

OUTAGE PLAN

(Outage Plan)



VERSION HISTORY

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1. INTRODUCTION

On 26 September 2022, ESMA published a consultation paper (hereinafter ‘CP’) setting out ESMA’s expectations regarding how trading venues should communicate with market participants in the event of a disruption. The CP also considered that trading venues should make every effort to ensure the continuity of trading during normal trading hours and, more importantly, to ensure as far as possible that a disruption does not affect the closing auction or, if this cannot be avoided, to provide guidance on how trading venues should act to ensure that the market receives an official closing price.

Finally, on 24 May 2023, ESMA issued a final report¹ setting out ESMA’s views on market disruptions following the comments received from stakeholders on the CP. The opinion sets out ESMA’s expectations regarding how National Competent Authorities² should ensure that trading venues have adequate communication protocols in place, what measures should be taken to prevent a disruption from affecting the closing auction, and how trading venues should ensure that the market receives an official closing price.

The following considerations have been taken into account in the preparation of this Disruption Plan:

- the plan is not a substitute for the one arising from the application of the DORA Regulation, nor can it be replaced by it, as the Disruption Plan applies to any event causing a market disruption and not only to events associated with information and communication technologies (ICT factors);
- where the operator of a trading venue is an investment firm, it may form part of the business continuity plan but may under no circumstances replace it; and
- the report is primarily aimed at trading venues where orders are executed via a central order book (CLOB), and certain aspects do not apply to trading venues whose order-taking system is ‘voice-based’.

2. SCOPE OF APPLICATION

This plan applies to the three segments of the CIMD OTF trading venue and, more specifically, to the trading systems that each of them may implement in accordance with Article 12 of the CIMD OTF Regulation.

¹ ESMA70-156-6458. Final Report on market outages.

² In our case, the Spanish National Securities Market Commission (CNMV).

For the purposes of applying this Plan, interruptions resulting from the application of the temporary intraday volatility management mechanism for energy-related commodity derivatives (short-circuits) shall not be considered.

3. PRINCIPLES

CIMD, SV, S.A., as the operator of CIMD OTF, has developed this Outage Plan based on the following principles:

- Quality. Striving to offer the best service in the interests of Participants.
- Efficiency. Commitment to the efficient operation of CIMD OTF by providing the trading venue with the appropriate human and technical resources at all times.
- Transparency. To comply at all times with transparency standards for all users³ of CIMD OTF.

4. CRISIS MANAGEMENT PROCEDURE

4.1. IDENTIFICATION OF EVENTS THAT MAY LEAD TO AN INTERRUPTION

Taking into account the operational characteristics of CIMD OTF (various order reception systems, transmission of orders to the trading centre by trading centre staff, and the closing and recording of the transaction on the electronic platform), the following contingencies have been identified that may lead to the activation of the Plan.

- Failure of external communications: loss of network connections.
- Damage of any origin to the IT systems that prevents trading from proceeding correctly.
- General failure of the power supply systems, whether located within or outside our premises.
- Unexpected evacuation of the building housing the CIMD OTF facilities.

4.2. CRISIS MANAGEMENT

In the event of any incident affecting the activities carried out by CIMD OTF and limiting the trading capacity of its Participants, CIMD, SV, S.A. will apply the following procedure:

³ CIMD OTF members and market participants (the general public).

1. The Managing Director shall notify all affected Participants of the interruption to CIMD OTF or, where applicable, to the affected segment, via the website and, as far as possible, via the email addresses provided by them.
2. In the event of a failure in external communications, the head of the I&T department will contact the service providers to determine the causes and estimate the time required to restore communications.
3. In the event of IT system failures, the head of the I&T department will assign rectification tasks within their team and estimate the recovery time.
4. If failures occur in the application supporting the auctions, the head of I&T will contact the application provider to determine the causes and estimate the time required to restore communications.
5. Where the disruption is due to power failures or the evacuation of the premises, the Maintenance Manager shall determine the cause and estimate the time required to resolve the incident.

4.3. RESUMPTION OF ACTIVITY

Once the incidents caused by the events have been resolved, the Managing Director of CIMD OTF shall inform users (Participants and the general public) of the exact time of the reopening of the trading centre or, where applicable, of the affected segment, with no more than a 20-minute delay between the notification and the reopening.

5. INTERRUPTION STRATEGY

5.1. ORDER MANAGEMENT

In accordance with CIMD OTF's internal regulations, trading may take place, depending on the segment, via the following systems: "voice", "periodic auctions" or "hybrid". These systems are characterised by the manner in which orders may be transmitted and received. Thus, in the *Fixed Income* segment, orders (IOI)⁴ are "voice-based", except for periodic auctions, which are electronic; in the *Commodity Derivatives* segment, both "voice-based" and "electronic" orders are permitted; whilst in the *Other Derivatives* segment, orders are "voice-based".

Consequently, whilst electronic orders contain all the data necessary to execute a trade, "voice" orders are classified as IOI and there is no central limit order book (CLOB).

⁴ Important notes

In the event of an interruption in any segment of CIMD OTF, any active orders at that time will be cancelled and will not result in any execution.

Orders submitted by Participants during the interruption period will be rejected and, consequently, will not be processed.

5.2. RESUMPTION OF TRADING

Once the resumption of trading has been announced, if Participants remain interested in trading on the terms indicated in the orders prior to the interruption, they must resubmit the orders.

5.3. CLOSING AUCTION AND CLOSING PRICES

CIMD OTF does not conduct closing auctions or provide closing prices in any of its trading segments.

6. COMMUNICATIONS

For the purposes of communicating regarding any interruption falling within the scope of this Plan, the following procedure shall be followed:

1. CIMD OTF will notify all users (Participants and the general public) of any interruption; communication to Participants will be made, wherever possible, via email or telephone call. At the same time, a notice will be published on the CIMD, SV, SA website in the section dedicated to CIMD OTF.

Where possible, the nature of the disruption and the expected time of resumption will be indicated.

2. The communications to Participants referred to in point 1 above will include a dedicated contact line or person to whom Participants may direct questions and share information relating to the ongoing disruption.
3. The communications referred to in the preceding points will be made as soon as possible.
4. Information on the status of the interruption will be updated every 30 minutes, even if there are no new developments, and the time of the update will be indicated. The expected time of resumption will also be indicated.
5. As orders that were active at the time of the disruption are cancelled in their entirety, and as CIMD OTF does not have a central limit order book (CLOB), no information will be provided on the status of orders during the disruption.

6. If, exceptionally, changes to this Plan are necessary to address the disruption, CIMD OTF Participants will be informed, with an explanation of why such a deviation from this Plan is necessary.

7. APPROVAL AND UPDATES

This Plan was approved by the CIMD OTF Supervision Department, as the body responsible for the control and monitoring of the CIMD OTF trading venue, at its meeting on 11 July 2024.

This Plan will be reviewed whenever a significant change occurs at the trading venue and, in any event, every two years.