

# Instructions for Admission and Monitoring of Member Firms and Traders



**LJUBLJANSKA BORZA**  
*LJUBLJANA Stock Exchange*

Ljubljana, 27 May 2020

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### *Disclaimer*

*All effort has been made to ensure the accuracy of this translation, which is based on the Slovene original. Translations of this kind may nevertheless be subject to a certain degree of linguistic discord; in case of doubt or misunderstanding, the Slovenian text, being the official version, shall thus prevail.*



The Ljubljana Stock Exchange Inc. Management Board, composed of President Aleš Ipavec and Member Nina Vičar, adopted at its meeting on 27 May 2020 on the basis of Article 34 of the Ljubljana Stock Exchange Inc. Articles of Association and Articles 71, 72, 75, 76, 79, 84, 88, 185, 187 and 189 of the Ljubljana Stock Exchange Inc. Rules (consolidated version as of 27 November 2019), the following

## INSTRUCTIONS FOR ADMISSION AND MONITORING OF MEMBER FIRMS AND TRADERS

### 1. GENERAL PROVISIONS

#### *Applicability of Instructions*

##### Article 1

- (1) These Instructions are used in the procedures of admission and monitoring of as well as of suspension from Exchange membership and trading on the Exchange, for member firms, traders, member supervisors and electronic interfaces, and stipulate:
  1. the procedure of admitting member firms and traders to Exchange membership and to trading on the Exchange,
  2. the procedure of suspending member firms and traders from Exchange membership and from trading on the Exchange,
  3. the procedure of appointing and cancelling member supervisors,
  4. the procedure of connecting a member's electronic interface to the trading system, and the procedure of cancelling such a connection,
  5. the procedures of monitoring member firms and traders,
  6. the types of and manner of protection of confidential information.
- (2) On the basis of the signed Membership Agreement and the Exchange general acts, the Management Board adopts decisions related to member firms referred to in Article 185 (2) of the Rules in the form of resolutions binding for member firms.

#### *Definitions*

##### Article 2

- (1) Individual terms and expressions used in these Instructions have the following meanings:
  1. the term Rules means the Ljubljana Stock Exchange Inc. Rules;
  2. the term Trading Instructions means the Ljubljana Stock Exchange Inc. Trading Instructions;
  3. the term Fee Schedule means the Ljubljana Stock Exchange Inc. Services Fee Schedule;
  4. the term Authorisation Concept means the Authorisation Concept for Trading through the Trading System Xetra T7®.
  5. The term ALGO functionality means functionality for use of algorithmic trading.
- (2) Individual terms, expressions and abbreviations defined by the Rules have the same meanings in these Instructions as in the Rules.



## 2. PROCEDURES RELATED TO MEMBERS, TRADERS, MEMBER SUPERVISORS AND ELECTRONIC INTERFACES

### *Admission of Members*

#### Article 3

- (1) In accordance with Article 187 (2) (3) of the Rules, the person referred to in 70 of the Rules shall apply for admission to Exchange membership on a special form, which is a component part hereunder (Form 01/MT), and by unilaterally signing the Membership Agreement. The application form and Membership Agreement shall be filed together with the following documentation, which evidences that the applicant meets the required criteria for Exchange membership:
- extract from the register of companies or other official register where the applicant is incorporated, containing any latest changes;
  - copy of the decision or licence to render investment services, issued by the competent regulatory authority, along with a certificate issued by this same body or by a notary, confirming the copy's identity to the original;
  - if the applicant is person referred to in the Article 70 (2) of the Rules, in addition to the documentation referred to in the previous points, the following documentation shall also be submitted to the Exchange:
    - an indication and description of the services which it may provide in accordance with the authorization of the competent supervisory authority, together with a statement of the place where they are to be provided;
    - police clearance certificate or other evidence of fulfillment of the conditions referred to in indents 3 and 4 of point 1 of Article 70 a (1) of the Rules;
    - financial statements for the last three financial years;
    - proof or statement of fulfillment of the condition from indent 2 of point 2 of Article 70 a (1) of the Rules;
    - indication of publicly accessible registers of competent authorities for verification of compliance with the conditions of point 1 of Article 70 a (1) of the Rules and from indent 2 of point 2 of Article 70 a (1) of the Rules;
    - technical specification for providing data to the stock exchange for reporting purposes in accordance with Article 26 of the MiFIR;
    - other documentation proving the fulfillment of other conditions from point 3 of Article 70 a (1) of the Rules.
- (2) Provided it meets the conditions for membership from the preceding paragraph, the entity that had filed the application for membership shall be admitted to membership of the Exchange by signing the Membership Agreement.
- (3) Within three months after entering into the Membership Agreement the member firm must comply with the conditions for admission to trading under Article 75 of the Rules and submit to the Exchange a completed questionnaire for due diligence of a new member firm on a special form, which is also a component part hereunder (Form 09/MT). Once these conditions are met, the Exchange shall adopt a resolution on admission to trading, in accordance with Article 76 of the Rules, and enable the member firm access to the stock market by assigning it a Xetra T7<sup>®</sup> member ID and activating it.



- (4) The Exchange shall add the member firm to the list of Exchange members, while it shall also inform the Securities Market Agency (Agency), the Central Securities Clearing Corporation (KDD), the public and other member firms of the new member's admission to membership.

#### *Monitoring Member Firms*

##### Article 3a

- (1) Pursuant Article 178 (3) of the Rules, based on a risk assessment, the Exchange reviews its member firms' due diligence, whereby it considers the scope and potential impact of trading of each member and the time elapsed from the last risk assessment.
- (2) In the procedure of monitoring member firms referred to in the preceding paragraph of this Article, the member firms shall, at the Exchange's request, submit a completed questionnaire for due diligence of a new member firm, which is prescribed on a special form, which is also a component part hereunder (Form 09/MT).

#### *Suspension from Exchange Membership*

##### Article 4

- (1) In accordance with item 2 of Article 80 (1) of the Rules, the member firm shall apply for suspension of Exchange membership on a special form, which is also a component part hereunder (Form 02/MT).
- (2) On the basis of the resolution on suspension from Exchange membership or termination of membership, the Exchange shall cancel (deactivate) the firm's member ID.
- (3) The Exchange may exceptionally grant a member limited access to the trading system even after termination of Exchange membership in order to facilitate overview and transfer of historical data.
- (4) The Exchange shall delete the member that was suspended or had renounced its Exchange membership from the list of Exchange members, and shall inform of the member's suspension from Exchange membership the Agency, the KDD, the public and other members.

#### *Admission of Traders*

##### Article 5

- (1) In accordance with Article 88 (1) of the Rules, the member shall apply for admission of a trader to trading on the Exchange on a special form, which is a component part hereunder (Form 03/MT).
- (2) In cases where the application referred to in the previous paragraph of this Article also applies to work through the CEE Trader trading station or Trader GUI trading station, the authorised trader shall be duly entered into the trading system by:
  - The member firm's trader supervisor before submitting the application to the Exchange;
  - The Exchange, if the member firm has no activated trader supervisor and if the member firm specifically indicates that the entry be made by the Exchange on their behalf on the application.
- (3) In cases where the application referred to in the previous paragraph of this Article does not apply to work through the CEE Trader trading station or Trader GUI trading station, it is considered that the member firm's application is submitted only for trading through the electronic interface from Article 71 of the Rules.



- (4) In cases where the application referred to in the previous paragraph of this Article also applies to work through the CEE Trader trading station or Trader GUI trading station, the Exchange shall activate a trader in the trading system by changes their status to "active", thus enabling the trader to manage orders and execute trades in the trading system.
- (5) The Exchange issues a resolution on admission of a trader to trading on the Exchange in which the trader is given adequate access to the trading system on the basis of the member firm's application.
- (6) The Exchange shall add the trader to the list of Exchange traders and inform the Agency.

#### *Suspension of Traders*

##### Article 6

- (1) In accordance with item 1 of Article 94 (1) of the Rules, the Exchange shall suspend a trader from trading on the Exchange after receiving a cancellation from the member firm on a form, which is an integral part hereunder (Form 03/MT), or on the basis of the trader's written statement.
- (2) In cases where the cancellation referred to in the previous paragraph of this Article also applies to work through the CEE Trader trading station or Trader GUI trading station,, the Exchange shall deactivate a trader by deactivating its User ID and thus preventing the trader from managing orders and executing trades.
- (3) The resolution on the trader's suspension from trading on the Exchange, in which the trader is determined an appropriate termination of access to the trading system on the basis of the member firm's cancellation, shall be served on the member firm.
- (4) The Exchange shall delete the trader, to whom the Exchange completely revoked access to the trading system on the basis of the member firm's cancellation, from the list of Exchange traders and inform the Agency.
- (5) After the Exchange has deactivated the status of the trader on the basis of the member firm's cancellation from par. 2 of this Article and resolution on the trader's suspension from par. 3 of this Article , the deactivated trader is deleted from the trading system by:
  - The member firm's trader supervisor before submitting the cancellation to the Exchange;
  - The Exchange, if the member firm has no activated trader supervisor and if the member firm specifically indicates that the cancellation be made by the Exchange on their behalf of the member firm.

#### *Appointment of Member Supervisor*

##### Article 7

- (1) The member firm shall appoint a member supervisor, in accordance with Article 72 (3) of the Rules, on a special form, which is a component part hereunder (Form 04/MT).
- (2) On the basis of the received appointment form from the preceding paragraph the Exchange shall issue a Xetra User ID and assign it to the firm's primary (default) member supervisor. This User ID shall grant the member supervisor access to the trading system and the right to administer all the member's Xetra users and their rights. The Exchange shall inform thereof the member firm in advance.



- (3) The primary (default) member supervisor shall issue a User ID for each subsequent member supervisor, facilitating their access to the trading system and administration of the member's Xetra users and their access rights.
- (4) The Exchange shall enter each member supervisor into its internal list of a firm's authorised member supervisors.
- (5) The trading system automatically generates a user profile for the primary (default) member supervisor. For additional member supervisors for which the Exchange receives the requisite appointment forms, however, the primary supervisor shall correctly create such users manually and in advance.

#### *Cancelling the Appointment of Member Supervisor*

##### *Article 8*

- (1) A member firm shall cancel its appointed member supervisor on a special form, which is a component part hereunder (Form 04/MT).
- (2) When the appointed member supervisor is cancelled, as stipulated in the preceding paragraph of this Article, the authorised member supervisor shall delete from the trading system the member supervisor for which the Exchange had received the cancellation, prior to the actual cancellation.
- (3) The member firm shall make sure that at least one person on staff is always authorised to act as member supervisor, notwithstanding the cancelled appointments for other member supervisors.
- (4) Cancelled member supervisors shall be deleted from the list of a firm's authorised member supervisors.

#### *Activation of Member's Electronic Interface Connectivity*

##### *Article 9*

- (1) A member firm shall file an application for the activation of its electronic interface connectivity to the trading system, in accordance with Article 71 of the Rules, on a special form, which is an integral part hereunder (Form 05/MT).
- (2) If, with regard to the application for activation from the preceding paragraph, the member firm meets the defined technical conditions for using the electronic interface, the Exchange shall issue a resolution and establish a connection between the member's electronic interface and the trading system by activating the member's electronic interface User ID and shifting its status to »active«.
- (3) The Exchange shall inform the member firm of its having adopted the resolution on the establishment of the connection between its electronic interface and the trading system.
- (4) The Exchange shall save the member's electronic interface User ID onto its internal list of a member firm's electronic interface User IDs.
- (5) The Exchange shall inform the Agency about the establishment of the connection between a member's electronic interface and the trading system.

#### *Deactivation of Member's Electronic Interface Connectivity*



#### Article 10

- (1) After a member firm has applied for the connection to be terminated, which it shall do on a special form, which is a component part hereunder (Form 05/MT), the Exchange shall terminate access rights to the trading system with respect to the firm's electronic interface User ID.
- (2) On the basis of a resolution the Exchange shall thus prevent the member's access to the trading system via its electronic interface and deactivate its electronic interface User ID.
- (3) The resolution on the deactivation of access to the trading system via its electronic interface shall be served on the member firm.
- (4) The Exchange shall delete the cancelled User ID from its internal list of firms' electronic interface User IDs.
- (5) The Exchange shall communicate the deactivation of a member's access to the trading system via its electronic interface, to the Agency.

#### *Information User Appointment and Cancellation*

##### Article 11

- (1) A member firm shall appoint and cancel the appointment of its information users on a special form, which is an integral part hereunder (Form 06/MT).
- (2) The Exchange shall add or delete information users from its internal list of member firm information users.

#### *Activation of Direct Electronic Access to all Exchange Markets for Clients*

##### Article 12

- (1) A member firm shall file an application for the activation of direct electronic access to all Exchange markets for its clients via its electronic interface, referred to in 71 (3) of the Rules, on a special form, which is an integral part of these Instructions (Form 07/MT), thereby confirming:
  - it will implement the following controls with respect to the activated direct electronic access:
    - that the client's order management complies with the client's pre-agreed investment policy,
    - that the client is not exceeding pre-agreed trading thresholds,
    - that the use of the member's infrastructure complies with the pre-agreed terms of use;
  - that the client it is filing the application for, meets the following minimum conditions and criteria of eligibility:
    - the client has the status of a professional client,
    - the client is qualified to use the member's infrastructure accordingly,
    - the client has the intention to trade actively.
- (2) On the basis of a resolution, the Exchange shall activate direct electronic access to the trading system via the member's electronic interface by activating the electronic interface User ID and shifting it to the "active" status.





- (3) The resolution on the activated direct electronic access to all Exchange markets for a member firm's client via its electronic interface shall be served on the member firm.
- (4) The Exchange shall save the member's electronic interface User ID on its internal list of member firm electronic interface User IDs.
- (5) The Exchange shall communicate the electronic interface having received direct electronic access to the trading system, to the Agency.

*Deactivation of Direct Electronic Access to all Exchange Markets for Clients*

Article 13

- (1) The member's electronic interface User ID used for providing a member's client with direct electronic access to all Exchange markets shall be deactivated by the Exchange on the basis of an application for deactivation filed by the member on a special form, which is an integral part of these Instructions (Form 07/MT).
- (2) On the basis of a resolution, the Exchange shall prevent a member firm from accessing the trading system via its electronic interface by shifting the status of the electronic interface User ID to the "inactive" status.
- (3) The resolution on deactivating the electronic interface's access to the trading system shall be served on the member firm.
- (4) The deactivated electronic interface User ID shall be deleted from the internal list of member firm electronic interface User IDs.
- (5) The Exchange shall communicate that direct electronic access to the trading system has been terminated, to the Agency.

*Activation and Deactivation of ALGO functionality*

Article 14

- (1) A member firm shall file an application for activating ALGO functionality on a special form, which is an integral part of these Instructions (Form 08/MT). The application may be supplied for a user ID, which is used exclusively for ALGO functionality, or for a user ID which is not intended exclusively for this usage.
- (2) The application from par. 1 shall be supplied with the following documentation:
  - statement on having tested the ALGO functionality;
  - description of trading strategy;
  - 'kill functionality' policy and the relevant mechanism and contact data.
- (3) On the basis of a resolution, the Exchange shall allow a member firm to use an ALGO functionality with the assigned User ID.
- (4) The resolution on the activation of an ALGO functionality and on the assigned User ID shall be served on the member firm.



- (5) The Exchange shall save the member's User ID that allows the use of an ALGO functionality on its internal list of user IDs that allow algorithmic trading.
- (6) A member firm shall deactivate an ALGO functionality with an application filed on a special form, which is an integral part of these Instructions (Form 08/MT).

#### *Use of the Trading System*

##### Article 15

In accordance with Article 71 (4) of the Rules a member firm shall ensure and maintain that its information system that operates electronic interfaces to connect to the trading system meets the conditions stipulated by the Agency resolution in force from time to time as well as the following conditions:

- a compliance test must be performed before the installation and before a major upgrade of access to the trading system, trading algorithm or member's trading strategy;
- only authorised data shall be entered;
- only authorised data accesses shall be ensured;
- only authorised persons may enter and access data;
- the system shall record data on persons that enter and confirm data and on those that access data via electronic interfaces;
- data transfer shall be precise, complete and safe;
- hardware and software shall be protected by means of physical and logical access controls;
- audit trails shall facilitate unambiguous reconstructions of the use and operations of the system.

#### *User IDs and Access Rights*

##### Article 16

- (1) Member firm's trading system users may be assigned personal IDs by the member firm according to the following methodology:
  - three-digit User ID types (trader, electronic interface, liquidity provider, information user),
  - three-digit personal User ID.
- (2) A detailed methodology of the possible types of User IDs and personal User IDs from par. 1 of this Article and associated trading system user rights are stipulated in the Authorisation Concept.
- (3) Xetra users may have the following levels of rights:
  - administration of a firm's Xetra users and their rights,
  - order management and trade execution in the trading system,
  - access to market data in the trading system.

### 3. MONITORING MEMBER FIRMS AND TRADERS

#### *Monitoring Member Firms*

##### Article 17

- (1) The Exchange monitors the member's compliance with their obligations referred to in 79 (1) (2) (3) (4) of the Rules, by examining received reports, notices and their internal regulations.



- (2) In accordance with item 3 of Article 79 (1) of the Rules, which states that member firms must immediately notify the Exchange of any events affecting, or events that could effect, their financial status and business operations, the following shall predominantly be deemed as such events:
  - important suits for damages announced or filed against a member, being the result of the member's operations on the securities market;
  - filed criminal charges, or any ongoing or completed criminal proceedings;
  - KDD sanctions imposed on a member, relating to the member's ability to ensure the settlement of concluded transactions;
  - acquisition or withdrawal of the Agency's consents, authorisations and licences;
  - failure to comply with the business operation standards as provided for in the executive regulations of the Agency.
  
- (3) Pursuant to point 11 of Article 79 (1) of the Rules, the Exchange members referred to in Article 70 (2) of the Rules must submit to the Exchange the following documentation on meeting the conditions for membership by 31 July at the latest:
  - annual report and financial statements for the previous financial year;
  - renewal of the statement that the types of services for which it has the appropriate licence and the place of their provision comply with the conditions from indent 2 of point 1 of Article 70 a (1) of the Rules;
  - police clearance certificates or other evidence of compliance with the conditions referred to in indents 3 and 4 of point 1 of Article 70 a (1) of the Rules;
  - proof or statement of fulfillment of the condition from indent 2 of point 2 of Article 70 a (1) of the Rules;
  - in case of possible changes also other documentation proving the fulfillment of other conditions from point 3 of Article 70 a (1) of the Rules.
  
- (4) Members referred to in Article 70 (2) of the Rules shall not be obliged to submit the documentation referred to in indents 1 to 4 of the third paragraph of this Article if the Exchange may verify compliance with these conditions by inspecting publicly accessible registers, kept by competent authorities.
  
- (5) The documentation referred to in the third paragraph of this article shall be submitted by the member referred to in Article 70 (2) of the Rules to the Exchange on the admission form, which is an integral part of these Instructions (Form 01 / MT), stating that the form is submitted for monitoring for membership.
  
- (6) The documentation provided by members may be labelled confidential, as appropriate (e.g. "confidential information", "business confidentiality"), while the Exchange shall treat it in accordance with its level of confidentiality.

#### *Monitoring of Traders*

##### Article 18

- (1) In accordance with the provisions of Article 92 of the Rules, the Exchange shall monitor the business activities of traders also by examining their reports and notices.
  
- (2) The documentation provided by traders may be labelled confidential, as appropriate (e.g. "confidential information", "business confidentiality"), while the Exchange shall treat it in accordance with its level of confidentiality.



### *Temporary Suspension from Trading*

#### *Article 19*

- (1) On the basis of Article 135 of the Rules, the Exchange calculates the ratio of unexecuted orders to transactions (OTR ratio) per each member per security, for each day, for the purposes of preventing disorderly trading conditions.
- (2) The OTR ratio is calculated based on:
  - volume, representing the number of lots for shares and the nominal value for bonds;
  - number (orders and trades).
- (3) The OTR ratio shall be deemed as exceeded if one or both ratios from the previous paragraph are exceeded.
- (4) Based on special circumstances of individual member firms, the Exchange may determine a different minimum/maximum ratio for one or more securities.
- (5) The Exchange on the daily basis and for each individual security calculates the ratio of unexecuted orders to transactions from second paragraph of this Article, per each member, who has entered on the market at least one order for this security.
- (6) The minimum/maximum ratio of unexecuted orders to transactions, referred to in Article 135 (3) of the Rules and second paragraph of this Article, is defined by the Exchange in the periodic review of compliance with liquidity criteria as a rule every twelve (12) months in accordance with Instructions for the Index, Liquidity Criteria, Price List and other Statistics. In the event of changed circumstances on the market, the Exchange may also change the minimum/maximum ratio of unexecuted orders to transactions in a special review of compliance with liquidity criteria in accordance with Instructions for the Index, Liquidity Criteria, Price List and other Statistics. The results of the periodic review of the OTR ratio shall be communicated to the member firms and publicly announced on the SEOnet and shall enter into force within the same deadline as specified for the publication of the results of the compliance with liquidity criteria review in accordance with Instructions for the Index, Liquidity Criteria, Price List and other Statistics.
- (7) Should a member firm exceed at least one of the ratios from par. 1 of this Article and should this member's order management thus potentially cause disorderly trading conditions, the Exchange may apply one of the measures referred to in Article 80 of the Rules.
- (8) When the minimum/maximum ratio of unexecuted orders to transactions is primarily the result of order management via the direct electronic access of a member firm's client or of an ALGO functionality, the Exchange may use the measure from par. 5 of this Article only against the electronic interface or trading ID allowing the direct electronic access or an ALGO functionality but not against the member firm, notwithstanding the preceding paragraph of this Article.

## 4. CONFIDENTIALITY OF INFORMATION

### *Level of Confidentiality of Information*



#### Article 20

The level of confidentiality of information and documents shall depend on the purpose and importance of their content and nature, and shall be classified as:

- confidential information and documents of the Exchange or member,
- business secret of the Exchange or member,
- public information and documents of the Exchange or member.

#### *Confidential Information and Documents of Exchange and Member*

#### Article 21

- (1) The label "confidential" shall be attributed to the information and documents of the Exchange or a member the content of which is such that, if revealed to unauthorised third parties, they could pose a threat to or possibility of harmful consequences for the Exchange or a member.
- (2) The Exchange and member shall use confidential information and documents in the course of their regular business activities, also communicating their content to their employees, while they shall not reveal them to unauthorised third parties without the consent of the opposite party.
- (3) Irrespective of the label attributed to information and documents, confidential information and documents of the Exchange and member shall predominantly be the following:
  - internal acts of the Exchange and member, should they not be of a public nature,
  - contracts, agreements, treaties and similar acts entered into by the Exchange and member,
  - letters, opinions, application forms and similar documents passed between the Exchange and member,
  - information on the trading system and information in the trading system, as stipulated by Article 152 of the Rules and by the Trading Instructions,
  - statistical data generated at the Exchange and labelled as confidential by the Exchange Management Board, as well as, before it is published, the Exchange price list,
  - information and documents delivered to the Exchange and member and labelled as such by other legal persons, the contents of which are revealed to the Exchange and member,
  - other similar information and documents the content and nature of which fit the label "confidential" as described in par. 1 and 3 of this Article;
  - information and documents of the Exchange and member that have been, in accordance with par. 4 of this Article, obviously attributed with the label "confidential" in error, until the Exchange or member have informed each other of their intent to treat this information and documents as public information.
- (4) Notwithstanding the provisions in the preceding paragraphs of this Article, the information and documents for which it is evident at first sight that regarding their content they have been labelled confidential in error shall not be considered as confidential. Should this be the case, the Exchange or member shall be obliged to inform in advance the opposite party of its intent to treat the respective information and documents as public information.

#### *Business Secret of Exchange and Member*



#### Article 22

- (1) The term "business secret" shall apply to the information and documents that have been declared as business secret by law, statutes, rules or another general bylaw of the Exchange or member or their authorised persons, and are of such importance that if disclosed would or could without doubt cause severe damage to the Exchange or member.
- (2) The information and documents classified as business secret shall be visibly labelled as such.
- (3) The Exchange and member shall use the information and documents classified as business secret only in the course of regular activities directly related to these information and documents, and shall reveal them only to the employees directly responsible for carrying out these activities.
- (4) A business secret shall be kept by all Exchange employees, members of Exchange bodies, member firms, traders, members' employees and external persons having acquired the classified information in the course of their work.
- (5) Breaches of the principles of preserving a business secret shall be, predominantly: the disclosure of information classified as business secret to an unauthorised person; one's helping an unauthorised person to access such information; trying to access such information; the negligent handling of confidential information on behalf of a person obliged to preserve it; etc.
- (6) Notwithstanding the provision of par. 2 of this Article, the information and documents for which it is evident at first sight that regarding their content they are labelled confidential in error shall not be considered as confidential. Should this be the case, the Exchange or Exchange member shall be obliged to previously inform the opposite party of their intent to treat this information and documents as public information.

#### *Public Information of Exchange and Member*

#### Article 23

All information and documents not belonging to the group of and not classified as confidential information and documents or business secret shall be considered as public information.

## 5. SERVING OF OFFICIAL LETTERS

#### *Serving by Fax or E-mail*

#### Article 24

- (1) On the basis of Article 185 of the Rules, the Exchange serves resolutions and Membership Agreements via registered mail with an acknowledgement of receipt. The resolution on eliminating deficiencies referred to in 190 (3) of the Rules may be served on the person that had lodged an incomplete application for admission to membership of the Exchange in another appropriate manner as stipulated for the serving of other documents.
- (2) Other documents may be served by mail, fax or e-mail, whereby they shall be considered served on the member firm on the day they are:



- faxed to the fax number provided to the Exchange upon admission or at a later date on the form, which is an integral part of these Instructions (Form 01/MT), in accordance with Article 3 hereunder;
  - e-mailed to the e-mail address provided to the Exchange upon admission or at a later date on the form which is an integral part of these Instructions (Form 01/MT), in accordance with Article 3 hereunder.
- (3) The documentation required in accordance with these instructions shall be submitted to the stock exchange in Slovene or English

## 6. COMPETENCE TO WORK ON THE TRADING SYSTEM

### *Acknowledgement of Competence to Work on the Trading System*

#### Article 25

- (1) In accordance with Article 88 (2) of the Rules a member firm may only register a person to act as trader if it has filed a written statement with the Exchange on this person's knowledge of the works of the stock market, the Rules and Instructions, and on the person being properly trained to work on the trading system. The said statement may be filed together with the registration of a trader (Form 03/MT).
- (2) In accordance with Article 88 (3) of the Rules a person's competence to work on the trading system may be displayed by the following:
- experience of trading on a similar stock exchange trading system,
  - having taken part in Xetra training held by the Exchange,
  - having taken part in trading simulations held by the Exchange or member firm,
  - similar.
- (3) In order to ensure that traders have appropriate technical competences, the Exchange shall organize trading simulations and training for trader candidates, instructing them about the content of the Rules and Instructions and trading techniques. In accordance with the Fee Schedule, each candidate shall be obliged to settle the examination fee prior to taking part in such training.
- (4) After having successfully passed the Exchange's training for stock exchange traders, traders shall be issued with a certificate of competence to work on the trading system.

## 7. TRANSITIONAL AND FINAL PROVISIONS

### *Procedure of Adopting Instructions*

#### Article 26

- (1) These Instructions and amendments thereof shall be adopted by the Exchange Management Board.
- (2) These Instructions enter into effect and use on the 15<sup>th</sup> day after being posted on the Exchange website, unless specified otherwise in a particular case.



*Effective Date of Instructions*

Article 27

- (1) These Instructions shall be posted on the Exchange website and enter into force and use on the fifteenth (15) day after their publication, except for the following provisions relating to admission and monitoring of members referred to in Article 70 (2) of the Rules (ie provisions of points 2 and 3 of Article 3 (1) and Article 17 (3) (4) (5) of these Instructions), which enter into force on the 15th day after their publication and enter into use on 1 January 2021.
- (2) On the day of these Instructions entering into effect and use, the Instructions for Admission and Monitoring of Member Firms and Traders dated 24 February 2020 shall terminate.

Ljubljana, 27 May 2020

Ljubljana Stock Exchange Inc. Management Board

Nina Vičar, MSc  
Member of the Management Board

Aleš Ipavec, MSc  
President of the Management Board

**Attachments (forms)**

- APPLICATION FOR ADMISSION TO MEMBERSHIP OF THE LJUBLJANA STOCK EXCHANGE (FORM 01/MT)
- APPLICATION FOR SUSPENSION FROM MEMBERSHIP OF THE LJUBLJANA STOCK EXCHANGE (FORM 02/MT)
- TRADER SETUP / CHANGE / DELETION (FORM 03/MT)
- MEMBER SUPERVISOR APPOINTMENT / CANCELLATION (FORM 04/MT)
- ACTIVATION / DEACTIVATION OF MEMBER'S ELECTRONIC INTERFACE CONNECTIVITY (FORM 05/MT)
- INFORMATION USER APPOINTMENT / CANCELLATION (FORM 06/MT)
- ACTIVATION / DEACTIVATION OF DIRECT ELECTRONIC ACCESS FOR CLIENTS (FORM 07/MT)
- ACTIVATION / DEACTIVATION OF ALGO FUNCTIONALITY (FORM 08/MT)
- DUE DILIGENCE QUESTIONNAIRE FOR EXISTING AND NEW MEMBER FIRMS OF THE LJUBLJANA STOCK EXCHANGE FOR PURPOSES OF ARTICLE 7 OF COMMISSION DELEGATED REGULATION (EU) 2017/584 (FORM 09/MT)





## APPLICATION FORM FOR ADMISSION TO MEMBERSHIP OF THE LJUBLJANA STOCK EXCHANGE (Form 01/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To

Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

**Applicant**

(name and address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(date filed)

(date received – completed by Exchange)

In accordance with Article 187 (2) (3) of the Ljubljana Stock Exchange Rules ("Rules"), the undersigned applicant hereby applies for the following company to be admitted to membership of the Ljubljana Stock Exchange ("Exchange"):

**Firm**

\_\_\_\_\_

**Registered office and address**

\_\_\_\_\_

**Management**

\_\_\_\_\_

**Telephone, fax and e-mail address**

\_\_\_\_\_

**LEI (Legal Entity Identifier)**

\_\_\_\_\_

The applicant is filing this application for membership of the Exchange in accordance with Article 70 (1) of the Rules.

1. The following documentation is enclosed to the application:
  - 1.1. extract from the register of companies or other official record where the applicant is incorporated, containing any latest changes;
  - 1.2. copy of the decision or licence to render investment services issued by the competent regulatory authority, along with a certificate issued by this same authority or by a notary, confirming the copy's identity to the original;
  - 1.3. certificate of a duly paid fee for adopting decisions, in accordance with the Exchange Fee Schedule.
2. An applicant who submits an application in accordance with Article 70 (2) of the Rules for membership on the stock exchange shall attach the following documentation to the application:
  - 2.1. all documentation referred to in point 1 of this form;
  - 2.2. an indication and description of the services which it may provide in accordance with the authorization of the competent supervisory authority, together with a statement of the place where they are to be provided;
  - 2.3. police clearance certificate or other evidence of fulfillment of the conditions referred to in indents 3 and 4 of point 1 of Article 70 a (1) of the Rules;
  - 2.4. financial statements for the last three financial years;
  - 2.5. proof or statement of fulfillment of the condition from indent 2 of point 2 of Article 70 a (1) of the Rules;



- 2.6. indication of publicly accessible registers of competent authorities for verification of compliance with the conditions of point 1 of Article 70 a (1) of the Rules and from indent 2 of point 2 of Article 70 a (1) of the Rules;
- 2.7. technical specification for providing data to the stock exchange for reporting purposes in accordance with Article 26 of the MiFIR Regulation;
- 2.8. other documentation proving the fulfillment of other conditions from point 3 of Article 70. a (1) of the Rules.

3. Anticipated first day of trading: \_\_\_\_\_

**Applicant's representative:** \_\_\_\_\_

(name of representative)

\_\_\_\_\_  
(Representative's signature and applicant's seal)

**Note:** In accordance with Articles 187 and 190 of the Rules, the Application Form for Admission to Membership of the Ljubljana Stock Exchange constitutes only part of the full application on the basis of which the Exchange may decide on admission to membership. The full application includes the completed and duly signed Application Form and the Membership Agreement signed by the applicant. The Membership Agreement is available at the Exchange.



## APPLICATION FOR SUSPENSION FROM MEMBERSHIP OF THE LJUBLJANA STOCK EXCHANGE (Form 02/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To **Applicant**  
(name and address)

Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(date filed) (date received – completed by LJSE)

In accordance with Article 80 (1), item 2, of the Ljubljana Stock Exchange Rules ("Rules"), the undersigned applicant hereby applies for the following company to be suspended from membership of the Ljubljana Stock Exchange ("Exchange"):

**Firm** \_\_\_\_\_

**Registered office and address** \_\_\_\_\_

**Management** \_\_\_\_\_

**Telephone, fax and e-mail address** \_\_\_\_\_

- The following documentation is enclosed to the application:
  - extract from the register of companies or other official record where the applicant is incorporated, containing any latest changes.
- Other important information (*provided by member firm insofar as relevant considering its situation*):
  - expected last trading day \_\_\_\_\_
  - information on expected transfer of business to another member firm \_\_\_\_\_
  - other relevant information \_\_\_\_\_

**Applicant's representative:** \_\_\_\_\_  
(name of representative)

\_\_\_\_\_  
(representative's signature and applicant's seal)



## TRADER APPOINTMENT / CHANGE / CANCELLATION (Form 03/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To **Member**  
Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

(name and address)

\_\_\_\_\_

\_\_\_\_\_

<input type="checkbox"/> Setup / Activation	<input type="checkbox"/> Change	<input type="checkbox"/> Deletion / Deactivation	<b>Xetra T7<sup>®</sup> Member ID:</b>	1	2	3	4	5
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<p><b>Setup:</b></p> <p>We hereby apply for the below trader to deal in securities listed on the Ljubljana Stock Exchange in our name. We hereby confirm the trader is an authorised stock trader competent to work with trading system Xetra T7<sup>®</sup>, and will comply with the Exchange Rules and Instructions in force from time to time.</p>	<p><b>Change:</b></p> <p>The below trader's data have changed as evident from the below table (old data must also be provided).</p>	<p><b>Deletion:</b></p> <p>We hereby delete the setup of the below trader, who can no longer deal in securities listed on the Ljubljana Stock Exchange in our name.</p>
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### Trader

First and last name \_\_\_\_\_

Date of birth \_\_\_\_\_

Date of licence \_\_\_\_\_

1. **MANDATORY COMPLETION, if trader is being authorised /changed / deactivated to/from work on the Xetra T7<sup>®</sup> trading station through Trader GUI or CEE Trader trading station, otherwise it is considered that the member firm's authorisation is given exclusively for trading through the electronic interface:**

	6	7	8	9	10	11		
TRADING STATION	USER ID						NAME (BLOCK CAPITALS)	SIGNATURE OF TRADER
<input type="checkbox"/> <b>TRADER GUI</b>								
<input type="checkbox"/> <b>CEE TRADER</b>								
E-MAIL				TELEPHONE				FAX

**All changes have to be communicated to the Ljubljana Stock Exchange without delay!**



**2. MANDATORY COMPLETION, if you have an activated trader supervisor and you completed the previous point (trader is being authorised to work on the Xetra T7<sup>®</sup> trading system through Trader GUI or CEE Trader trading station):**

User ID(s) from point 1 was/were entered / changed / deleted (**circle**) from the Xetra T7<sup>®</sup> trading system by trader supervisor and we ask the Exchange to appropriately activate / reconciles the status in the records / deactivate it(them).

**3. MANDATORY COMPLETION, if you do not have an activated trader supervisor and you completed point 1 (trader is being authorised to work on the Xetra T7<sup>®</sup> trading system through Trader GUI or CEE Trader trading station):**

We hereby authorise the Exchange to enter /change /delete (**CIRCLE**) from the Xetra T7<sup>®</sup> trading system user ID(s) from point 1 and we ask the Exchange to appropriately activate / reconcile the status in the records / deactivate it(them). In case of entry or change of user ID(s), **MARKING** of non-default rights to be assigned to the user ID(s) by the Exchange is **MANDATORY**:

<b>User level (default setting)</b>	
<b>Head trader/user</b>	Can monitor, change, delete his/her orders and orders of member firm's other users
<b>Securities Groups (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Block trading (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Accounts (označite:)</b>	
<input type="checkbox"/> <b>A</b>	Agent account
<input type="checkbox"/> <b>P</b>	Proprietary account
<input type="checkbox"/> <b>M</b>	Liquidity provider account
<b>Maximum order value (complete):</b>	
<b>Maximum order quantity (complete):</b>	

**Date as of which this form becomes valid:** \_\_\_\_\_

Place, date

Signature of member's responsible person

EFFECTIVE UNTIL TERMINATED



## MEMBER SUPERVISOR APPOINTMENT / CANCELLATION (Form 04/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To

Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

**Member**  
(name and address)

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<input type="checkbox"/> Appointment	<input type="checkbox"/> Change	<input type="checkbox"/> Cancellation	<b>Xetra T7<sup>®</sup> Member ID:</b>	1	2	3	4	5

<p><b>Appointment:</b></p> <p>We hereby appoint the below <b>Xetra T7<sup>®</sup> member supervisor</b> to assign trader identification codes and access rights (instruments, volumes, functionalities, passwords, etc.) at our institution (minimum 2 persons, further Xetra T7<sup>®</sup> member supervisors are optional).</p>	<p><b>Cancellation:</b></p> <p>We hereby cancel the appointment of the following person(s) as <b>Xetra T7<sup>®</sup> member supervisors</b>.</p>
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USER ID						NAME (BLOCK CAPITALS)	TELEPHONE / FAX / E-MAIL	MEMBER SUPERVISOR SIGNATURE
6	7	8	9	10	11			
M	B	R	S	P	V*			
M	B	R	S	P	1			
M	B	R	S	P	2			
M	B	R	S	P	3			

(\*) assigned automatically by the Exchange; further User IDs (MBRSPV) have to be assigned either by the member supervisor (if the member firm has an activated trader supervisor) or by the Exchange.

**All changes have to be communicated to the Ljubljana Stock Exchange without delay!**

**Date as of which this form becomes valid:** \_\_\_\_\_

Place, date

Signature of member's responsible person

EFFECTIVE UNTIL TERMINATED



## ACTIVATION / DEACTIVATION OF MEMBER'S ELECTRONIC INTERFACE CONNECTIVITY (Form 05/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To **Member**  
(name and address)

Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

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<input type="checkbox"/> Appointment/Activation	<input type="checkbox"/> Cancellation/Deactivation	<b>Xetra T7<sup>®</sup> Member ID:</b>	1	2	3	4	5
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### Appointment / Activation

We hereby submit an application for the approval of a connection of our electronic interface to trading system Xetra T7<sup>®</sup> (connection to Ljubljana Stock Exchange market):

- electronic interface to manage orders,
- electronic interface to receive market data.

Our electronic interface will connect to Xetra T7<sup>®</sup> for all Ljubljana Stock Exchange markets via:

- CEESEG FIX,
- ETS;
- other \_\_\_\_\_.

### Cancellation / Deactivation

We hereby submit an application for the connection of our electronic interface to trading system Xetra T7<sup>®</sup> to be terminated (termination of connection to the Ljubljana Stock Exchange market).

With this application for the activation of the connection for our electronic interface we assume full responsibility to abide by the legislation, the Exchange Rules and Instructions in respect of electronic interface connectivity, and we confirm our operations are adequately organised. We also ensure:

- that all control mechanisms defined by the Rules and Instructions are set up for our electronic interface;
- that the electronic interface was tested as to its operations and its technical and functional compliance, in accordance with Article 15 of these Instructions;
- that we have a »kill« functionality policy in place; and
- that in the event of an upgrade of our information system or upgrade of the Exchange's trading system, we will test the operations of the electronic interface again.

6	7	8	9	10	11	SIGNATURE OF MEMBER'S RESPONSIBLE PERSON	
USER - ID							

**All changes have to be communicated to the Ljubljana Stock Exchange without delay!**

### 1. MANDATORY COMPLETION, if you have an activated trader supervisor:

The above listed user ID was entered / deleted (**circle**) from the Xetra T7<sup>®</sup> trading system by trader supervisor and we ask the Exchange to appropriately activate / deactivate it.



**2. MANDATORY COMPLETION, if you do not have an activated trader supervisor:**

We hereby authorise the Exchange to enter /delete (**CIRCLE**) from the Xetra T7® trading system the above listed user ID and we ask the Exchange to appropriately activate / deactivate it. In case of entry of user ID, **MARKING** of non-default rights to be assigned to the user ID(s) by the Exchange is **MANDATORY**:

<b>User level (default setting)</b>	
<b>Head trader/user</b>	Can monitor, change, delete his/her orders and orders of member firm's other users
<b>Securities Groups (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Block trading (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Accounts (označite:)</b>	
<input type="checkbox"/> <b>A</b>	Agent account
<input type="checkbox"/> <b>P</b>	Proprietary account
<input type="checkbox"/> <b>M</b>	Liquidity provider account
<b>Maximum order value (complete):</b>	
<b>Maximum order quantity (complete):</b>	

**Date as of which this form becomes valid:** \_\_\_\_\_

Place, date

Signature of member's responsible person

EFFECTIVE UNTIL TERMINATED





## INFORMATION USER APPOINTMENT / CHANGE / CANCELLATION (Form 06/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To

**Member**  
(name and address)

Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

\_\_\_\_\_

\_\_\_\_\_

<input type="checkbox"/> Appointment Activation	/	<input type="checkbox"/> Change	<input type="checkbox"/> Cancellation	<b>Xetra T7® Member-ID:</b>	1	2	3	4	5
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6 7 8 9 10 11

TRADING STATION	USER ID	NAME (BLOCK CAPITALS)		
<input type="checkbox"/> Trader GUI				
<input type="checkbox"/> CEE Trader				
E-MAIL		TELEPHONE		FAX

TRADING STATION	USER ID	NAME (BLOCK CAPITALS)		
<input type="checkbox"/> Trader GUI				
<input type="checkbox"/> CEE Trader				
E-MAIL		TELEPHONE		FAX

TRADING STATION	USER ID	NAME (BLOCK CAPITALS)		
<input type="checkbox"/> Trader GUI				
<input type="checkbox"/> CEE Trader				
E-MAIL		TELEPHONE		FAX

**All changes have to be communicated to the Ljubljana Stock Exchange without delay!**

### 1. MANDATORY COMPLETION, if you have an activated trader supervisor:

The above listed user ID (s) was (were) entered / changed / deleted (**circle**) from the Xetra T7® trading system by trader supervisor.



**2. MANDATORY COMPLETION, if you do not have an activated trader supervisor:**

We hereby authorise the Exchange to enter /change / delete (**CIRCLE**) from the Xetra T7<sup>®</sup> trading system the above listed user ID(s).

**Date as of which this form becomes valid:** \_\_\_\_\_

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**Place, date**

**Signature of member's responsible person**

EFFECTIVE UNTIL TERMINATED



## ACTIVATION / DEACTIVATION OF DIRECT ELECTRONIC ACCESS FOR CLIENTS (Form 07/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To **Member**  
(name and address)

Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

\_\_\_\_\_

\_\_\_\_\_

<input type="checkbox"/> Appointment / Activation	<input type="checkbox"/> Cancellation / Deactivation	<b>Xetra T7<sup>®</sup></b> <b>Member ID:</b>	1	2	3	4	5
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<p><b>Appointment / Activation</b></p> <p>We hereby submit an application for the approval of direct electronic access to trading system Xetra T7<sup>®</sup> for our client (connection to all Ljubljana Stock Exchange markets):</p> <ul style="list-style-type: none"> <li>electronic interface to manage orders,</li> <li>electronic interface to receive market data.</li> </ul> <p>Direct electronic access for our client to Xetra T7<sup>®</sup> for all Ljubljana Stock Exchange markets will be established via:</p> <ul style="list-style-type: none"> <li>CEESEG FIX,</li> <li>ETS,</li> <li>other _____.</li> </ul>	<p><b>Cancellation / Deactivation</b></p> <p>We hereby submit an application for the direct electronic access for our client to trading system Xetra T7<sup>®</sup> to be terminated (termination of connection to all Ljubljana Stock Exchange markets).</p>
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With this application for the activation of direct electronic access for our client we assume full responsibility to abide by the legislation, the Exchange Rules and Instructions, and we ensure:

- that all control mechanisms defined by the Rules and Instructions are set up for our electronic interface;
- that the electronic interface was tested as to its operations and its technical and functional compliance, in accordance with Article 15 of these Instructions;
- that we have a »kill« functionality policy in place;
- that in the event of an upgrade of our information system or an upgrade of the Exchange's trading system, we will test the operations of the electronic interface again, in accordance with Rules and Instructions;
- that we will, in accordance with Article 12 (1) of these Instructions, apply great scrutiny in treating the respective client with direct electronic access, that we will implement the relevant controls, and that the respective client meets the minimum standards and criteria of eligibility;
- that we have set up procedures and internal controls for providing direct electronic access to our client;
- that we remain fully responsible for orders and trading via direct electronic access of our client to Ljubljana Stock Exchange markets;
- that we have set up a procedure for deleting client orders in the event of inappropriate order management via direct electronic access.

6   7   8   9   10   11	
USER - ID	SIGNATURE OF MEMBER'S RESPONSIBLE PERSON

**All changes have to be communicated to the Ljubljana Stock Exchange without delay!**



**1. MANDATORY COMPLETION, if you have an activated trader supervisor:**

The above listed user ID was entered / deleted (**circle**) from the Xetra T7® trading system by trader supervisor and we ask the Exchange to appropriately activate / deactivate it.

**2. MANDATORY COMPLETION, if you do not have an activated trader supervisor:**

We hereby authorise the Exchange to enter /delete (**CIRCLE**) from the Xetra T7® trading system the above listed user ID and we ask the Exchange to appropriately activate / deactivate it. In case of entry of user ID, **MARKING** of non-default rights to be assigned to the user ID(s) by the Exchange is **MANDATORY**:

<b>User level (default setting)</b>	
<b>Head trader/user</b>	Can monitor, change, delete his/her orders and orders of member firm's other users
<b>Securities Groups (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Block trading (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Accounts (označite:)</b>	
<input type="checkbox"/> <b>A</b>	Agent account
<input type="checkbox"/> <b>P</b>	Proprietary account
<input type="checkbox"/> <b>M</b>	Liquidity provider account
<b>Maximum order value (complete):</b>	
<b>Maximum order quantity (complete):</b>	

**Date as of which this form becomes valid:** \_\_\_\_\_

**Place, date**  
EFFECTIVE UNTIL TERMINATED

**Signature of member's responsible person**



## ACTIVATION / DEACTIVATION OF AN ALGO FUNCTIONALITY (Form 08/MT)

Please note that we can only accept duly completed and legible forms with the signature of the responsible person.

To **Member**  
(name and address)

Ljubljana Stock Exchange  
Slovenska cesta 56  
1000 Ljubljana  
Slovenia

\_\_\_\_\_

\_\_\_\_\_

<input type="checkbox"/> Appointment/Activation	<input type="checkbox"/> Cancellation/Deactivation	<b>Xetra T7<sup>®</sup></b> <b>Member ID:</b>	1	2	3	4	5
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<p><b>Appointment / Activation</b></p> <p>We hereby submit an application for permission of using an ALGO functionality in trading system Xetra T7<sup>®</sup> (connection to all Ljubljana Stock Exchange markets):</p> <ul style="list-style-type: none"> <li>• to manage orders,</li> <li>• for high-frequency trading,</li> <li>• to receive market data.</li> </ul> <p>ALGO functionality in Xetra T7<sup>®</sup> for all Ljubljana Stock Exchange markets will be established via:</p> <ul style="list-style-type: none"> <li>• CEESEG FIX,</li> <li>• ETS,</li> <li>• other _____.</li> </ul>	<p><b>Cancellation / Deactivation</b></p> <p>We hereby submit an application for the deactivation of an ALGO functionality on all Ljubljana Stock Exchange markets .</p>
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**Data about ALGO functionality**

ALGO functionality ID \_\_\_\_\_

ALGO functionality name \_\_\_\_\_

Responsible person \_\_\_\_\_

ALGO functionality trading strategy \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

With this application for the use of an ALGO functionality we assume full responsibility to abide by the legislation, the Exchange Rules and Instructions in respect of algorithmic trading, and we confirm our operations are adequately organised. We also ensure:

- that algorithmic trading was tested as to its operations and its technical and functional compliance with the Exchange trading system, in accordance with Article 79 of the Rules;
- that we have a »kill« functionality policy in place;
- that in the event of an upgrade of an ALGO functionality and in the event of an upgrade of the Exchange's trading system, we will test the operations of an ALGO functionality again in the simulation environment of the trading system;
- that in the event of a major change to our trading strategy, or a major update of the ALGO functionality programming code, or major changes to the trading system, we will test the ALGO functionality technical and functional compliance again and reapply for its activation.



6 7 8 9 10 11

USER - ID						SIGNATURE OF MEMBER'S RESPONSIBLE PERSON

All changes have to be communicated to the Ljubljana Stock Exchange without delay!

**1. MANDATORY COMPLETION, if you have an activated trader supervisor:**

The above listed user ID was entered / deleted (**circle**) from the Xetra T7<sup>®</sup> trading system by trader supervisor and we ask the Exchange to appropriately activate / deactivate it.

**2. MANDATORY COMPLETION, if you do not have an activated trader supervisor:**

We hereby authorise the Exchange to enter /delete (**CIRCLE**) from the Xetra T7<sup>®</sup> trading system the above listed user ID and we ask the Exchange to appropriately activate / deactivate it. In case of entry of user ID, **MARKING** of non-default rights to be assigned to the user ID(s) by the Exchange is **MANDATORY**:

<b>User level (default setting)</b>	
<b>Head trader/user</b>	Can monitor, change, delete his/her orders and orders of member firm's other users
<b>Securities Groups (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Block trading (default setting)</b>	
<b>Trading with securities from all groups is allowed</b>	
<b>Accounts (označite:)</b>	
<input type="checkbox"/> <b>A</b>	Agent account
<input type="checkbox"/> <b>P</b>	Proprietary account
<input type="checkbox"/> <b>M</b>	Liquidity provider account
<b>Maximum order value (complete):</b>	
<b>Maximum order quantity (complete):</b>	

Date as of which this form becomes valid: \_\_\_\_\_

Place, date

Signature of member's responsible person

EFFECTIVE UNTIL TERMINATED



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**DUE DILIGENCE QUESTIONNAIRE FOR EXISTING AND NEW MEMBER FIRMS OF THE LJUBLJANA STOCK EXCHANGE FOR PURPOSES OF ARTICLE 7 OF COMMISSION DELEGATED REGULATION (EU) 2017/584 (FORM 09/MT)**

**Information on member firm**

Firm:

LEI Code:

**Company Status / Legal Form (please mark). We hereby confirm that we are registered as:**

- Investment Firm
- credit institution
- Non-MiFID EEA Firm
- Non-EEA Firm

**Clearing relation (please mark):**

- clearing member
- non-clearing member

**Member ID:**

**Company Address**

Registered office and address:

Phone:

Fax:

Mail:

**Contact information (please enter first and last names, job title, phone and e-mail):**

Compliance Manager:

Head of Trading:

**DUE DILIGENCE QUESTIONNAIRE**

**1. Pre-trade controls**

In accordance with Article 15 of Commission Delegated Regulation (EU) 2017/589, member firms are obliged to use pre-trade controls.

Do you use pre-trade controls?

YES

NO



If yes, please specify which ones:

- price collars, which automatically block or cancel orders that do not meet set price parameters

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- maximum Order Values, which prevent orders with an uncommonly large order value from entering the order book

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- maximum Order Volumes, which prevent orders with an uncommonly large order size from entering the order book

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- maximum messages limits, which prevent sending an excessive number of messages to order books pertaining to the submission, modification or cancellation of an order.

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## 2. Post-trade controls

In accordance with Article 17 of Commission Delegated Regulation (EU) 2017/589, member firms are obliged to use post-trade controls.

Do you use post-trade controls?  YES  NO

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If yes, please describe them in detail:

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## 3. Algorithmic trading

Do you have algorithmic trading in place?  YES  NO

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If you have algorithmic trading in place, also answer the following questions:

### 3.1. Qualification of Staff

In accordance with Article 3 of Commission Delegated Regulation (EU) 2017/589, member firms are required to employ a sufficient number of staff with the necessary skills to manage their algorithmic trading systems and trading algorithms.

Please confirm that you employ a sufficient number of staff in accordance with Article 3 of Commission Delegated Regulation (EU) 2017/589  YES  NO

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### 3.2. Conformance testing

In accordance with Article 6 of Commission Delegated Regulation (EU) 2017/589, member firms are required to test the conformance of its algorithmic trading systems and trading algorithms.





Please confirm that technical and functional conformance testing according to the applicable rules is done on a regular basis as necessary according to Article 6 (1) of Commission Delegated Regulation (EU) 2017/589:  YES  NO

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Please indicate which person(s) shall be authorized by you to confirm the performance of conformance tests as required from time to time (please note that only Conformance Test Readiness Statements signed by the person(s) mentioned herein shall be accepted):

**Conformance test contacts (please enter first and last names, job title, phone and e-mail):**

Authorised person 1

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Authorised person 2

---

Authorised person 3

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**3.3. Kill functionality**

In accordance with Article 12 of Commission Delegated Regulation (EU) 2017/589, member firms are obliged to have available a Kill Functionality.

Please confirm that you can use at any time a Kill Functionality in order to cancel unexecuted orders according to Article 12 of Commission Delegated Regulation (EU) 2017/589 and that there is in place a policy for the use of the Kill Functionality:  YES  NO

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**4. Direct Market Access (DMA) and Order Routing Systems (ORS)**

Please indicate whether you provide DMA<sup>1</sup> as defined in Article 4 (1) No. 41 MiFID II and Article of 20 Commission Delegated Regulation (EU) 2017/565:  YES  NO

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If you provide DMA, also answer the following questions:

4.1. Please confirm compliance with the provisions of the Ljubljana Stock Exchange Rules and Article 22 of Commission Delegated Regulation (EU) 2017/589 in the provision of the direct market access:  YES  NO

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4.2. Which systems and processes are in place to monitor, filter and control the orders and trades of your DMA customers and which criteria are applied for this purpose?

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<sup>1</sup> **Direct Market Access** means an arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue when that person uses the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders. A person shall be considered not capable of electronically transmitting orders relating to a financial instrument directly to a trading venue: where that person cannot exercise discretion regarding the exact fraction of a second of order entry and the lifetime of the order within that timeframe, or where such direct electronic order transmission takes place through arrangements for optimisation of order execution processes that determine the parameters of the order other than the venue or venues where the order should be submitted, unless these arrangements are embedded into the clients' systems and not into those of the member or participant of a regulated market or of an MTF or a client of an OTF.



4.3. Please describe your due diligence process of DMA customers serviced with focus on initial process and ongoing measures:

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4.4. Please describe mechanisms which are in place to support the orderly provision of flow to the exchange (e.g. stop button, prevention of fictitious trades, detection of market manipulation) and how do they affect the order flow?

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4.5. Please indicate whether you provide Order Routing System (Order Routing System – ORS):  YES  NO

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## 5. Reporting according to Article 26 of MiFIR

Please indicate whether you are under the obligation to report transactions according to Article 26 (1) of MiFIR:  YES  NO<sup>2</sup>

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## 6. Alignment of business clocks in accordance with Article 378 of ZTFI-1 and Commission Delegated Regulation (EU) 2017/574.

Please indicate whether your business clocks in your backoffice systems which record time and date used to report individual events and facts in accordance with the relevant regulations are in line with the trading system business clocks:  YES  NO

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## 7. Compliance with the provisions of ZTFI-1 or ZBan-2, which apply for the member firms

We hereby declare that we are aware of the provisions of ZTFI-1 and ABan-2 applicable to member member firms and conform that:

- there are no facts that questions the required reliability of the member firm for participation in exchange trading;
- there are no circumstances that restrict the capacity of the member firm to carry on business transactions, especially due to insolvency; this also applies in the case of any similar circumstances outside the country;

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<sup>2</sup> We are subject to Article 26 (5) of MiFIR.



- the member firm or one of its officers has not be sentenced by a court of law due to a criminal act or sentenced outside the country for a criminal act that may be deemed equivalent under these provisions;
- there are no facts that may be detrimental to the reputation, orderly trading or fairness of trading on domestic markets.

YES  NO

We hereby confirm that the provisions of ZTFI-1 are met and complied with as of the date of record for all persons admitted as exchange traders of the member firm. We hereby explicitly confirm that concerning the persons named as exchange traders:

- no facts are known that might indicate that the Applicant is not as reliable as is required to be able to take part in trading on the exchange;
- there are no circumstances that restrict their capacity to carry on business transactions, especially due to insolvency; this also applies in the case of any similar circumstances that may apply outside the country;
- they have not be sentenced by a court of law due to a criminal act or sentenced outside the country for a criminal act that may be deemed equivalent under these provisions
- there are no facts that may be detrimental to the reputation, orderly trading or fairness of trading on domestic markets.

YES  NO

We hereby acknowledge that we must immediately report to the Exchange any circumstances that may render the assurances given above as no longer being in accordance with the facts and provide evidence of said report, especially any pending as well as final legal proceedings before courts and administrative authorities against us and/or against our officers, legal representatives and exchange traders. The Exchange shall retain the right to review at any time compliance with the requirements for admission as an exchange member itself and to request the corresponding information of the exchange member.

YES  NO

We hereby acknowledge and agree that when operation on the Exchange's organised market and SI ENTER we are bound by the provisions of the Exchange's acts and other rules of national and European legislation.

YES  NO

By returning this Questionnaire we confirm that all information and statements herein have been made correctly and completely.

<i>(place, date)</i>	Legally binding signature(s) of <b>member firm</b> (with printed name(s) and corporate seal)
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Please return the scanned completed questionnaire to the following mail: [upravljanje-trgov@ljse.si](mailto:upravljanje-trgov@ljse.si) or to the following address: Ljubljana Stock Exchange Inc., Slovenska cesta 56, 1000 Ljubljana, Slovenia.