

**REQUIREMENTS AND PROCEDURES APPLICABLE TO THE LISTING AND  
DELISTING OF MARKETABLE SECURITIES ON THE LATIN AMERICAN SECURITIES  
MARKET**

**(CONSOLIDATED TEXT)**

The Rule Book of the Latin American Securities Market covers the general rules regarding the incorporation and exclusion of negotiable securities and financial instruments in the market referred to. However, it is necessary to specify these provisions and define the documentation required for this incorporation and exclusion, and design the procedure to be followed to this effect.

The Board of Directors of Bolsas y Mercados Españoles, Sistemas de Negociación, S.A., has approved this Circular which contains the special standards and procedures applicable to the incorporation and exclusion of negotiable securities in the Latin American Securities Market.

**One. Scope of application**

This Circular details the requirements, documentation and procedures applicable for incorporating and excluding, from the Market of Latin American Securities, shares, bonds or other negotiable securities of fixed or variable income and financial instruments related or referring to Latin American negotiable securities.

**Two. Requirements for listing**

**1. Admission to trading on a Latin American Stock Exchange**

To be listed on the market the negotiable securities in question must be represented by book entries issued by entities registered in the Latin American countries and previously admitted for trading on a Latin American Stock Exchange, whose rules of operation meet criteria equivalent to those of the Spanish market, such rules being those relating to admission, trading, and supervision of the transactions as well as the receipt and distribution of information regarding issuers of securities admitted for trading.

Financial instruments linked to or referred to Latin American marketable securities that meet the standards indicated in the previous paragraph may also be listed on the Market, either through prior admission to trading on a Latin American Stock Exchange or through the admission to trading of the securities to which such instruments refer, although options, futures and other similar derivatives are excluded from listing.

## **2. Capitalisation**

The capitalisation of the entity issuing marketable securities must be higher than 300 million Euro over the time period established by the Committee of Coordination and Listings dealing with the economic sector, activity of the issuer and remaining relevant factors.

## **3. Registration of marketable securities**

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A.U. (hereinafter IBERCLEAR) must have established the necessary means to ensure that the balances appearing in the registration system applicable to the Market with reference to that marketable security have the appropriate correlation with the central depository or similar body in the country where the corresponding Exchange of origin is based.

To this end, the relevant agreements with the central depository or similar body or the agreements reached with the liaison entities that ensure the necessary connection between IBERCLEAR and the deposit and registration system existing in the country of origin of the marketable securities and financial instruments in question must be submitted to the Market.

In order to properly conduct financial or company transactions in which it is necessary to obtain instructions from the holders of securities or marketable financial instruments that appear in the registration system applicable to the Market, making it possible to exercise their economic and political rights, the following rules shall be observed:

- a) In cases in which IBERCLEAR, by virtue of the agreements referred to in the previous paragraph, has an account opened in the central depository or similar entity of the country of origin of the securities or negotiable financial instruments, the issuer must appoint and advise IBERCLEAR of a participating entity in the registration system applicable to the Market that will assume the task of agent in the financial or company transactions following at all times the instructions and procedures provided by IBERCLEAR for this type of transactions.

The appointment of this participating entity can respond to one of the two following modalities:

- The issuer may appoint a participating entity to generally assume the role of agent in all its financial or corporate transactions. Such designation must be made upon initial registration of the negotiable security or financial instrument and may be modified at least one month prior to the date foreseen for the implementation of the next financial or corporate transaction affecting the security or negotiable instrument in question.
- The issuer may appoint, case by case, a participating entity to assume the task of agent with respect to a specific transaction as required. In this case, the appointment must take place with at least one month in advance of the proposed transaction.

In both cases the issuer must provide the Market with the pertinent agreements it must have signed with the participating entity appointed as agent.

At the initial moment of registration of the security or negotiable financial instrument the issuer must indicate the solution it will apply regarding the appointment of the participating entity it being understood that, if nothing is said, it chooses the second.

- b) In cases where the securities or negotiable financial instruments access the Market through the scheme of a linking entity it will be that entity that must guarantee the exercise of the economic and political rights of the holders regarding each transaction.

#### **4. Information on the issuer**

The entry of certain negotiable securities into the Market will require the submission of the relevant information that the respective issuing entities have made available and distributed in the Stock Exchange of origin where their securities are admitted for negotiation, as well as the acquisitions and losses of any significant participation.

To this end, the Market shall ensure that such information that the respective issuers have provided and disclosed on the Stock Exchange of origin is immediately available on the Market or is accessible through the Market's media.

For this purpose it may enter into, with the corresponding Securities Market of origin, the agreement necessary to coordinate their respective supervisory mechanisms and to guarantee this system for the disclosure of information (hereinafter "the Coordination Agreement") or use other systems that ensure that the Market will have the information set out in this article. These alternative means may be:

- a) Submission through a linking entity or failing this an authorised identity.
- b) Submission by the Member of the Market that promotes the entry of the negotiable securities in question.
- c) Submission by the issuing entity.
- d) Other means considered convenient.

The Coordination Agreements or the mentioned alternative means shall be notified to the National Commission of the Securities Market (CNMV).

#### **Three. Application and presentation of the documentation**

The incorporation of negotiable securities can be promoted by the issuer or any Member of the Market in writing addressed to the Board of Directors signed by the person with sufficient authority to do so, attaching the documentation outlined below:

1. All the information relevant to the negotiable securities whose incorporation is sought.
2. The corresponding Prospectus registered in the National Commission of the Securities Market in the case that the issuer has made a public offer of sale or subscription of securities in Spain.

3. The documentation referred to in paragraph two numbers 3 and 4 of this Circular.

The documentation referred to in points 1 and 3 of this paragraph shall be sent to the National Commission of the Securities Market.

#### **Four. Processing**

Once the application is received it will be transmitted to the Committee of Coordination and Incorporations that will prepare a report of evaluation on whether the negotiable securities whose incorporation is being requested meet the criterion of selection established, as well as the means that guarantee that all the information that the respective issuing entity disseminates in the Stock Exchange of origin where the negotiable securities are admitted for negotiation will be made immediately available to the Market.

The Securities Admission and Coordination Committee will refer the assessment report and any proposed admission to the Board of Directors.

#### **Five. Admission**

The Board of Directors as the case may be will grant the incorporation of the negotiable securities for negotiation in the Latin American Securities Market.

The agreements of incorporation together with all the relevant information concerning the securities incorporated, the issuers of said securities, and the system of registration established will be maintained in the corresponding public registry and be made available to the interested parties.

The agreements of incorporation of the negotiable securities into the Market will be published in the Market Bulletin and notified to the National Commission of the Securities Market according to the scheme provided for in the Rule Book of the Market.

#### **Six. Counterparty undertakings**

Voluntarily, the issuer or Member of the Market that requests the listing of a negotiable security may facilitate to the Market the counterparty commitments aimed at guaranteeing the liquidity of the securities in question.

These commitments as well as their modifications and termination shall be divulged in general and will be collected in a public registry.

#### **Seven. Delisting**

In accordance with Article 23 of the Market Rule Book, without prejudice to any decisions made in this regard by the CNMV, marketable securities may be removed from trading in the market when a reasoned decision is made to do so by the Board of Directors under the following conditions:

1. Serious and repeated breach of the issuer's obligations, especially with regard to the reporting and disclosure of information. Such breach may give rise to a prior written warning sent to the issuer for the purpose of obtaining the pertinent corrective measures.

2. Extended and stable alteration of the volumes and frequency of contracting and of the dissemination taken into consideration for their incorporation into the Market, and of those established in it.
3. Request of the entity that would have promoted the incorporation.
4. Resolution of the Coordination Agreement or of the alternative means established by the Market
5. Exclusion of negotiation of the negotiable securities incorporated into the Market in the markets regulated where they may be admitted for negotiation.

Agreements to exclude marketable securities will be announced as soon as possible, and will specify the position of the marketable securities in the corresponding Securities Market of origin. In the cases where there are counterparty commitments in force, these must be accompanied by a specific announcement about the conditions that the relevant entities will offer to the holders of the marketable securities in question.

The issuing entities must observe the following obligations:

- a) The issuing entities that request the exclusion of negotiation must justify the adoption of the exclusion agreement.
- b) Issuers or Members of the Market who had requested the listing of the securities will be obliged to accept the exclusion decisions taken by the Market.
- c) They will also be required to pay the exclusion from trading fees set out in the fee schedule, even after ceasing, for any reason, to be an issuer of the Market.

#### **Eight. Implementation of administrative and technical procedures**

At the proposal of different Services of this Market its Board of Directors will implement the necessary administrative and technical procedures for the adequate development of the regulations established by this Circular.

#### **Nine.- Admission and delisting promoted by a market member**

In the cases of admission or exclusion of marketable securities on the Latin American Securities Market promoted by a Market member, this must comply with the same obligations established for the issuer. Therefore, all references made in this Circular to the issuer of the security shall be understood to be made to the Market Member requesting the admission or exclusion of a security on the Latin American Securities Market, in accordance with article 16 of the Market Rule Book.

#### **Ten. Application date**

This Circular will apply from 1 August 2018, when it will replace and supersede Circulars

1/2016 of 5 February and 1/2017 of 11 April.

Madrid, 24 July 2018

THE SECRETARY

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