



Market Data Transparency Obligation Disclosure 2021

1. Introduction

Article 11, “Transparency obligation”, of Commission Delegated Regulation (EU) 2017/567 of 18 May 2016, as published in the Official Journal of the European Union on 31 March 2017, requires that *“Market operators and investment firms operating a trading venue and systematic internalisers shall disclose the price and other terms and conditions for the provision of the market data in a manner which is easily accessible to the public”* and make requirements on the contents of this disclosure.

This document covers all of the relevant disclosures for Bulgarian Stock Exchange (BSE) in connection with such transparency obligation, with the exception of current price list and related terms and conditions, with the latter including the notice period for any changes to the fees. As detailed below, these are available at the Data Dissemination & Certificates section of the BSE website www.bse-sofia.bg and at the web-site of the Market Data + Services page of the Deutsche Boerse Group <http://www.mds.deutsche-boerse.com> as since the launch of the XETRA Trading System in 2008, the Deutsche Boerse is the exclusive market data provider of BSE data to foreign data-vendors.

2. Contents of Disclosures

Current price lists

Current price list for the services provided by Deutsche Boerse to foreign data-vendors in respect to BSE market data is publicly accessible on the web-site of the Market Data + Services page of the Deutsche Boerse Group:

<http://www.mds.deutsche-boerse.com/mds-en/data-services/real-time-market-data/agreements>

Contractual terms and conditions, agreements and additional publications can be found on the same page.

Detailed information, including pricelist, about the additional products provided by Bulgarian Stock Exchange to BSE members and local subscribers is available at:

<https://www.bse-sofia.bg/bg/data-dissemination-and-certificates>



Advance disclosure of future price changes

Information on notice of future price changes is contained within both the Market Data Dissemination Agreement of Deutsche Boerse and the Information Services Agreement of Bulgarian Stock Exchange and provides for a minimum of 90 days' notice of future price changes.

Information on the content of the market data distributed

Regulatory obligation	Response	Explanatory note
Number of instruments covered	368	Instruments admitted to trading on all markets of BSE as of 31 December 2020
Total turnover of instruments covered	EUR 203 million	2020 value traded on all markets of BSE
Pre-trade and post-trade market data ratio	91.05% pre-trade : 8.95% post-trade	As of 31 December 2020: <ul style="list-style-type: none">• <u>Pre-trade</u>: number of orders (new orders, amendments, cancellations, fills and expires) on all markets of BSE• <u>Post-trade</u>: number of trades on all markets of BSE
Data provided in addition to market data	Bulgarian Stock Exchange provides the following data services: <ul style="list-style-type: none">• End-of-day summary• Free participant trading data• Free reference data services	Information about these services may be found on the Bulgarian Stock Exchange web-site: https://www.bse-sofia.bg/bg/data-dissemination-and-certificates and http://rss.bse-sofia.bg/
Date of last licence fee adaption for market data provided	01 January 2020	Notice of this fee change was provided by Deutsche Boerse via a circular to customers on 27 September 2019



Revenue obtained from making market data available

Per audited 2020 accounts:

Revenue obtained from making market data available	EUR 323 thsd
Proportion of that revenue compared to total revenue	14.90%

3. General Cost Accounting Principles and applied Cost Allocation Methodology

The Market Data Department of Bulgarian Stock Exchange together with MD+S on behalf of Deutsche Boerse, who is the exclusive market data provider for BSE to foreign data vendors, provide and disseminate the real-time market data of the Bulgarian trading venue, subject to the requirements for MiFIR. The cost for each service consists of standard directly attributable costs and indirect costs.

Prices for the relevant data packages are generally being defined based on costs as laid out below, and the value of data to various customer groups, including the content of the data packages.

Furthermore, pricing of similar services by other data providers are considered for validation.

General Accounting Principles

The financial reports of Bulgarian Stock Exchange are prepared in accordance with all International Financial Reporting Standards (IFRS), which comprise Financial Reporting Standards and the International Financial Reporting Interpretations Committee (IFRIC) interpretations, approved by the International Accounting Standards Board (IASB), as well as the International Accounting Standards (IAS) and the Standing Interpretations Committee (SIC) interpretations, approved by the International Accounting Standards Committee (IASC), which are effectively in force on January 1, 2017 and have been accepted by the Commission of the European Union.

Cost Accounting Methodology and Specific Principles

BSE has established an internal cost allocation model that allocates revenue and cost to specific products within the defined business units of the exchange. The production and dissemination of market data is to large extent performed using the same systems and



infrastructure as for facilitating the trade execution services. BSE uses the XETRA trading system, operated by Deutsche Boerse, and Deutsche Boerse are the exclusive market data provider for BSE to foreign data-vendors. Hence a large part of the costs of the two business units are joint costs. BSE market data fees are reflecting the underlying costs accordingly, leaving a reasonable margin in line with the margin of the overall business of BSE.

Prices charged for the real-time market data provided by BSE and Deutsche Boerse are derived based on fair and reasonable terms to recover costs incurred for the whole process of creating and distributing market data plus a reasonable margin:

Key direct costs:

- Staff costs
- Depreciation and amortization
- Market data technology platform operating costs
- Remuneration to the Deutsche Boerse in their capacity of an exclusive market data provider for BSE to foreign vendors (net revenue share)

Key indirect costs:

- Property costs
- IT infrastructure costs