



MALTA STOCK EXCHANGE

CHAPTER 1 INTERPRETATION

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1.00 Powers of the Board of Directors

Power to make bye-laws

1.00.01 The Board of Directors [the Board] of the Malta Stock Exchange, in exercise of the powers conferred on it by the Financial Markets Act [Cap. 345 of the Laws of Malta] [hereinafter referred to as the Act] makes the following bye-laws.

1.01 Interpretation

Definitions

1.01.01 Words importing the singular number shall include the plural and vice versa where the context so permits. Words importing the masculine gender shall include the feminine and neuter genders.

1.01.02 The following terms have the meanings as defined below.

Accredited External Reviewer	<p>An accredited external reviewer is an assessment and certification institution that meets the following conditions in line with the ICMA Guidelines for Green Bonds External Reviews:</p> <ul style="list-style-type: none"> ▶ It has established an organizational structure, workflow, technical methods, fee rates, quality control, occupational liability insurance, and other relevant rules necessary for conducting the green bond assessment and certification business; ▶ It has the qualifications for practice in the rating, certification, attestation, energy, climate, or environment field granted by competent authorities;
Accredited External Reviewer (cont.)	

	<ul style="list-style-type: none"> ▶ It has corresponding professionals in the accounting, auditing, finance, energy, climate, or environment field; ▶ It has committed no violation of laws and regulations and maintained a spotless record of integrity in the last three years or since its formation.
Accrued interest	The amount of interest accumulated in respect of an interest-bearing financial instrument from the last payment up to settlement day.
Admissible to listing	Admissible to listing in accordance with the provisions of Article 12(2) of the Act and "Admissibility to Listing" shall be construed accordingly.
Admission	Admission to listing or admission to listing and trading on the Exchange in accordance with the provisions of Article 12(2) of the Act and "Admitted to Listing and Trading" or "Admit to Listing" shall be construed accordingly.
Approved Payment System	A securities settlement system operated by the Exchange and duly approved by the Central Bank pursuant to Article 36 of the Central Bank of Malta Act [Cap. 204 of the Laws of Malta].
Auction	Specific phases during a trading session leading to, where possible, price formation in accordance

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	with the parameters set out in these Bye-laws.	Business hours of the Exchange	Operating hours on each business day or any other times as specified as such by the Exchange.
Auditor	A person holding a practicing certificate to practice in the field of auditing or an auditing or an audit firm as defined by the Accountancy Profession Act [Cap. 281 of the Laws of Malta] and having experience in auditing listed and/or regulated entities.	Buyer's right of forward transmission	The acquisition by the buyer in a transaction until final settlement of the forward delivery of the relevant transacted financial instruments only if he discharges his payment obligations.
Audit Committee	The Committee set up by the Board under the Chairmanship of a designated member of the Board.	CBM Directive No. 2	Directive No. 2 issued by the Central Bank of Malta under the Central Bank of Malta Act [Cap. 204 of the Laws of Malta] in respect of Payment and Securities Settlement Systems.
Authorised intermediary	An investment firm authorised by the competent authority or by a foreign authority to provide services referred to in the Directive.	Chairman	The Chairman of the Exchange.
Best market	The current highest bid and the lowest offer in a specific security.	Central Bank	Central Bank of Malta established by virtue of the Central Bank of Malta Act [Cap. 204 of the Laws of Malta].
Books close date/record date	The day on which the register is closed.	Central Securities Depository / CSD	The Central Securities Depository operated by the Exchange to carry out those functions as established in terms of the Act.
Booking	In the context of sell orders, the expression of interest in a volume of financial instruments to be sold.	Chief Executive Officer	Chief Executive Officer of the Exchange.
Bid	An order by a Member to buy financial instruments.	Class	Financial instruments the rights attaching to which are, or will be, identical and which form a single issue or series.
Board of Directors / Board	The Board of Directors of the Exchange.	Client contracts note	The record of the details of an executed trade, its total value and all relevant charges.
Business day	Any day which is not a Saturday, Sunday or a Public Holiday.	Competent Authority	The person or body appointed by the Minister

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	of Finance, the Economy and Investment to carry out the functions of a competent authority.	Deal / match / trade	A bid and an offer which have been either wholly or partially executed and satisfied.
Compliance & Market Operations Office	The Office within the Exchange responsible for market monitoring and regulatory reporting.	Dedicated Cash Account /DCA	Account required for T2S Clearing Participants for the purposes of cash settlement.
Compliance Officer	The person appointed by the Issuer, who shall be responsible to provide the Exchange with any information or explanation that the Exchange may reasonably require for the purpose of verifying whether the Bye-laws are being or have been complied with or which relate to the integrity or orderly operation of the Exchange’s markets for financial instruments.	Default	In the context of clearing and settlement, default means the failure of a Member to satisfy his obligations towards his client/s by failing to ensure the availability of financial instruments or cash on settlement day within the stipulated time-frames.
Continuous trading	Means a trading phase which starts at the end of the Opening Auction and ends before the closing auction. At this stage orders may be placed, deleted or amended and possible trades executed according to the execution priority as set out in these Bye-laws. This stage may be interrupted by one or more intraday auctions due to extended volatility interruptions.	Delivery-versus-payment	The delivery of financial instruments occurring only If payment occurs.
Cum	Placed immediately before a distribution or benefit implies inclusion of the distribution or benefit.	Depository receipt	A certificate or other record, whether or not in the form of a document which is issued by or on behalf of a person who holds any relevant financial instruments of a particular issuer or who holds evidence of the right to receive relevant financial instruments who has an interest in the relevant financial instruments of a particular company. Such certificate or other record evidences or acknowledges that another person is entitled to rights in relation to those financial instruments and shall include the right to receive the said financial instruments from the person holding or having an interest in the same financial instruments. Relevant financial instruments means shares, debt securities or warrants.
Cut-off time	The time set in accordance with any relevant clearing and settlement rules by which all relevant conditions must be satisfied in order or the settlement of a transaction to occur.		

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Directive	Council Directive 2004/39/EC of the 21 April 2004 on markets in financial instruments as amended from time to time including any implementing measures that may be issued thereunder.	Exchange Floor	The room, area, and/or any other facilities from time to time designated or made available by the Exchange for effecting trades and other transactions between Members during trading sessions of the Exchange.
Directly Connected Party /DCP	A Participant in T2S directly connected to the platform.	Exchange Notice	A notice issued in terms of these Bye-laws.
Dynamic Price Range	Means the maximum percentage deviation, symmetrically above and below from the security's reference price. The reference price for dynamic volatility range purposes is the last traded price for the security determined in continuous trading or in an auction. The reference price is readjusted each time a new price is determined which is different from the previous trade price.	Executing Bank	The bank in which a participant of any relevant clearing and settlement system has opened the relevant settlement account for the withdrawal/deposit of settlement funds.
EU Code of Conduct on Clearing and Settlement	Pan-EU Code of Conduct regarding clearing and settlement operations and procedures to which the Exchange is a signatory.	Execution priority	The parameters in accordance with which orders are executed during continuous trading.
Earmarking	Means an expression of a selling/transferring interest made by a Member on behalf of a client in an available securities balance held in the client's account at the CSD in relation to a sell order received by the member and to be executed on the market on behalf of the client.	Executive Committee	The Committee established by the Board under the Chairmanship of the Chief Executive Officer.
Ex	A deal which is exclusive of distribution or benefits.	Extended Volatility Interruption	Means an event which may arise if the movement in the price of an order book security is outside allowable price volatility ranges applicable to order book equity securities established by the Exchange.
Exchange	The Malta Stock Exchange.	Financial Intelligence Analysis Unit / FIAU	The Financial Intelligence Analysis Unit or any other person or body appointed in terms of the Prevention of Money Laundering Act responsible for the collection, collation, processing, analysis and dissemination of information with a view to preventing, detecting and effectively combating money laundering and funding of terrorism.

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Financial Markets Act / FMA /The Act	The Financial Markets Act [Cap. 345 of the Laws of Malta].		and/or supplemented from time to time.
Financial Market Rules	The Rules applicable to regulated markets issued in terms of the Act.	Indirectly Connected Party /ICP	A Participant in T2S connected to the platform via the CSD.
Free of Payment	Transactions which are included in the OTC Reporting System.	Insolvency proceedings	For the purposes of MaltaClear transactions pursuant to CBM Directive No. 2 means any collective measure provided for by applicable law in Malta or in any other country either to wind up the participant or to re-organise it where such measure involves the suspension of, or imposition of limits on transfers or payment.
Green Bonds	Green Bonds are debt instruments the proceeds of which will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects.	IPO	Initial Public Offering.
Green Bond Principles	The guidelines on the recommended transparency and disclosures necessary to promote integrity in the development of the Green Bond market as issued by ICMA and as they may be amended from time to time and as also defined on the ICMA website https://www.icmagroup.org/ .	ISIN Code	International Securities Identification Code.
Green Project/s	Any project that falls under one or more of the categories outlined in bye-law 5.02.13.02 or, any other project which the Exchange considers to be eligible under the Green Bond Principles issued by the International Capital Markets Association (ICMA).	Issuer	Any company or other legal person or undertaking including a Public Sector Issuer, any class of whose financial instruments have been authorised as admissible to listing or is the subject of an application for admissibility.
IFSM Applicant	An applicant for Admission of Securities pursuant to the WSM Capital Markets Rules.	Listed company	A quoted company as defined by the Act.
Implementing Procedures	The implementing procedures issued by the FIAU, as may be amended	Listed financial instrument	A quoted financial instrument as defined in the Act.
		Listing Agent	Shall have the same meaning as assigned to it in the WSM Capital Markets Rules.
		MFSA	The Competent Authority appointed to perform the functions as set out in Article 11 of the Act.

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Listing Particulars / Equivalent Offering Document	Listing particulars, prospectuses, supplementary listing particulars or any other document issued in connection with any offering to the public for subscription to any financial instruments.	MSE Settlement Account	A settlement account opened by the Exchange at the Central Bank and/or any other bank to facilitate clearing and settlement procedures.
Capital Markets Rules	The rules issued by the MFSA in accordance with the provisions of the Act as may be amended from time to time but shall (for the avoidance of doubt) not include the WSM Capital Markets Rules.	Member	Any person admitted to Membership of the Exchange to access the trading infrastructure in terms of Chapter 3 of these Bye-laws.
MaltaClear	A settlement system operated by the Exchange for the purpose of clearing and settlement of relevant transactions.	Minimum Tradable Unit	The minimum permitted tradable amount or volume for each financial instrument or group of financial instruments as may be determined by the Exchange from time to time.
Market abuse	The prohibited use of inside information and the practice of market manipulation as provided for in the Prevention of Financial Markets Abuse Act, [Cap. 476 of the Laws of Malta].	Mistrade	A trade that is deemed by the Exchange to have been erroneous and may be cancelled in accordance with the relevant rules as laid down in these Bye-laws.
Market Maker	Any person authorised by the MSE to carry out market making activity in terms of Chapter 4 of the Bye-Laws.	Netting	For the purposes of MaltaClear transactions pursuant to CBM Directive No.2, netting is the conversion into one net claim or one net obligation of claims and obligations resulting from transfer orders which an authorised intermediary or authorised intermediaries either effect, or receive from, one or more other authorised intermediaries with the result that only a net claim can be demanded or a net obligation be owed.
Market Model Principles	Trading and related procedures as set out in Appendix 4.1 to these Bye-laws.	OTC Reporting System	The system used by the Exchange within the current trading infrastructure for the reporting of trades effected OTC.
Match/trade/deal	A bid and an offer which have been wholly or partially executed and satisfied.		
MSE Account No.	An account number generated by the Exchange, unique to each registered holder of financial instruments held within the CSD.		

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OTC transaction	A transaction which has been effected outside the market/s operated by the Exchange.	PMLFTR	The Prevention of Money Laundering and Funding of Terrorism Regulation [S.L 373.01 of the Laws of Malta]
Offer	An order to sell financial instruments traded on the Exchange.	Post-trading	A stage during the trading session following continuous trading where Members may enter orders but during which no matching takes place.
Officer of the Exchange	A Director, Chief Executive, Senior Executive, Company Secretary or any other person forming part of the governing body of the Exchange charged with the representation of the Exchange, or any other employee of the Exchange.	Pre-trading	A stage during the trading session prior to continuous trading where Members may enter, amend or delete orders but during which no matching takes place.
Official List	The list prepared and published by the Exchange indicating all financial instruments admitted to the Exchange.	Price List	A list containing information of the latest prices of financial instruments traded on the Exchange's market/s together with such other information as the Exchange may deem appropriate.
Operations Audit Office	The office within the Exchange performing internal compliance functions.	Property Rental Business	The business of owning or leasing immovable property whether residential or commercial for the purposes of renting out such immovable property to third parties and receiving rental income therefrom.
Order Log Book	A register maintained by each Member Firm containing details of each order received by the Member for execution which contains the information as outlined in the relevant bye-laws.	Recognized jurisdiction	Any state that is a member state of the EEA or any other state, country or territory that may be formally declared by directive of the MFSA.
Order	An instruction from a client to a Member to buy or sell financial instruments.	Recognized List	Any list prepared and published by any regulated market in accordance with the Bye-laws of such regulated market.
Order Book Security	Means a security that has been admitted to trading on the order book of the electronic trading system of the Exchange.		
PMLA	The Prevention of Money Laundering Act [Cap 373 of the Laws of Malta]		

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Regulated Market Recognition Requirements	The Regulated Markets [Authorisation Requirements] Regulations, 2007 by way of Legal Notice 333 of 2007 as amended.		identifies the financial instrument being traded.
Related company	Any body corporate which is a company's subsidiary, associated or holding company, or is the manager of or managed by or is advisor to or is advised by or otherwise controls or is controlled by the company, its holding company or a subsidiary or associate of that company.	Security Administrator	The person/s appointed by the Member Firm to administer on its behalf access to the trading system and to assign rights as appropriate to the traders authorised to deal on behalf of the Member.
Real Estate Investment Trust or REIT	A publicly traded company which complies with the conditions set out in bye-law 5.02.09, 5.02.10 and 5.02.11 and which has been recognised as eligible as a REIT by the Exchange.	Static Price Range	This is a static price range which defines the maximum percentage deviation of an additional reference price which generally corresponds to the last price determined in an auction on the current trading day. If this price is not available, the last traded price determined on one of the previous trading days is taken as the preference price.
Risk Management Committee	The Committee set up by the Board under the Chairmanship of a designated member of the Board.	Target2	The pan-Eurozone payment system operated by the European Central Bank.
Securities	Instruments as defined in the Investment Services Act [Cap. 370 of the Laws of Malta].	Target2 – Securities /T2S	The pan-European Security Settlement System operated by the Eurosystem.
Specified Accounting Period	The accounting period in which the Issuer satisfies bye-law 5.02.09	Tick Size	The step-by-step increase or decrease in price by which bids and offers may be raised or lowered.
Specified Debt	Any debt incurred by a REIT in respect of monies borrowed by or advanced to the REIT.	Trade / Deal / Match	A bid and an offer which have been wholly or partially executed and satisfied.
Sponsor	A sponsor appointed in terms of Chapter 2 of the Capital Markets Rules.	Trader	An individual nominated by the Member and authorised by the Exchange to carry on trading on the Exchange on behalf of the Member
Symbol	A set of alpha and/or numerical characters that		

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Trading session	The time period established by the Exchange during which orders may be entered into the trading system, amended or cancelled or executed.
Trading system	The facilities from time to time designated or made available by the Exchange for affecting trades and other transactions between Members during trading sessions of the Exchange.
Transfer Order	For the purposes of MaltaClear transactions pursuant to CBM Directive No. 2, a transfer order is a funds transfer order consisting of any instruction by an authorised intermediary on behalf of a buying client to place a the disposal of an authorised intermediary appointed by a selling client an amount of money by means of a credit into the accounts of a settlement executing bank, a central bank or any other settlement agent, or, as the case may be, a securities transfer order consisting of an instruction by an authorised intermediary on behalf of a client selling listed financial instruments, to transfer the title to transacted financial instruments by means of a debit book entry on the relevant register and/or financial instruments account held at the Central Securities Depository in favour of the buyer of the said financial instruments by a credit book entry into the said register and/or financial instruments account of the buyer.

Tribunal	The Financial Services Tribunal established in the terms of the Act.
Volatility Interruption	A market mechanism which limits trading within stipulated price ranges in applicable financial instruments in terms of procedures set out in these Bye-laws.
WSM Capital Markets Rules	The Rules issued by the MFSA in relation to the Admissibility to Listing on the IFSM as may be amended from time to time.
XETRA	The trading platform currently in use by the Exchange.