

Circular nº 01/2017, of 8 June

**ALTERNATIVE EQUITY MARKET
REGISTRATION AND SETTLEMENT OF TRANSACTIONS
OF INVESTMENT FUND SHARES**

Please note that only the Spanish version of this Circular produces legal effect. Any translation is provided for commercial purposes only.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (IBERCLEAR) is the entity responsible for keeping the book-entry register of securities admitted for trading on the Alternative Equity Market ("MAB") and the settlement of trades carried out on this market.

The MBA has designed a segment for the trading of investment fund shares, and for this reason has been considering the special features which derive from the unique nature of these securities and those of the investment funds themselves, along with the investment fund management companies that act as their legal representatives (the "Management Companies" or individually the "Management Company").

When designing this MBA trading segment, aspects relating to the settlement of orders and the registration of the securities included in this new segment were taken into account, starting from the basis that MAB Regulations envisage that the settlement of orders and the registration of the securities included on the MAB will both take place through the procedures arranged with IBERCLEAR. These procedures will have to adhere to those generally applied in the registration and settlement of securities traded on Spanish stock exchanges. However, they may take account of any necessary special features.

The purpose of this Circular is to approve the special features that, in relation to the general framework of registration and settlement of securities on IBERCLEAR, will be applied to the settlement of investment fund shares.

Therefore, the Board of Directors of IBERCLEAR has approved the following:

Regulation 1 - System applicable to registration of investment fund shares included on the Alternative Equity Market.

1. IBERCLEAR will carry out the registration of the shares of the investment funds, constituted in accordance with Law 35/2003 of 4 November on Collective Investment Schemes, which will then be represented by book entries and may be listed for trading on the MAB.
2. It may also carry out the book-entry registration of the shares in investment funds from within the European Union that are entered in the Spanish National Securities Market Commission's (CNMV) official register, in which case the rules established for the inclusion of foreign securities in IBERCLEAR's register will also be applicable.
3. In both cases, the upkeep of the register will be undertaken in accordance with the provisions of Royal Legislative Decree 4/2015, of 23 October, approving the Revised Securities Market Law; of Royal Decree 878/2015 of 2 October; and of IBERCLEAR Regulations.

Regulation 2 - System applicable to the settlement of subscription and redemption orders for investment fund shares included on the Alternative Equity Market.

The settlement of orders for the shares referred to in the previous section will be governed in accordance with IBERCLEAR Regulations and Circular no. 14/2016, of 29 January, on settlement procedures for trades arranged in an official market or MTS. The intervention of the participant appointed as the representative of the fund Management Company is required, in accordance with the provisions of section 2 of Regulation 3 of this Circular. This participant, on behalf of the Management Company, will ensure the settlement of the instructions deriving from subscription and redemption orders.

Regulation 3.- Obligations of Management Companies

1. The investment fund Management Company must send the following documents to IBERCLEAR before the security is first listed:
 - a) A copy of the fund incorporation agreement, which should include, in all cases, the investment fund management regulations. This copy must be accompanied by a certificate issued by the Management Company confirming that it is an exact replica of that filed with the CNMV. In addition, in the certificate will include the Management Company's undertaking to deposit at IBERCLEAR any subsequent amendments to the incorporation agreement or management regulations.



b) Request for acceptance by IBERCLEAR, as the entity responsible for the book-entry register, as referred to in Appendix A of IBERCLEAR Circular no. 4/2016.

c) Identification form for identification of investment funds

2. The Management Company will inform IBERCLEAR of the number of shares in circulation for each of the investment funds they represent. This information must be supplied every time there are changes in the total number of shares issued as a result of subscription and redemption orders for shares being made in the MAB.

3. The Management Companies must appoint a participant in IBERCLEAR who will be responsible for making the inclusions and exclusions of the investment fund shares deriving from the settlement of subscription and redemption orders carried out in MAB.

ADDITIONAL PROVISION

Authorisation is issued for an Instruction to be established concerning any operational, procedural and documentary aspects necessary for the effective implementation of these provisions.

FINAL PROVISION

This Circular shall enter into force on the day following its publication.

Madrid, 8 June 2017

Juan de Dios Pérez Fernández
Deputy General Manager