange shall be defined as 'delivery versus payment'. Transfer of financial instruments and payment for them shall be simultaneous and interrelated.

(2) Simultaneous transfer of financial instruments and payment for them means that the buyer's financial instruments account and the seller's cash account are credited on the same day.

(3) Interrelated transfer of financial instruments and payment for them means that payment for financial instruments without transfer of the instruments themselves or vice versa is impossible.

(4) Exchange members shall follow the 'delivery versus payment' principle for all transactions executed on the Exchange, including cross transactions. For this purpose, Exchange members shall be obligated to require from each of their buying clients to provide the respective funds needed for the settlement of each of their transactions, and each selling client to provide the respective financial instruments that are the subject of an executed transaction, except in the cases provided for in chapter Ten of Ordinance No 38.

(5) Paragraph 4 shall not apply to cases where the financial instruments or the funds of the clients accordingly, are kept by a third party taking part in the transaction settlement process. In this case, the compliance with the principle shall be ensured by the third party concerned.

Article 78. A transaction executed on the Exchange shall be considered settled after the transfer of the financial instruments and the payment for them are made by the parties to the transaction.

Article 79. (1) Steps for settlement of a transaction shall start as soon as the transaction is registered on the Exchange, or after the end of the trading session, depending on the trading method, and shall end with the registration of the transaction that is duly settled.

(2) The duration of steps taken to settle a transaction shall be determined at each depository institution or clearing house according to the rules for settlement of transactions as adopted by such institution or house.

Article 80. In connection with the settlement of transactions executed on the Exchange, each member shall be obligated to:

1. settle the proprietary and agent transactions in accordance with the procedure and within the time limit provided for by Article 79;

2. open and maintain accounts with a commercial bank or a clearing house, in order to make payments due under transactions in financial instruments;
3. open and maintain an account with a commercial bank specified by the Exchange, in order to make payments due for liabilities to the Exchange;
4. open and maintain accounts with the respective depository institution for the purpose of holding and transferring financial instruments.

Section Two

REPORT ON TRANSACTIONS

Article 81. (1) After the end of each trading session, the Exchange shall submit a report to the respective depository institution and/or clearing house on the gross value of the transactions executed on the same day, and that report shall serve as an order for transfer of the financial instruments and for payment under the transactions. The report shall include as a minimum the following details:

1. code of the transaction;
2. parties to the transaction;
3. LEI codes of the parties to the transaction;
4. code of the financial instruments;
5. number of trading lots that are the subject of the transaction;
6. size of a trading lot;
7. unit price of the transaction, including the interest accrued from the date of the last interest payment to the settlement date of the transaction, applicable to transactions in corporate or municipal bonds;
8. currency in which the transaction price is expressed;
9. the exchange rate at which the transaction is settled;
10. specification as to whether the transaction is for the account of the relevant member or for the account of its client;
11. the value of the transaction in euro.

(2) For transactions in corporate or municipal bonds, whose settlement date occurs after the date on which the persons entitled to receive the following interest payment are named, however prior to the date of the interest payment, the report shall specify, as unit price, the price per trading lot plus the interest accrued from the date of the last interest payment to the settlement date of the transaction, minus the full amount of the interest payment in euro currency or the euro currency equivalent as per the exchange rate set by the BNB.

(3) Transactions for which an application for cancellation is filed shall be included in the report after a decision rejecting the request for cancellation is adopted.

Article 82. (1) After the end of a trading session, the Exchange shall submit an electronic report to each Exchange member on the transactions executed by the same member in the relevant session.

(2) The report shall include as a minimum the following details:

1. code of the transaction;
2. parties to the transaction;
3. LEI codes of the parties to the transaction;
4. code of the financial instruments;
5. number of trading lots that are the subject of the transaction;
6. size of a trading lot;
7. unit price of the transaction, including the interest accrued from the date of the last interest payment to the settlement date of the transaction, applicable to transactions in interest-bearing corporate or municipal bonds;
8. currency in which the transaction price is expressed;
9. the exchange rate at which the transaction is settled;
10. specification as to whether the transaction is for the account of the relevant Exchange member or for the account of its client;
11. identification code of the client, where the order is for the account of a client;
12. identification code of the person or algorithm responsible for the investment decision, where the latter is taken within the Exchange member;
13. specification as to whether cancellation has been applied for the transaction concerned;
14. the euro equivalent of the transaction;
15. name of the issuer;
16. fee due to the Exchange for the transaction concerned;
17. total value of all transactions.

(3) For transactions in municipal or corporate bonds, Article 81 (2) shall apply accordingly.

(4) Failure to accept or receive the report under paragraph 1 above, for any reasons beyond the control of the Exchange, shall not release members from the obligation to settle the transactions.

(5) No discrepancies between the information reported to the members and the information submitted to the applicable depository institution or clearing house shall be allowed.

(6) After the end of a trading session, the Exchange shall submit an electronic report to each Exchange member specifying the trading fees due based on the orders executed in the relevant session.

Article 83. Exchange members shall be required to provide the relevant depository institution or clearing house with additional data that is sufficient for the settlement of transactions, in the form, of contents and within the time limits required by the rules of the relevant institutions.

Article 84. The right to disclose information generated by trading on the Exchange, including reports under this Section, shall be limited to persons who have an existing contract with the Exchange for the conduct of

this activity.

Section Three
PAYMENTS IN CONNECTION WITH EXCHANGE TRANSACTIONS AND TRANSFER OF FINANCIAL INSTRUMENTS

Article 85. (1) Payments for transactions in financial instruments executed on the Exchange and the entry of these transactions into the register of the applicable depository institution or clearing house shall be made in accordance with the their rules.

(2) The Board may also designate a clearing and settlement system or systems other than the CD, if connections and arrangements between such systems and the CD are in place and the requirements of the MFIA are complied with.

Article 86. All transactions executed on the Exchange shall be settled in the currency in which the transaction is expressed, unless the rules of the applicable clearing house provide otherwise.

Article 87. (1) For the purposes of payments under transactions in financial instruments, members shall be obligated to maintain a balance in their cash accounts that is sufficient to cover the gross value of payments under all transactions to which the respective Exchange member is a buyer.

(2) Members shall be obligated to maintain a balance into their financial instruments accounts with the depository institution that is sufficient to cover the gross value of liabilities for delivery under all transactions to which the respective Exchange member is a seller.

(3) Paragraphs 1 and 2 above shall not apply if the rules of the applicable depository institution or clearing house require a different procedure.

(4) Partial payment or partial delivery of financial instruments under an Exchange transaction shall not be allowed.

Article 88. (1) Members shall be obligated to maintain a balance into their accounts designated for payment of liabilities to the Exchange arising from executed transactions that is sufficient to cover payments for such liabilities as calculated for each trading day.

(2) The Exchange shall determine the amount of members' liabilities to the Exchange for each trading day and shall debit the members' accounts.

Article 89. A delay to settle an Exchange transaction through the fault of one or both parties shall not result in invalidity or voidability of the transaction.

Article 90. (1) If, as a result of a delay to settle an Exchange transaction through the fault of an Exchange member, the latter or its client obtains any dividend distributed by the issuer or other similar payment which the member or client concerned would not otherwise have been entitled to, the respective Exchange member shall be obligated to refund in full any payment received to the non-defaulting party to the transaction.

(2) If, as a result of a delay to settle an Exchange transaction through the fault of an Exchange member, the latter or its client becomes entitled to participate in a capital increase, which the member or client concerned would not otherwise have been entitled to, the Exchange member shall be obligated to restore in full the rights or the shares of the capital increase, as the case may be, to the non-defaulting party to the transaction, immediately after the first date of trading in such rights or shares.

(3) Where the party liable for the delay cannot be identified, or both parties involved are liable for the delay, the parties shall settle their relationships to their mutual satisfaction.

(4) The Exchange shall not be a party in the relationships between members in connection with the provisions of paragraphs 1-3 above.

Article 91. Where an appropriate arrangement is in place, the Exchange shall receive confirmation from the depository institution or clearing house on the registration of transactions, and shall mark the transactions as settled.

Article 92. All steps regarding settlement of transactions shall be taken in accordance with a schedule established by the applicable depository institution or clearing house.

Article 93. Exchange members shall be required to provide the relevant depository institution or clearing house with additional data that is sufficient for the settlement of transactions, in the form, of contents and within the time limits required by the rules of the relevant institutions.

Chapter Five

TRANSACTIONS OUTSIDE THE REGULATED MARKET (OTC TRADES)

Article. 94. (1) Transactions with admitted to trading financial instruments, executed outside the Exchange, can be registered for the purpose of conducting settlement through the Central Depository by the parties to these transactions via a special module in the System.

(2) The registration of the transactions under Paragraph 1 for settlement purposes is done via their initialisation and confirmation by the counterparty. Through the System exchange members can set automatic confirmation for transactions initiated to them.

(3) After confirmation of the transaction by the counterparty, the System shall send a confirmation to both parties, including in the cases of automatic confirmation.

(4) The registration can be conducted during the trading session, as well as in the intervals under Article 2 (2).

(5) Transactions which are unconfirmed by the end of the day shall be *ex officio* deleted by the System.

(6) When initiating a transaction a settlement date different from the one applicable to trading on the Exchange can be set, if the rules of the relevant depository and/or clearing institution, where the transaction will be settled, allow it.

Article 95. Transactions concluded outside the regulated market shall not be taken into account when determining the reference price.

Article 96. Modification of parameters of transactions approved by the counterparty shall not be allowed.

Article 97. The registration of transactions concluded outside the regulated market via the System for settlement purposes shall not relieve the relevant parties from the duty to disclose them through an Approved Publication Arrangement.

ADDITIONAL PROVISIONS

§ 1. The terms used in these Rules, but not defined herein, shall have the meanings assigned to them in the POSA, the MFIA, the IMAMAFIA and their implementation regulations, or in the general commercial legislation or commercial practice.

§ 2. For the purposes of these Rules:

1. 'Reference price' shall be the price of the last transaction executed during continuous trading or at an auction.
 2. 'Market maker' shall be an Exchange member, registered in accordance with Chapter One, Section Nine of Part II Membership Rules, providing liquidity for one or more issues of financial instruments admitted to trading on the Exchange by placing quotes with defined minimum parameters.
 3. 'Round lot' shall be a fixed quantity of financial instruments of a particular issue, volumes in multiples of which may only be subject to an Exchange transaction.
 4. 'Indisputable error' shall be an error made by a broker when entering an order, which has resulted in the execution of one or more transactions, and the existence of that error is not challenged by the counterparty to the transaction.
 5. 'Cross transaction' shall be a transaction in which the Exchange member who is the buyer and the Exchange member who is the seller are the same person.
 6. 'Tick size' shall be the minimum change in the price of buy and sell orders allowed for the respective type
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of instruments.

7. 'Clearing' shall be the procedures for determination of the receivables and obligations of each of the Exchange members and the mutual offsetting of such receivables and obligations in connection with concluded transactions in financial instruments.

8. 'Settlement' shall be the procedures for fulfilment of the obligations to transfer cash and/or financial instruments in connection with transactions and their registration on an account with a depository institution.

9. 'Depository institution' shall be the Central Depository or another depository of financial instruments, designated in compliance with the requirements of Articles 187 and 188 of the MFIA.

10. 'Clearing house' shall be the Central Depository or another institution performing clearing functions, designated in compliance with the requirements of Article 188 of the MFIA.

11. 'Exchange traded products' shall be warrants, certificates, exchange-traded funds within the meaning of the Collective Investment Schemes and Other Undertakings for Collective Investments Act, and any financial instruments based on one or more other financial instruments, interest rates, indices, etc., the transactions in which may be settled by applying the delivery versus payment mechanism.

12. 'Theoretical value of a structured product' shall be:

(a) in the cases of warrants, the price formed when applying a generally recognised theoretical method for assessment of similar instruments.

(b) in the cases of other structured products, the product of the coefficient of exercise (exchange) and the non-negative difference between the price (value) of the underlying instrument and the price due by the holder of the structured product when exercising the rights under the product, if any.

13. 'Leveraged exchange-traded products' shall be instruments for which a unit of the percentage change in the value of the underlying instrument shall result in a greater change in the value of the exchange-traded product.

14. 'Non-leveraged exchange-traded products' shall be instruments, for which a unit of the percentage change in the value of the underlying instrument shall result in an equal or smaller change in the value of the exchange-traded product.

15. 'Discount' shall be the reduction in the par value of a financial instrument.

16. 'Reference market' shall be the trading venue where a particular financial instrument is initially admitted to trading, or is the most significant market with respect to the liquidity of the instrument concerned, i.e. with the highest turnover within the EU for a particular financial instrument (shares, depository receipts, exchange-traded funds, certificates and other similar instruments), the reference price is widely published and is recognised by the market participants as reliable.

§ 3. Terms and abbreviations used in these Rules:

1. 'The Exchange' means Bulgarian Stock Exchange AD, or the regulated market organised by Bulgarian Stock Exchange AD accordingly.

2. 'The Board' means the Board of Directors of Bulgarian Stock Exchange AD.

3. 'Chief Executive Officer' means the Chief Executive Officer of Bulgarian Stock Exchange AD.

4. 'Trading Director' means the director of the Trading Directorate of Bulgarian Stock Exchange AD.

5. 'The System' means the electronic trading system through which Exchange trading is implemented.

6. 'BNB' means the Bulgarian National Bank.
 7. 'FSC' means the Financial Supervision Commission.
 8. 'CD' means Central Depository AD.
 9. 'BALII' means the Bulgarian Association of Licensed Investment Intermediaries.
 10. 'ABB' means the Association of Banks in Bulgaria.
 11. 'PECA' means the Public Enterprises and Control Agency.
 12. 'MFIA' means the Market in Financial Instruments Act.
 13. 'POSA' means the Public Offering of Securities Act.
 14. 'IMAMAFIA' means the Implementation of Measures Against Market Abuse of Financial Instruments Act.
 15. 'Directive 2014/65' means 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.
 16. 'Delegated Regulation (EU) 2017/587' means Commission Delegated Regulation (EU) 2017/587 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depository receipts, exchange-traded funds, certificates and other similar financial instruments and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic participant.
 17. 'Delegated Regulation (EU) 2017/583' means Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the transparency requirements concerning trading venues and investment intermediaries with regard to bonds, structured financial products, emission quotas and derivatives.
 18. 'Delegated Regulation (EU) 2017/567' means Commission Delegated Regulation (EU) 2017/567 of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions.
 19. 'Delegated Regulation (EU) 2017/588' means Commission Delegated Regulation (EU) 2017/588 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on the tick size regime for shares, depository receipts and exchange-traded funds.
 20. 'Delegated Regulation (EU) 2017/578' means Commission Delegated Regulation (EU) 2017/578 of 13 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying the requirements on market support agreements and schemes.
 21. 'Delegated Regulation (EU) 2017/565' means 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 intermediaries and defined terms for the purposes of that Directive.
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22. 'Regulation (EU) No 575/2013' means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment intermediaries and amending Regulation (EU) No 648/2012.

23. 'Regulation (EU) No 236/2012' means Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps.

24. 'Ordinance No 2' means FSC Ordinance No 2 of 9 November 2021 on initial and subsequent disclosure of information in public offering of securities and admission of securities to trading on a regulated market.

25. 'Ordinance No 38' means FSC Ordinance No 38 of 21 May 2020 on the requirements for the activity of investment intermediaries.

26. 'OCPA' means Ordinance on the conditions and procedure for the organisation and conduct of centralised public auctions for sale of shares held by the State.

27. 'OAC' means Ordinance on Auctions and Competitions.

28. 'Commercial Register' means the Commercial Register and Register of Non-Profit Legal Entities kept by the Registry Agency.

TRANSITIONAL AND FINAL PROVISIONS

§ 1. These Rules shall take effect as of 05 December 2025.

BULGARIAN STOCK EXCHANGE



BULGARIAN
STOCK EXCHANGE

Appendix to Part IV Trading Rules

Auctions for Initial Public Offering on the Bulgarian Stock Exchange (IPO Auctions)

General Provisions

1. An initial public offering on the Exchange shall be carried out by admitting the issue that is offered for subscription by the issuer or an Exchange member authorised by the issuer on the Initial Public Offering segment. The Exchange supports three types of IPO auctions, based on whose functionalities the auction price and the priorities for order execution are formed, as follows:
 - 1.1. IPO auction with a price range within which the auction price is to be determined;
 - 1.2. IPO auction at a fixed price with the following subtypes:
 - 1.2.1. competitive auction;
 - 1.2.2. auction for proportional allocation using the "largest remainder method", when at the end of the order entry phase the demand exceeds the supply.
2. The entry of the following types of orders by Exchange members shall be permissible:
 - 2.1. Limit orders: orders to buy a certain quantity of financial instruments at a specified limit price. By placing a limit order, each investor agrees to receive financial instruments at the offering price determined at the IPO auction, provided that this price is lower than or equal to the price submitted by them.
 - 2.2. Market orders: orders to buy a certain quantity of financial instruments, which do not contain a price. By placing a market order, each investor agrees to receive financial instruments at the offering price determined at the IPO auction.
3. The priority of execution for market orders is the time of their entry, whereas for limit orders the priority is the price. For limit orders with the same prices, the order entered earlier has priority. Market orders take precedence over limit orders. Orders may be executed in full or partially.

4. The auction phases are initiated manually by the Exchange and are as follows:

4.1. Pre-trading phase: during the pre-trading phase, the entry of buy orders by all market participants is allowed via the trading platform, as well as the modification or deletion of existing orders.

4.2. Call phase: during the Call phase, the Exchange enters the price range or the fixed price (depending on the type of auction), which are respectively displayed in the news window of the trading system. The entry of buy orders by all market participants is allowed, as well as the modification or deletion of existing orders.

4.3. IPO Freeze phase: the entry, modification, or deletion of orders is deactivated so that the issuer or the Exchange member authorised by the issuer can assess the market situation. The sell order is entered ex officio by the Exchange on behalf of the Exchange member authorised by the issuer and is within the price range for an IPO auction under item 1.1 or the specified fixed price for an auction under item 1.2.

4.4. Price determination phase: the Exchange initiates the price determination phase manually, executing the orders at the auction price determined within the price range or at the specified fixed price up to the amount of the offered quantity.

IPO Auction with a Price Range

5. The price determination is limited to a price range (IPO Matching Range) determined by the issuer of the initial public offering. This range defines the lower and upper limits for price formation.

6. The price range is entered ex officio by the Exchange. All buy orders are executed at a single uniform price, formed within the defined price range, at which the highest executable volume, respectively the lowest surplus, is present.

7. The execution of buy orders is carried out from the highest bid price to the specified ask price (the lowest price at which orders will be executed) determined by the issuer or the Exchange member authorised by the issuer, and is in the full executable volume for this price range.

8. If during the auction only market orders are entered, the auction price shall equal the reference price determined by the issuer in the application for admission.

IPO Auction at a Fixed Price (Competitive)

9. The execution of orders is carried out at the fixed auction price defined in the offering conditions. The priorities under item 3 for execution of orders shall apply accordingly.

IPO Auction at a Fixed Price with Proportional Allocation Using the "Largest Remainder Method"

10. Upon completion of an auction at a predefined fixed price, when the demand exceeds the supply, the execution of orders using the "largest remainder method" is proceeded with, provided that this is stipulated

in the offering conditions.

11. When applying the "largest remainder method", the total number of financial instruments requested for subscription by each investor shall be divided by a coefficient equal to the total quantity of all submitted orders for subscription of shares, divided by the total number of shares offered for subscription that are to be allocated.

$$Coefficient = \frac{X}{Y}$$

Where:

X = the total quantity of all submitted orders for subscription of shares, and

Y = the total number of shares offered for subscription.

12. Dividing the quantity of each entered order by the coefficient yields a whole number (integer) and a remainder (a proper fraction). Each investor receives a number of financial instruments equal to the obtained whole number. In this way, it is possible for financial instruments to remain unallocated, the number of which is equal to the sum of the remainders.

13. Investors receive up to one additional financial instrument according to the following rule: First, the investor who submitted the order with the largest remainder receives one additional financial instrument; second is the investor with the next largest remainder, and so on, until all unallocated financial instruments are distributed.

14. In the event that two orders have the same remainder, the one with an earlier time of entry has priority, regardless of whether it is a market or a limit order.