



Dowgate MTF Rulebook

Version 2019.10

1 DEFINITIONS

1.1 In this Rulebook the following terms shall be understood as having the given meaning:

Actionable Indication of Interest (IOIs)	A message from one Participant to another, communicated by voice via a Dowgate MTF Broker, in relation to an available trading interest that contains all the necessary information to agree on a trade.
Applicant	A firm applying to become a Participant in accordance with Rule 2.
Applicable Law	"Applicable Law" means all applicable laws, regulations, regulatory requirements (including any guidance, orders or other directions of a regulatory authority), market rules and / or market conventions any laws, all judgments, orders, instructions or awards of any court or competent authority and applicable to: (a) Dowgate MTF; or (b) a Participant as the case may be and in each case having regard to the context.
Business Day	In relation to anything done or to be done in accordance with the Rules, any day which is not a Saturday or Sunday, Christmas Day, New Year's Day, Good Friday or a bank holiday in England.
Change of Control	the occurrence of a change in the person or entity who: (a) directly or indirectly owns or Controls; or (b) is directly or indirectly owned or Controlled by; or (c) is in common ownership of Control, with the Participant.
Close To Price	Pre-trade bid and offer prices that are 'close to the price', that are required to be published in accordance with CDR 2017/587, Article 5(2)(a)-(c).
Control	holding more than 50% of the shares, or stock having the power to vote at a general meeting or equivalent; or by having the power to control the composition of the board of directors or the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person, whether through the ownership of stock, by contract or agency or otherwise.
COBS	The Conduct of Business Sourcebook within the FCA Rules
Dark User Book	A trading book that a Participant can submit Orders to, and to which resting orders are not visible to other Participants.
DMA	Direct Market Access as defined by MiFID II
Dowgate	A trading name of King & Shaxson Limited (Company Number: 869780 & FCA firm reference number: 179213) who is the operator of the MTF.
Dowgate MTF	The MTF provided and operated by Dowgate consisting of the electronic user books and voice broking services facilitating the trading of Tradeable Securities in accordance with the Rules.

Dowgate MTF Broker	An individual employed by Dowgate acting in the capacity as a voice broker within the Dowgate MTF.
Dowgate MTF Market Maker Agreement	An agreement that Dowgate MTF requires participants who are not Recognised Primary Dealers in a Tradeable Security to enter into.
EEA	The European Economic Area
ESMA	The European Securities and Markets Authority
Eligible Counterparty	A company that meets the criteria set out in COBS 3.6 of the FCA Rules.
Eligibility Criteria	The criteria set out in Rule 3 determining the eligibility of an Applicant to become a Participant of the Dowgate MTF.
FCA	The Financial Conduct Authority (which is recognised by the EU as the competent authority for the UK) or any other such successor regulator(s) as may be applicable from time to time.
FCA Rules	The rules of the FCA as stipulated from time to time.
GEMM	A company registered as a Gilt Edged Market Maker with the DMO (as listed on https://www.dmo.gov.uk/responsibilities/gilt-market/market-participants/)
Illiquid	A financial instrument or a class of financial instruments considered to be illiquid by ESMA from time to time
Insolvency Event	<ul style="list-style-type: none"> (a) The Participant stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due. (b) The Participants commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties). (c) A moratorium is declared in respect of any indebtedness of the Participant. (d) (d)Any action, proceedings, procedure or step is taken in relation to: <ul style="list-style-type: none"> (i) the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Participant; or

- (ii) the composition, compromise, assignment or arrangement with any creditor of the Participant; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Participant or any of its assets.
- (e) The value of the Participant's assets is less than its liabilities (taking into account contingent and prospective liabilities):
- (f) (f)Any event occurs in relation to the Participant that is analogous to those set out in (a) (e) (inclusive) in any jurisdiction.

Hybrid Protocol	The part of the Dowgate MTF which is combination of an interactive electronic screen and voice broking services and where Orders can interact with each other under the relevant sections of Rule 9.
KSAM	King & Shaxson Asset Management Limited, an affiliate of Dowgate (Company Number: 3870667 & FCA firm reference number: 823315)
Large in Scale (LIS)	An Order which, at the point of entry of the Order, or following any amendment to the Order, is equal to or larger than the 'threshold floor' or percentage set by EMSA in accordance with CDR 2017/587
LIS Order	An Order that is Large in Scale
Lit User Book	A trading book that a Participant can submit orders to that are visible to all Participants of the MTF (i.e. all Users, of Participants, can see the price and volume of orders submitted).
MAR	Regulation (EU) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)
Material Amendment	An amendment to the Rules which does not constitute a minor change of an administrative or commercial character
MiFID II	the European Parliament and Council Directive on markets in financial instruments (No. 2014/65/EU), as amended from time to time.
MiFID Firm	means a Participant which is an investment firm authorized under MIFID II or a credit institution authorized under CRD IV (including an EU branch of a non-EU investment firm or credit institution which is itself subject to the requirements of MIFID II);
MiFIR	EU Regulation No. 600/2014 on markets in financial instruments.
Minimum Size	The minimum size for each type of Tradeable Security as notified by Dowgate to the Participants from time to time

MTF	A multilateral trading facility as defined in Article 4(1)(22) of MiFID II.
Non-MiFID Firm	means a Participant which is not a MiFID Firm;
Operating Hours	The operating hours of the Dowgate MTF as set out in Rule 7.
Order	Any order to buy or sell a Tradeable Security submitted by a Participant to the Dowgate MTF in accordance with the Rules (including an Actionable Indication of Interest, where the context so requires).
Participant	An entity which has entered into a Participant Agreement and has been admitted as a Participant to the Dowgate MTF in accordance with the Rules.
Participant Agreement	The agreement governing participation in the Dowgate MTF as entered into by a Participant with Dowgate, as amended from time to time.
Participant Notice	A notice published or issued by or on behalf of Dowgate from time to time, which is displayed on the Participant Notice section of the Dowgate MTF website: https://transparency.dowgate.com/participantnotice.aspx (and may be e-mailed or copied to all Participants where it relates to a Material Amendment to the Rules).
Periodic Volume Match	A matching session lasting for an initial period of five minutes, but may be longer in periods of high activity that facilitates trading within the Period Volume Match Protocol.
Periodic Volume Match Protocol	The part of the Dowgate MTF where Orders can interact with each other within a Periodic Volume Match in accordance with the relevant sections of Rule 9.
Recognised Primary Dealer	<p>An entity that is recognised as a primary dealer by a public body (such as the UK's Debt Management Office or its equivalent in other jurisdictions) in the G20 and/or listed as a primary dealer on ESMA's list of Market Makers and Primary Dealers (which can be found here).</p> <p>Where there is any discrepancy between the public body's list and the ESMA list, the local public body list will take precedence (except in the event of a material error on the public body list)</p>
CDR 2017/587	EU Commission Delegated Regulation C(2016) 583
CDR 2017/590	EU Commission Delegated Regulation C(2016) 590
CDR 2017/580	EU Commission Delegated Regulation C(2016) 580
CDR 2017/574	EU Commission Delegated Regulation C(2016) 574
Rulebook	The Dowgate MTF Rulebook as amended from time to time

Rules	The rules set out in the Rulebook, Participant Agreement and any Participant Notice or related document, as Dowgate MTF requires Participants to enter into from time to time.
Size Specific to the Instrument	An Order that is equal to or larger than the greater of the ‘threshold floor’ or percentage set by ESMA from time to time pursuant to Article 5 of CDR 2017/587
SSTI	The Size Specific to the Instrument
Trade Building	The process set out in Rule 9.6
Tradeable Security	Those financial instruments admitted to trading on the Dowgate MTF in accordance with Rule 8.
Transaction	The sale or purchase of a Tradeable Security on the Dowgate MTF.
Transaction Reporting Fields	means, for Non-MiFID Firms, certain fields contained in the Annex to RTS 22 that Dowgate MTF may require to be submitted to the MTF for the purpose of enabling it to meet its transaction reporting obligations pursuant to Article 26(5) MIFIR.
User Book	The collective reference to the Lit User Book, the Dark User Book and the Volume Match Book (where applicable).
Users	An employee, officer or other individuals who is (a) authorised by the Participant to place, submit, withdraw or manage Orders on (or otherwise have trading access to) the Dowgate MTF on the Participant’s behalf; and (b) is notified to and accepted by Dowgate MTF as being a User.
Volume Match Book	A trading book that a user can submit orders to in order to take part in a Periodic Volume Match
Voice Broking Protocol	The part of the Dowgate MTF where Orders can interact with each other purely by voice in accordance with the relevant sections of Rule 9.

- 1.2 In this Rulebook words in the singular include the plural and in the plural include the singular. References to a person include a corporate or unincorporated body. References to one gender include the other gender. References to a law are to such law as it is in force for the time being and any amendment, extension, application or re-enactment thereof and includes any subordinate legislation for the time being in force made under it.

2 APPLYING TO BECOME A PARTICIPANT

- 2.1 An Applicant may apply to be a Participant of the Dowgate MTF at any time.
- 2.2 Participation is open to Applicants who meet the Eligibility Criteria and who:
- 2.2.1 understand and agree to be bound and abide by the Rules, the Participant Agreement, the Participant User Manual;
 - 2.2.2 meet the technical specifications and standards required by Dowgate from time to time; and
 - 2.2.3 provide any additional information as reasonably required by Dowgate for the purposes of considering whether to allow an Applicant to become a Participant.
- 2.3 Upon receipt of an application, Dowgate will assess the application against the Eligibility Criteria and will, in its absolute discretion, approve or reject the application;
- 2.4 Dowgate will notify an Applicant of its decision and, if approved, the date on which its participation shall become effective.

3 ELIGIBILITY CRITERIA

- 3.1 The Applicant must:
- 3.1.1 be an EEA regulated investment firm or credit institution, or be otherwise licenced and supervised by a financial market supervisory authority in its country of domicile, and be capable of being classified as an Eligible Counterparty as defined by the FCA Rules;
 - 3.1.2 have the legal and regulatory capacity to undertake trading in the Eligible Instruments on an MTF;
 - 3.1.3 be of sufficient good repute and not subject to any Insolvency Event;

- 3.1.4 satisfy Dowgate's compliance criteria (including, but not limited to KYC, anti-money laundering and sanctions checks);
- 3.1.5 satisfy Dowgate's credit and operational criteria meaning that:
 - 3.1.5.1 there is no material credit issue or similar that may prevent or limit the Applicant's ability to settle a trade undertaken on the Dowgate MTF; and
 - 3.1.5.2 the Applicant has, or will have prior to their participation taking effect, put in place the necessary arrangements to be able to settle trades undertaken on the Dowgate MTF.
- 3.1.6 either be:
 - 3.1.6.1 a Recognised Primary Dealer (for example, be a GEMM in relation to UK gilts), or an affiliated company thereof; or
 - 3.1.6.2 an entity that has entered into a Dowgate MTF Market Making Agreement.

4 PARTICIPANT CAPACITY AND RELATIONSHIP STATUS

- 4.1 Participants trade as principal and for their own account with regards to any transaction undertaken on the Dowgate MTF.
- 4.2 Dowgate has a relationship with and deals exclusively with the Participants. Dowgate does not have any relationship with any customer, client or non-Participant counterparty of any Participant.

5 PARTICIPANT USERS

- 5.1 The Participant shall notify Dowgate in writing of the names, email addresses and IP addresses of those individuals authorised by the Participant to be Users of the Dowgate MTF.
- 5.2 It is the Participant's sole responsibility to ensure that only Users place, submit, withdraw or manage Orders on or otherwise have trading access to the Dowgate MTF. A Participant should implement measures internally to ensure that only Users have trading access to the Dowgate MTF.
- 5.3 Orders placed or submitted on behalf of the Participant by persons who are not Users may be cancelled at Dowgate MTF's sole discretion. Likewise, any such Orders that have been executed may only be cancelled at Dowgate's sole discretion.

6 PARTICIPANT UNDERTAKINGS

- 6.1 Each Participant undertakes, as part of its obligations as a Participant, to comply with any rules, laws or regulations imposed by the FCA (or any other regulator) which have a material bearing on a Participant's suitability to remain a Participant and its standing and activity on or within the Dowgate MTF. This includes (but is not limited to) making appropriate arrangements for the reporting and settlement of any Transactions executed on the Dowgate MTF in accordance with Applicable Law, including entering into any technical specification or protocol Dowgate MTF requires for the Participant to have access to the Dowgate MTF.
- 6.2 Participants acknowledge and accept that they and their Users are among the most expert and sophisticated users of the financial markets, in particular, with regard to the Tradeable Securities traded on Dowgate MTF, and accordingly:
- 6.2.1 Participants and their Users have sufficient knowledge, experience, expertise and internal systems and controls to trade on Dowgate MTF and are able to inform themselves about the features, characteristics and terms and assess for themselves the value or price of any particular Eligible Security;
- 6.2.2 Participants and their Users are not relying on Dowgate MTF in any way as regards forming an investment judgment; and
- 6.2.3 Dowgate MTF will have no responsibility for providing Participants and their Users with information relating to any Tradeable Security which might be useful in forming an investment judgment including (without limit) marking any Tradeable Security as being subject to a pending corporate action or having or not having the benefit of any entitlements (including, but not limited to, coupons).
- 6.3 No Participant shall engage in any conduct on or through or involving Dowgate MTF which is prohibited by or would be a breach of MAR.
- 6.4 Notwithstanding whether an act or omission is an offence under MAR or any other rule or regulation, the Participant will not engage in conduct which damages, or is likely to damage, the fairness or integrity or reputation of Dowgate MTF.
- 6.5 The Participant shall:
- 6.5.1 ensure that it has established organisational procedures and systems and controls to supervise Users;
- 6.5.2 ensure that users keep information confidential and not disclose information to any other person;
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- 6.5.3 ensure ongoing compliance with the Eligibility Criteria;
 - 6.5.4 co-operate with the FCA and Dowgate MTF in respect to any requests or investigation regarding the Participant or Dowgate MTF; and
 - 6.5.5 notify Dowgate MTF promptly on becoming aware of any of an Insolvency Event or the Participant not meeting its obligations under Rule 6.
- 6.6 The Participant is responsible for the acts and omission of any third party service provider it engages or employees and will procure their compliance with the Rules (to the extent applicable).

7 OPERATING HOURS

- 7.1 Dowgate MTF will operate between 08:00 and 17:00 (London Time) on Business Days, or as notified by Dowgate to Participants from time to time. There is nothing to prevent Dowgate amending the operating hours.

8 TRADEABLE SECURITIES

- 8.1 Dowgate, in its sole discretion, will select Tradeable Securities which will be available for trading on the Dowgate MTF.
- 8.2 Dowgate may amend the list of Tradeable Securities at any time. Factors that will be taken into consideration include the credit worthiness of the issuer, the ease of settlement and the likely trading interests of the Participants.
- 8.3 Participants may request that a security or financial instrument be added to the list of Tradeable Securities made available to trade on Dowgate MTF but there is no obligation on Dowgate MTF to admit these instruments.

9 TRADING RULES

The Dowgate MTF operates a number of trading protocols, including a Hybrid Protocol, Periodic Volume Match Protocol, and Voice Broking Protocol.

Hybrid Protocol:

- 9.1 Within the Hybrid Protocol, there is a Lit User Book and a Dark User Book. Orders may be received into either User Book where such Orders may rest in either User Book, interact with other orders in that User Book or interact with orders on the other User Book as per the rules set out below.

9.2 Submission of Orders:

9.2.1 Orders may be submitted to the Dowgate MTF by Users on behalf of Participants at any time during the Operating Hours.

9.2.2 All Orders submitted to the Dowgate MTF are subject to Rule 10.

9.2.3 Orders may be submitted to the Lit User Book by Users electronically or by voice by calling a Dowgate MTF Broker who will enter the Order onto the Lit User Book, subject to this Rulebook.

9.2.4 Orders may be submitted to the Dark User Book by Users electronically. Dowgate MTF Brokers are not able to enter Orders onto the Dark User Book.

9.3 Cancellation & Amendment of Orders:

9.3.1 An Order may be cancelled or amended by the User who submitted the Order on behalf of the Participant at any time prior to execution.

9.3.2 Where a new Order is submitted to the Hybrid Protocol that is a better bid or offer than a Participant's existing lit order, the existing lit order that is no longer the best bid or offer will automatically be cancelled by the Dowgate MTF system.

9.3.3 With the exception of Orders referred to in 9.3.2 above, Users must delete any Order which they no longer wish to be executed.

9.3.4 Orders which have not been executed by the end of the day's Operating Hours will be cancelled by Dowgate MTF.

9.4 Minimum Size

9.4.1 All Orders received into the Dowgate MTF are subject to a Minimum Size.

9.4.2 Orders given electronically will only be accepted in the Minimum Size or greater.

9.4.3 Orders given by voice to a Dowgate MTF Broker will be considered to be in the Minimum Size for the relevant instrument, unless otherwise stated by the User.

9.5 Order Execution:

9.5.1 Orders in both the Lit User Book and the Dark User Book may interact with each other to result in a Transaction.

9.5.2 Orders will interact with each other on the basis of the following priorities:

9.5.2.1 price: the best price will take priority; and

9.5.2.2 time: the Dowgate MTF operates on a 'first come, first served' basis and is non-discretionary. Subject to 9.5.2.1 above, Orders will be filled based on the time stamp of an Order within the relevant User Book.

9.5.3 Where there is an Order resting in the Dark User Book which is a better price than the best bid or offer shown in the Lit User Book, and if a Participant clicks to execute on the Order in the Lit User Book, the Order in the Dark User Book will take precedence over the Order in the Lit User Book in accordance with 9.5.2.1 above.

9.5.4 Upon execution of a partial fill (where the partial fill is above the minimum size requirement), any residual volume not filled will remain in the respective User Book as an Order in the remaining size, subject to Applicable Law.

9.6 Trade Building

9.6.1 When a Transaction takes place, the Dowgate MTF will enter a period of Trade Building where all Participants are able to submit Orders at the current matching price.

9.6.2 The Trade Building process will run for a period specified by Dowgate MTF during the Trade Building process.

9.6.3 As the price is already determined under Rule 9.6.1, Orders entered into the Dowgate MTF as part of the Trade Building process will interact with each other on the basis of time as set out in Rule 9.5.2.2.

Periodic Volume Match Protocol

9.7 The Periodic Volume Match Protocol is a schedule of Periodic Volume Matches in certain Tradeable Securities as selected by Dowgate from time to time.

9.8 For each Periodic Volume Match, Dowgate MTF will set a neutral match price for each relevant Tradeable Security in accordance with Rule 11.

9.9 Orders received into the Volume Match Book may interact with other Orders in accordance with the rules set out below.

9.10 Submission of Orders:

9.10.1 Orders may be submitted to the Volume Match Book on the Dowgate MTF by Users on behalf of Participants at any time during Operating Hours.

9.10.2 All Orders submitted to the Dowgate MTF are subject to Rule 10.

9.10.3 Orders may only be submitted to the Volume Match Book by Users electronically.

9.11 Cancellation & Amendment of Orders:

9.11.1 An Order may be cancelled or amended by the User who submitted the Order on behalf of the Participant at any time prior to execution.

9.11.2 Users must delete any Order which is they no longer wish to be executed.

9.11.3 Orders which have not been executed by the end of a Periodic Volume Match will be cancelled by Dowgate MTF.

9.12 Minimum Size

9.12.1 All Orders received into the Volume Match Book are subject to a Minimum Size which is set by Dowgate.

9.13 Order Execution:

9.13.1 Corresponding buy and sell Orders in the Volume Match Book will interact with each other to result in a Transaction.

9.13.2 Orders will interact with each other in priority of time on a 'first come, first served' basis and is non-discretionary based on the time stamp of an Order within the Volume Match Book.

9.13.3 Upon execution of a partial fill of an Order (where the partial fill is above the minimum size requirement), any residual volume not filled will remain in the Volume Match Book as an Order in the remaining size for the duration of the match period, unless cancelled by the User, at which point it will be cancelled. For the avoidance of doubt, this will not be carried over into the next match session.

Voice Broking Protocol

9.14 The Voice Broking Protocol is designed to cover the following situations:

9.14.1 where a Participant may wish to keep the Order off of the Hybrid Protocol's Lit User Book, but does not want, or is not able, to submit the Order to the Dark User Book; or

9.14.2 where a Participant wants to submit an Actionable IOI under the SSTI waiver.

9.15 Submission of Orders:

9.15.1 Orders may be submitted to the Dowgate MTF by Users on behalf of Participants at any time during Operating Hours by communicating via telephone or electronic communication with a Dowgate MTF Broker.

9.15.2 All Orders submitted to the Dowgate MTF are subject to Rule 10.

9.16 Cancellation & Amendment of Orders:

9.16.1 Orders and Actionable IOI's given under the Voice Broking Protocol are considered firm or Actionable at the point of receipt but will be treated as indications of interest where market movements mean that such order cannot be filled and will require reconfirmation from Dowgate Broker MTF, (and, in any event subject to Rule 9.16.3 below). An Order may be cancelled or amended by the User who submitted the Order on behalf of the Participant at any time prior to execution.

9.16.2 To cancel or amend an Order, Participants must communicate their instructions to a Dowgate MTF Broker by telephone or other electronic communication.

9.16.3 Orders which have not been executed by the end of the day's Operating Hours will be cancelled by Dowgate MTF.

9.17 Minimum Size

9.17.1 All Orders received into the Dowgate MTF by Voice Broking Protocol must be greater than the SSTI for that Tradeable Security.:

9.17.1.1

9.18 Order Interaction & Execution:

9.18.1 Upon the receipt of an order through the Voice Broking Protocol, the Dowgate MTF Broker will match orders using a non-discretionary procedure by:

9.18.1.1 Communicating the relevant information (price and size) by telephone or electronic communication to other Participants; or

9.18.1.2 Where a Participant has submitted or notified Dowgate at a prior time that it has an interest in the Tradeable Security at that volume or price, informing them of the relevant Order.

9.18.2 Orders will interact with each other on the basis of the following priorities:

9.18.2.1 price: the best price will take priority; and

9.18.2.2 time: the Dowgate MTF operates on a 'first come, first served' basis and is non-discretionary. Subject to 9.18.2.1 above, Orders will be filled based on the time stamp of an Order within the relevant User Book.

10 ORDERS CONSIDERED AS FIRM

10.1 Orders submitted by a Participant to Dowgate MTF are to be considered firm at the price and volume displayed and available for execution by another Participant until and unless cancelled by the originating User or in respect of the Voice Broking Protocol, a market movement means that Dowgate MTF will deem such Order or Actionable Indication of Interest, an indication of interest rather than firm or actionable.

11 INDICATIVE MID AND VOLUME MATCH PRICE

11.1 With the Dowgate MTF, Dowgate sets:

11.1.1 an indicative mid-price which is displayed to all users in the Lit User Book; and

11.1.2 a neutral match price which sets the price at which Orders may interact within the Volume Match Book in a Periodic Volume Match

11.2 Where Dowgate MTF sets a price in accordance with Rule 11.1, the price set is designed to be a neutral, mid-market or 'clearing' price.

11.3 Although the methodology may change from time to time to allow for circumstances, for each instrument Dowgate will take a variety of reference points from (i) various price providers and (ii) Dowgate MTF's own Lit book(s). The price is then adjusted for changes in market levels by reference to the relevant futures contracts. Dowgate's price mechanic aims to ensure consistency within a market and also across markets.

12 FORMATION OF BINDING CONTRACT

12.1 When an Order is executed (unless cancelled by Dowgate in accordance with the Rules and the Participant Manual) a binding contract will immediately arise between the Participants for the sale and purchase of such number or amount of the Tradeable Security in question at the price displayed.

13 ERRONEOUS SUBMISSION OR EXECUTION

13.1 A Participant which:

- 13.1.1 believes that it submitted or input an Order in error;
 - 13.1.2 has had the Order executed by another Participant; and
 - 13.1.3 believes that the executing Participant should reasonably have realised that the Order was erroneous
- may ask Dowgate to review the transaction with a view to amending or cancelling it.
- 13.2 Similarly, a Participant which has executed an Order which it subsequently realises was erroneous and was executed in error may request that Dowgate review the Transaction with a view to amending or cancelling it.
 - 13.3 In reviewing a Transaction in accordance with Rule 13.1 or 13.2 above, Dowgate will have regard to those factors it considers relevant (depending on the nature of the claimed error) including, but not limited to:
 - 13.3.1 how different the Order price or yield or spread or volume etc. was from the last Order (whether executed or not) in that security (and whether traded on Dowgate MTF or another trading venue or regulated market publishing transaction reports to which Participants could reasonably have access);
 - 13.3.2 the time elapsed between the alleged erroneous Order and the last Order submitted or executed in that security (which may have a bearing on the relevance of any comparison);
 - 13.3.3 the time elapsed between submission of the Order and execution (i.e. did the submitting Participant have a reasonable opportunity to realise its mistake and rectify the error);
 - 13.3.4 whether, in the case of a material difference, any external factors were operating at the time of the execution which might have led a Participant to reasonably suppose that the difference was reasonable or explicable and not therefore an obvious error;
 - 13.3.5 the trading history of each Participant involved;
 - 13.3.6 the amount of loss in absolute terms (actual or unrealised) suffered by the Participant requesting the review.
 - 13.4 Dowgate will only cancel the Transaction where it believes it was clearly erroneous. If Dowgate determines that the Transaction was arguably or possibly erroneous it may, but is not obliged to, suggest some compromise between the Participants (such as amending the Transaction in some respect).
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13.5 Dowgate may review any Transaction which it reasonably believes was executed as a result of an erroneously submitted Order irrespective of whether any Participant which was a party to the Transaction has requested a review. In initiating a review, Dowgate will consider a number of factors including without limit whether allowing the Transaction to stand impairs or damages the fair and Orderly operation of Dowgate MTF. If Dowgate determines that the Transaction in question is clearly erroneous and that allowing it to stand may adversely impact Dowgate MTF or its Participants in any way Dowgate, in its sole discretion, may cancel the Transaction and notify the parties accordingly.

14 SUSPENSION OR TERMINATION OF TRADEABLE SECURITIES

14.1 Dowgate will suspend or terminate trading in any Tradeable Security if instructed to do so by the FCA or any other authority with legal jurisdiction, or where required by applicable law.

14.2 As the operator of the MTF, Dowgate reserves the right, acting in its sole discretion, to suspend or terminate trading in any or all of the Tradeable Securities at any time. Dowgate shall not be obliged to explain its reasons for doing so. However, in practice, Dowgate expects such an event to be rare and to occur only where Dowgate considers it necessary:

14.2.1 for the maintenance of a fair and orderly market including (without limit) where there is a suspension of trading on another trading venue or other relevant market where the security is listed (if applicable) and in relation to any derivative based on such suspended security or where Dowgate MTF otherwise considers such suspension or trading halt otherwise necessary for fair and orderly trading;

14.2.2 to prevent the occurrence or recurrence of any form of market abuse under MAR; or

14.2.3 to assist the resolution of any material technical or system-related problem.

14.3 Dowgate will attempt to avoid suspending or terminating trading in a Tradeable Security where such a step would be likely to cause significant damage to the interests of Participants or the orderly functioning of Dowgate MTF.

15 PRE-TRADE TRANSPARENCY

- 15.1 The Dowgate MTF is required to publish on a continuous basis, during normal trading hours, all Orders (including AIOIs) that are required to be made pre-trade transparent under Applicable Law.
- 15.2 The Pre-trade transparency waivers available are as follows:
- 15.2.1 **LIS Waiver** – means the waiver in respect of orders which are large in scale as set out in MiFIR Article 9(1)(a);
 - 15.2.2 **SSTI Waiver** – means the waiver in respect of actionable indications of interest in request-for-quote that are above a size specific to the financial instruments as set out in MiFIR Article 9(1)(b). Where the SSTI Waiver applies, Dowgate MTF shall publish the Close to Price as set out below;
 - 15.2.3 **Derivatives subject to the trading obligation waiver** – means the waiver in respect of derivatives not subject to the trading obligation as set out in MiFIR Article 9(1)(d); and
 - 15.2.4 **Waiver for Illiquid instruments** – means the waiver in respect of a financial instrument or a class of financial instruments for which there is not a liquid market as set out in MiFIR Article 9(1)(c).
 - 15.2.5 **Package Waiver** – means the waiver in respect of an order that meets the definition of package order as set out in MiFIR Article 9(1)(e)
- 15.3 Participants should bear in mind that the percentages and thresholds used by ESMA to determine which Orders qualify to use a waiver will change periodically. These changes will be reflected in the Dowgate MTF system as soon as practicable but it is also the responsibility of Participants to inform themselves of the currently applicable waiver criteria and only submit Orders or Actionable IOIs that meet these criteria.
- 15.4 In particular, with regard to Actionable IOIs communicated to a Dowgate voice-broker, Participants should note that even if they are initially accepted they will not be processed where they are not above the SSTI. Any Actionable IOI below the SSTI accepted and executed in error will be cancelled and will not be considered as undertaken under the rules of Dowgate MTF.
- 15.5 In relation to Actionable IOIs, Dowgate MTF has made arrangements to ensure that a Close To Price is made public in accordance with pre-trade transparency requirements.
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16 POST TRADE PUBLICATION DEFERRAL

16.1 Dowgate MTF will make public, in accordance with CDR 2017/587, details of all transactions carried out on the Dowgate MTF in accordance with the applicable law, including within the specified publication timeframe. Notwithstanding this, the post-trade transparency deferrals set out in below at Rule 16.2 each have the effect that, subject to Rule 16.3, the details of a particular Transactions are not published until no later than 19:00 local time on the second trading day after the date of the Transaction as set out in MiFIR Article 11(1) and Article 8(1) of CDR 2017/587.

16.2 The post-trade transparency deferrals available are as follows:

16.2.1 **Deferral for Illiquid instruments** – means the deferral in respect of Transactions in MiFID Instruments for which there is not a liquid market as set out in MiFIR Article 11(1)(b).

16.2.2 **Post Trade LIS Deferral**– means the deferral in respect of Transactions in MiFID Instruments which are large in scale as set out in MiFIR Article 11(1)(a).

16.2.3 **Post Trade SSTI Deferral** –means the deferral in respect of Transactions in MiFID Instruments which are (i) executed by Users dealing on own account other than on a matched principal basis as per article 4(1)(38) of Directive 2014/65/EU and another, and (ii) is above a size specific to the financial instruments as set out in MiFIR Article 11(1)(c).

16.3 In addition, the following supplementary or extended deferrals shall apply:

16.3.1 For Transactions in MiFID Instruments (other than sovereign debt), either

16.3.1.1 **Volume Masked Extended Deferral** – means the extended Deferral whereby no later than 19:00 on the second trading day following the Transaction date all of the details of an individual Transaction are published with only the omission of volume, and all of the details of the individual Transaction are published before 09:00 local time on the next trading day following 4 weeks from the date of the Transaction, pursuant to Article 11(3)(b) MiFIR and Article 11(1)(b) of CDR 2017/587; or

16.3.1.2 **Weekly Aggregated Extended Deferral** –means the extended Deferral during which the aggregation of several Transactions per ISIN code executed over the course of one calendar week shall be published on the following Tuesday before 09:00 local time for a period of 4 weeks from the date of the Transaction, pursuant to Article 11(3)(c) MiFIR and Article 11(1)(c) of CDR 2017/587.

16.3.2 For Transactions in MiFID Instruments which are sovereign debt instruments, either

16.3.2.1 **Volume Masked Weekly Aggregated Sovereign Debt** - means the extended Deferral where no later than 19:00 in the second trading day following the Transaction Date all of the details of an individual Transaction are published with only the omission of volume, and following the expiry of four weeks from the Transaction Date, the aggregation of several Transactions per ISIN Code executed over the course of one calendar week shall be published on the following Tuesday before 09:00 local time for an indefinite period, pursuant to Article 11(3) of MiFIR and Article 11(1)(b) and (d) of CDR 2017/587.

16.3.2.2 **Weekly Aggregated Sovereign Debt** – means the extended Deferral during which the aggregation of several Transactions per ISIN Code executed over the course of one calendar week shall be published on the following Tuesday before 09:00 local time for an indefinite period pursuant to Article 11(3)(d) MiFIR and 11(1)(d) of CDR 2017/587.

16.4 Where data is aggregated pursuant to any supplementary or extended deferral in Rule 16.3, the aggregated data shall contain the weighted average price, the total volume traded in terms of total nominal value and the total number of Transactions.

16.5 When the time limit of the deferral pursuant to Rule 16.2 or 16.3 (as applicable) has lapsed, the price, volume and time of the Transactions shall be published in accordance with Applicable Law.

17 TRANSACTION REPORTING

17.1 Dowgate MTF is required to report details of Transactions executed by Non-MiFID Firms to the FCA in MiFID Instruments in accordance with Article 26(5) MiFIR. Dowgate MTF shall not transaction report on behalf of those Participants that are MiFID Firms.

17.2 A Participant which is a Non-MiFID Firm must:

17.2.1 provide the Dowgate MTF with accurate and complete Transaction Reporting Fields in respect of their Transactions in MiFID Instruments as required by the Dowgate MTF, in the format and within the timescale prescribed in order that the Dowgate MTF MTF may fulfil its obligations under Article 26(5) MiFIR;

17.2.2 have appropriate controls in place to ensure that the required Transaction Reporting Fields are accurately populated; and

17.2.3 report to the Dowgate MTF immediately in the event that it discovers that one or more Transaction Reporting Fields have been inaccurately or incompletely populated and cooperate with Dowgate MTF to rectify any errors.

17.3 The information to be provided pursuant to Rule 17 shall be delivered as soon as possible following the execution of the Transaction and, in any event before midday on the trading day following the Transaction date.

18 CONFIDENTIALITY OF TRADING INTERESTS AND TRANSACTION INFORMATION

18.1 Participants must not disclose to non-Participants trading interest information (prices, volumes, direction and depth of interest etc.) or Transaction information within Dowgate MTF (actual or historic).

18.2 Dowgate may make market data and other anonymised information regarding Orders (including any Orders subject to pre-trade transparency waivers), indications of interest received, or Transactions and any other matters it may deem appropriate available to other Participants in order to carry out its function of operator of the Dowgate MTF and facilitate trading on Dowgate MTF.

19 DIRECT MARKET ACCESS

19.1 Participants may not provide any third party (including customers and clients) with direct market access ('DMA') type facilities enabling the third party to directly or indirectly submit Orders to or manage Orders within Dowgate MTF.

19.2 Provision of DMA type access will be considered a serious and material breach of the Rules and may result in the suspension or termination of participation.

20 ALGORITHMIC OR HIGH FREQUENCY TRADING

20.1 Participants may not use any algorithm to electronically place or submit or manage Orders on Dowgate MTF and, in particular, may not use an algorithm or analogous software or computer programme to engage in high frequency trading.

20.2 Use of algorithmic or high frequency trading will be considered a serious and material breach of the Rules and may result in the suspension or termination of participation.

21 NOTIFICATION REQUIREMENTS

21.1 A Participant shall notify Dowgate immediately on the occurrence of any of the following in relation to it:

- 21.1.1 an order being made or resolution being passed for the winding up of the Participant (other than voluntarily for the purposes of solvent amalgamation or reconstruction), or if an administrator, administrative receiver or receiver is appointed in respect of the whole or any part of the assets or business of the Participant or if the Participant makes any composition with its creditors or takes or suffers any similar or analogous action in consequence of debt (or equivalent action is taken in relation to the Participant in any other jurisdiction);
 - 21.1.2 the commencement of enforcement or other proceedings whether before any court or tribunal by any Regulator to the extent that such action or proceedings could impair, restrict or prevent the Participant complying with the Rules or Participant User Manual, save to the extent that such notification or disclosure is prohibited by law or any relevant Regulator;
 - 21.1.3 it becoming aware that the Participant is in breach of the Rules or Participant User Manual and that such breach may impair the operation or integrity of Dowgate MTF.
- 21.2 A Participant shall notify Dowgate MTF as soon as possible on the occurrence of any of the following in relation to it:
- 21.2.1 any proposed change in the name, registered office, or status of the Participant or the business name under which it carries on business;
 - 21.2.2 any change in Users;

22 SUSPENSION OR TERMINATION OF PARTICIPANT STATUS

- 22.1 If it appears to Dowgate MTF that a Participant:
- 22.1.1 has not traded for an extended period of time
 - 22.1.2 is in breach of the Rules;
 - 22.1.3 is subject to enforcement or other proceedings by a Regulator which could impair, restrict or prevent the Participant's compliance with the Rules;
 - 22.1.4 is in such financial condition that Dowgate MTF reasonably considers that it would not be prudent to permit it to continue trading on Dowgate MTF; or

22.1.5 engages in (or is suspected of engaging in) any activity or conduct which has or is likely to impair the functionality, speed or reliability of Dowgate MTF or compromise, impair, restrict or prevent the ability of Dowgate MTF to operate a fair and orderly market,

Dowgate MTF may, in its absolute discretion, give a written warning, suspend or terminate the participation of a Participant or restrict the Participant's right to place Orders or to receive information from Dowgate MTF.

22.2 Dowgate MTF may suspend or terminate the participation of a Participant on the instruction of the FCA.

22.3 Dowgate MTF will notify a Participant of its decision to suspend, terminate or restrict the Participant's participation as soon as is reasonably practicable.

22.4 A Participant may terminate its participation by giving Dowgate MTF at least thirty (30) calendar days written notice.

22.5 Dowgate MTF may, in its absolute discretion, refuse to accept notice of termination in the event that Dowgate MTF considers there is an outstanding matter concerning the Participant that is subject to an ongoing investigation and that termination may prejudice such investigation.

22.6 Following termination of Participant status a Participant will remain:

22.6.1 subject to the Rules regarding information provision and cooperation with Dowgate MTF and/or any Regulator in relation to an investigation of any matter relating to the period prior to termination; and

22.6.2 responsible for its acts and omissions during any period of participation on Dowgate MTF

23 Trading Limitations

23.1 Dowgate will review trading activity on the Dowgate MTF to monitor for any excess risk. In the event that relevant risk limits have been exceeded, in order to ensure orderly trading and efficient settlement on the Dowgate MTF, Dowgate reserves the risk to limit a Participant's trading on the Dowgate MTF until such time as the risk reverts to normal levels.

24 MARKET ABUSE

- 24.1 No Participant shall engage in any conduct on or through or involving Dowgate MTF which is proscribed by or would be a breach of MAR.
- 24.2 Dowgate will monitor activity by Participants on or through the Dowgate MTF to check for any patterns and/or correlations which might be signs of disorderly trading conditions, breaches of the Rules or conduct that may be a breach of MAR.

25 INFORMATION AND COOPERATION

- 25.1 A Participant must retain a record of each Transaction executed on or through Dowgate MTF for at least five (5) years or longer if required by the FCA Rules from time to time and comply with any technical specification or request that Dowgate MTF make in respect of such Participant, in order to comply with applicable law or, in Dowgate MTF's absolute discretion, ensure fair and orderly trading on the Dowgate MTF.
- 25.2 As a trading venue subject to MiFID II and MiFIR and FCA's rules regarding MTFs, Dowgate MTF is obliged to monitor the activity of MTF Participants and cooperate with FCA's enquiries and investigations. Accordingly, a Participant shall provide Dowgate MTF, upon request, within such time and in such manner or format as Dowgate MTF may reasonably require, any records, files, or financial information directly pertaining to Transactions executed on or through Dowgate MTF (save to the extent that such disclosure is prohibited by law or FCA or any relevant Regulator).
- 25.3 Dowgate MTF may record and retain telephone conversations and electronic communications between Dowgate MTF and a Participant (and its Users). The Participant consents to such recordings and retention and shall make its Users aware of this policy.
- 25.4 Each Participant must provide all relevant information, as may be required by Dowgate MTF from time to time, or procure that all relevant information is provided immediately upon request in the format prescribed by Dowgate MTF and shall do so before the end of each trading day following the Transaction date in order that the MTF can fulfil its regulatory obligations to keep records pursuant to MiFIR Article 25. Dowgate MTF shall synchronise the business clocks it uses to record the date and time of any reportable event pursuant to this Rule 24.4 with the Coordinated Universal Time (UTC).

- 25.5 Dowgate MTF may disclose information and documents received from a Participant and any other relevant information to the FCA for any purpose including (without limit) enabling such party to commence or pursue any investigation or enquiry or institute, continue, or defend any proceedings.
- 25.6 Dowgate MTF shall not be liable for any losses that a Participant suffers as a result of a decision taken or not taken pursuant to this Rule 23.

26 CLEARING & SETTLEMENT OBLIGATION

- 26.1 KSAM, an affiliate company of Dowgate, will be the settlement counterparty to each Participant for all trades effected on Dowgate MTF unless 'name give up' applies (as in the case of swaps) and where settlement will be organised as between the two parties.
- 26.2 Where KSAM is interposed as settlement counterparty, it is in order to preserve the anonymity of Participants from each other. In this respect, a settlement agent selected by KSAM and notified to the Participant will act on behalf of KSAM in relation to the clearing and settlement of all relevant transactions, and settlement of such trades is subject to the procedures of such firm in the normal course of business (and any additional settlement terms provided by KSAM or Dowgate MTF in relation to settling such Transactions)
- 26.3 Participants must ensure that the details necessary to effect settlement are provided to Dowgate in advance of submitting Orders or trading on Dowgate MTF and in good time to allow settlement within the required or normal or customary time period.
- 26.4 Significant or persistent failure to settle Transactions on a timely basis may result in temporary suspension or termination of participation, either wholly or in relation to those Dowgate Securities which are the subject of settlement difficulties.
- 26.5 Dowgate may agree with a Participant to postpone or extend a settlement period for all Transactions or for Transactions in specified Dowgate Securities affected on a given day, indefinitely or for a specified period.
- 26.6 Unless agreed otherwise, a Transaction in any Dowgate Security shall be settled in the standard place of settlement in accordance with prevailing market practice.

27 CLEARED DERIVATIVES

- 27.1 In order for Dowgate MTF to submit a Participant's transaction to a CCP for clearing, Participant must provide the information in 26.2 below and comply with either (26.1.1) or with (26.1.2) and (26.1.3) below. Participant must:

- 27.1.1 be a member of a CCP;
 - 27.1.2 enter into a contractual arrangement with a clearing member of the CCP under which the clearing member automatically becomes counterparty to the cleared derivative transaction;
 - 27.1.3 enter into further contractual arrangements with the clearing member whereby Participant agrees to become counterparty to the cleared derivative transaction after the transaction is cleared.
- 27.2 Participant must provide Dowgate MTF with information requested by Dowgate MTF in writing.
- 27.3 In the event a third party software provider is used to route a trade from the System to a CCP, the relevant Participant must not make any amendments to the terms of the transaction post submission to the third party software provider and prior to clearing.
- 27.4 In the event a trade is not accepted for clearing by the CCP (other than for technical or clerical reasons) the trade will be void, unless the relevant Participants can specify, in good time, an alternative mechanism to clear the transaction.
- 27.5 If a trade is not accepted for clearing due to technical or clerical reasons, Participant will re-submit the trade to the CCP as per Applicable Law provided that the relevant Participants consent to the re-submission.

28 COMPLAINTS

- 28.1 Dowgate MTF will consider and respond to complaints by any Participant relating to the operation of Dowgate MTF or the conduct of another Participant or Participants. Any complaint should be made in writing to the head of compliance at compliance@kasl.co.uk.

29 AMENDMENTS TO THE RULES

- 29.1 These Rules may be amended or extended by Dowgate at any time. Amendments to the Rules shall not be retrospective unless required by any Regulator or by law.
- 29.2 All amendments to the Rules will be notified to Participants by a Participant Notice and shall have effect at such time as may be specified in the relevant Participant Notice.

29.3 Except where it is essential to make a change to the rules without delay in order to ensure an orderly market, continued compliance with Dowgate’s FCA MTF recognition requirements or other legal obligations to which it is subject, Dowgate will consult Participants on all Material Amendments to the Rules. The minimum period of consultation will be twenty (20) Business Days during which Participants can provide feedback on the proposed Material Amendment. Dowgate will provide not less than ten Business Days’ notice of the implementation of any Material Amendment following the end of the consultation period.

30 GOVERNING LAW

30.1 The Rules are governed by and shall be interpreted in accordance with the laws of England. Any dispute arising out of or in connection with the Rules shall be subject to the exclusive jurisdiction of the English courts.