

Circular No. 3569

Ref.: Price-Time Priority Segment. Trading Rules on Spot Transactions

Buenos Aires, 31 January 2017

To: Our Member Brokers

In compliance with Section II, Chapter V, Title VI of National Securities Commission Regulations (CNV) (R.T. 2013, as amended) and BYMA Operating Rules, I hereby inform the trading rules governing spot transactions under the Price-Time Priority Segment ("PPT" for its Spanish acronym).

I. Specifications

Spot transactions can only be based on listed Securities through orders placed on the Trading Platform under a single joint price and trading volume transaction structure ensuring the price-time priority basis. This structure is known as the Order Book.

Throughout the trading session, executed transactions will lead to price variation.

II. Reference Price

The Reference Price is the last trade price or the security closing price in case of lack of the first.

III. Price Band Variation Parameter

The Price Band Variation (PBV) parameter is designed to prevent the entry of bid orders at prices beyond the PBV relative to the Reference Price, as stated in the Annex attached hereto. No sell orders may be entered below the pre-set PBV percentage.

IV. Auctions

Auctions are Order Book's sessions by means of which Member Brokers may place orders on specific Securities but matching is paused so closing of operations does not take place.

The finishing times for the sessions are set out by BYMA, provided that the system offers random closing periods leading to the execution of resulting trades at a single price calculated by the system.

During the auction, orders can be modified or cancelled by the Member Broker entering the order, even in case it has given rise to said modification or cancellation.

The duration of auction periods and additional random periods are detailed in the Annex to this Circular.

V. Opening Price

The Opening Price is the price of the first trade recorded.

VI. Closing Price Calculation

By Volume-Weighted Average Price (VWAP): The VWAP takes the average price of trades recorded during the period detailed in the Annex to this Circular, prior to the last trade.

By Auction: The price resulting from the Auction shall be considered the Closing Price. In the absence of said closing price, then the last trade price recorded shall be deemed as the Closing Price.

The type of closing price calculation applicable to each security type can be found in the Annex to this Circular.

VII. Order Books' sessions

Order Book instruments follow a trading day consisting of the following sessions. Headings are stated both in English and in *Spanish* for the purposes of identification in different workstations:

Scheduled Trading Sessions:

- Opening Auction Call / *Subasta de Apertura*
All Securities will start with opening auction calls upon their standard settlement date (T+2); however, upon non-standard settlement dates (T+0 or T+1) orders may be placed at a price not compatible with the opposite end.
- Regular Trading / *Negociación Regular*.
During regular trading, bids and offers are automatically matched on a real time basis whenever the price of the order entered matches its counterparty.
- Closing Auction Call / *Subasta de Cierre*.
During the Closing Auction the closing price is determined.
- Closing Price Publication / *Publicación Precio de Cierre*.
During the Closing Price Publication (CPP) session, securities closing prices are released.
- Closing Price Crossing / *Negociación a Precio de Cierre*. During this CPX session, executions can only be executed at the closing auction price.

- Listed securities and settlement time-frames are detailed in the Annex to this Circular.

Orders eligible to participate in this session:

- All order book trades available for execution by the beginning of this session provided they are not aggressive.¹
- Members Brokers not willing to participate must cancel their orders before the opening of this session.
- Orders that may be entered during all the trading day with the possibility of being activated in that session. ²
- New orders placed during this session that may only be entered at the closing auction price.

Unscheduled Trading Sessions:

- **Re-Opening or AESP Auction Call / Subasta de Reapertura o Subasta por variación máxima de precio.**
This Session starts after executing one or more trades simultaneously which last trading price is more than the defined percentage above or below the Reference Price, as detailed in the Annex to this Circular.
Upon the end of the re-opening session, if the resulting price still exceeds the defined percentage relative to the Reference Price, updated by the first trade opening the auction, then it will be extended by the period detailed in the Annex. Otherwise, the auction will be closed.
The trading of coupons is not included in this Circular. Likewise, they may be traded in case the Securities have scarce market presence, pursuant to the Monitoring Department, or in case they have no pre-set terms pursuant to BYMA Operating Rules.
- **Halt / Interrumpida.**
Interruption of regular trading at instrument level. Market participants may only cancel their orders until BYMA restores the market to normal service.
- **Market Suspension / Suspensión por Subasta.**
Except for the Closing Auction Call session and upon opening any other type of expiry auction on standard maturity, the rest of the maturities will be suspended, and no orders may be entered at compatible prices.

VIII. Exchange Cross Trades

Cross trades allow Member Brokers to execute matched buy and sell orders for the same Security, quantities and expiration date, on behalf of two different account holders.

Exchange cross trades must always comply with the best bid and ask offers.

IX. Minimum Price Change

It is the minimum price change for Securities, as detailed in the Annex to this

¹ The only orders eligible to execute trades will be bids which price is similar or higher than the published closing price or offers which price is similar or lower than the published closing price.

² Similar to the previous case.

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X. Transaction Fees

Transaction fees are detailed in the Market Fees Table, in compliance with the Rules in force.

XI. Monitoring Department

In case the market conditions so require, the Monitoring Department may determine the free opening of Securities with the aim of making trading execution easier.

The Monitoring Department will have sufficient powers to provide for the accurate interpretation of these Rules and to adapt their provisions to any unexpected event.

This Circular is deemed as part of the Circular Regulations which are being considered by the National Securities Commission (CNV). Therefore, this Circular may be subject to amendments that may be requested by the above mentioned Controlling Body.

With nothing further at present,

Sincerely Yours,

Jorge E. De Carli
General Manager