

Matrix Limited

Market Rulebook (Version 2.1)

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Chapter 1 - Introduction

- 1.1. This Market Rulebook sets out the Rules that govern the requirements and conditions for Clients to trade Virtual Assets on the “Multilateral Trading Facility” (**MTF**) of Matrix Limited (**Matrix**), a company established in the Abu Dhabi Global Markets (the **ADGM**), and licensed and regulated by the Financial Services Regulatory Authority (**FSRA**).
- 1.2. Pursuant to the User Agreement, this Market Rulebook, as amended from time to time, applies to, and is binding on, all Clients of Matrix. As a part of the User Agreement, Clients are required to:
 - 1.2.1. read, understand, and abide by this Market Rulebook to have access to and continued use of the MTF; and
 - 1.2.2. read and acknowledge the Risk Disclosure, before being allowed to trade on the MTF.
- 1.3. A Client who does not acknowledge the Risk Disclosure will not be able to trade on the MTF. However, other non-trade-related functionalities, such as reading or making copies of order confirmations and statements of account, would still be available to the Client. In such cases, the Client may get in touch with Matrix to resolve the matter. In any event, Matrix has absolute discretion to suspend, restrict or terminate a Client’s account (**Account**) and his access to the MTF if the Client does not acknowledge the Risk Disclosure.
- 1.4. This Market Rulebook contains the non-discretionary Rules and procedures of Matrix and is made pursuant to the FSRA regulatory requirements which apply to Matrix in the ADGM.
- 1.5. Matrix is authorised under its FSRA license to "Operate a Multilateral Trading Facility" and "Provide Custody" in relation to "Accepted Virtual Assets" (quoted terms have the meaning assigned to them under FSRA Rules). In relation to Market Abuse, the trading of Fiat-Fiat Pairs is not regulated by the FSRA and not subject to FSRA oversight (please also refer to Rule 19.8). Nevertheless, the trading of Fiat-Fiat Pairs will still be subject to fair and orderly trading requirements, the FSRA’s Financial Crime obligations, as well as other checks and controls (outside of Rule 12.1.5, which cannot be extended to Market Abuse in this context), as required by Matrix.

Chapter 2 - Defined terms and interpretation

Defined terms

- 2.1. Capitalised terms are defined terms and shall have the meanings set out below unless the context requires otherwise.

Term	Definition
Account	Means the account opened and maintained with Matrix for the Client to use Matrix’s receive the Services and to trade on the MTF, including: any

Term	Definition
	Fiat Currency sub-account that reflects a Client's Fiat Currency balance; and any Virtual Asset sub-account that reflects a Client's Virtual Asset balance; as context requires.
ADGM	Means the Abu Dhabi Global Market.
AML	Means Anti-Money Laundering which should be construed to include counter terrorist financing.
API	Means Application Programming Interface.
Applicable Laws and Regulations	<p>Means the laws, regulations, and rules of any Competent Authority that apply to Matrix and to Clients, as enacted, replaced or amended from time to time.</p> <p>The Applicable Laws and Regulations in relation to Matrix include without limitation the:</p> <ol style="list-style-type: none"> laws and regulations in force in the ADGM, including but not limited to those in relation to the protection of personal data; FSRA Rules; and the Federal and Emirate-level laws and regulations in force in the UAE, to the extent applicable, including without limitation the relevant UAE legislation and implementing regulations on Financial Crime and confidentiality.
Applicant	Means a person who makes an application to open an Account with Matrix.
Asset	A Virtual Asset / Fiat-Fiat Pair
Authorised Representative	Means the Client's representative authorised to operate the Client's Account.
Block Trade	Means a privately negotiated trade in a specified Assets, at or above the Minimum Volume Threshold and is executed off the MTF directly between eligible RFQ Client and Liquidity Provider, and subsequently disclosed to the public.
CDD	Means Client Due Diligence.
Client	Unless otherwise indicated in a particular Rule, means a client of Matrix who agreed to the User Agreement and for this Market Rulebook to be binding on him, and who receives the Services Matrix provides to its Client under the User Agreement.
COBS	Refers to the Conduct of Business Rulebook of the Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM)
Competent Authority	Means any regulatory, judicial or law enforcement authority, both inside and outside the ADGM, which has jurisdiction over the activities of Matrix, the MTF or its Clients.
Complaints Policy	Refers to Matrix's Complaints Policy published on Matrix's Website.
Declared Default	Means a Default Event declared by Matrix pursuant to Rule 27.A1.
Default Event	Means any one of the following:

Term	Definition
	a) regulatory action by the relevant Competent Authority, including the FSRA, which causes activity on the MTF to be suspended (e.g. direction by the FSRA, suspension or withdrawal of Matrix's license, imposition of a restriction, judicial order by a UAE court or public prosecution); b) a Force Majeure event; c) a material failure by a Client to comply with any obligation under this Market Rulebook or the User Agreement; d) a material misrepresentation made by a Client; e) an enforcement proceeding, sanction, formal notification or injunction against the Client by a Competent Authority; f) a material breach of the terms of the User Agreement by a Client; g) a Client is suspended or terminated on any other Virtual Asset MTF; h) an Insolvency Event; or i) in relation to a Block Trade, a failure by a Liquidity Provider to settle a Block Trade.
Default Risk Provision	Means a provision established and maintained in accordance with Chapter 25 of this Market Rulebook.
Deviation Threshold	Means the accepted price difference between the price quoted in an RFQ and the trading price of the same Assets as per the Trading Book at the time of issuing the RFQ Quote, as determined by Matrix.
Fiat Currency	A government-issued currency that is designated as legal tender in its country of issuance.
Fiat-Fiat Pair	Asset types which can be traded as per the following pairs: a) Fiat Currency into Fiat Currency; b) Fiat Currency (Stablecoin) into Fiat Currency; or c) Fiat Currency (Stablecoin) into Fiat Currency (Stablecoin).
Financial Crime	Means money laundering, terrorist financing, evasion of economic sanctions, tax evasion, bribery and corruption, including but not limited to the crimes of money laundering and terrorist financing, and behavior which may amount to "Market Abuse", as provided for under FSRA Rules and the laws of the UAE, as amended from time to time.
Fill	Means the complete or partial matching of two Orders which results in a Trade. "Filling" refers to executing a Fill.
Force Majeure	An event beyond the control of Matrix or a Client which prevents Matrix or a Client from complying with any of their obligations under this Market Rulebook, including but not limited to any act of God, fire, riot, war, terrorism, civil commotion, pandemic or epidemic, or act of state or government., the failure of hardware, software, Internet connections, communication failures, disruptions, errors, distortions or delays, and which are not the result of a party's fraud, gross negligence or willful default..
FSRA	Means the Financial Services Regulatory Authority.

Term	Definition
FSRA Rules	Means the legislation administered by the FSRA, as amended, extended, consolidated, substituted or re-enacted from time to time.
Guidance	Means the guidance provided by Matrix under a Rule which sets out how the Rule to which the guidance relates to would be applied or should be interpreted.
Hard Fork	A Hard Fork occurs when a blockchain protocol is radically changed, such that it becomes incompatible with older versions. In effect, relevant parties taking part in transactions on the old blockchain must upgrade to the new one in order to continue validating transactions. However, the parties that do not upgrade may continue to support and validate transactions on the older blockchain protocol separately. A Hard Fork can be planned, or un-planned (contentious).
Insolvency Event	Means any of the following: <ol style="list-style-type: none"> a Client (who is a legal person) is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; the value of the assets of a Client (who is a legal person) is less than its liabilities; a moratorium is declared in respect of any indebtedness of a Client (who is a legal person); or a Client (who is a natural person) is declared bankrupt or seeks a voluntary arrangement in respect of its debts.
Limit Order	An Order to buy or sell a specified quantity of Assets at a specified price.
Liquidity Provider	Means a Client who provides an RFQ Quote in response to an RFQ by an RFQ Client which if accepted results in a Block Trade.
Maker Order	An Order where a Client places within the Order Book a Limit Order below the ticker price for buy (A 'buy' position where the Client is essentially buying an Asset on the MTF), and above the ticker price (A ticker price is the reported price of the underlying Asset, updated continuously throughout the day) for sell (when the Client closes their position, they 'sell' it back on the MTF).
Market Abuse	Has the meaning assigned to it under the FSRA Rules and applies to all Assets listed on Matrix except for Fiat-Fiat Pairs.
Market Data	Means the information provided to Clients, including in relation to Orders, Trades and Fills, as provided for under this Market Rulebook.
Market Order	Means an Order where a Client places an Order to be Filled at the market price of the relevant Asset.
Market Rulebook	Refers to this Market Rulebook.
Minimum Volume Threshold	Means the thresholds for Block Trade which relate to the minimum amount of Assets in respect of each Pair that can be traded as Block Trades, as determined by Matrix from time to time, and made available to Clients or notified to them by way of a Notice.

Term	Definition
MIR	Refers to the Market Infrastructure Rulebook of the Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM)
MTF	Means the Multilateral Trading Facility Matrix is licensed by the FSRA to operate.
Notice	Means a binding communication issued by Matrix to Clients (whether directly through email or other means of private communication or by publication on Matrix' website) in relation to their use of the Services, including but not limited to changes to the Market Rulebook, policies, or Fees, or any other relevant matter, as may be required from time to time.
Open Order	Means an Order that has not yet been Filled.
Open RFQ	Means an RFQ Quote which has not yet been accepted by an RFQ Client.
Order	An instruction in relation to a Trade on the Order Book, or an RFQ Quote, as the case may be.
Order Book	The live list of Trading Pairs on the MTF, where a Client can place Orders.
Planned Fork	Means a Soft Fork or a Hard Fork which is proposed in advance.
Pre-Trading Session	Means the period of time specified by Matrix before the start of a new Trading Session following a Trading Suspension or before the admission of a new Asset for trading as provided for under Rule 8.2.2.
Privacy Policy	Refers to Matrix's Privacy Policy published on Matrix's Website.
Prohibited Activity	<p>Means any of the following activities conducted on all products offered by Matrix:</p> <ul style="list-style-type: none"> a) Market Abuse (except for Fiat-Fiat Pairs); b) Financial Crime; c) abuse of other Clients; d) gambling; e) intellectual property infringement; or except f) any other illegal or unlawful activity, or activities which are against public order, as provided for under the Applicable Laws and Regulations; and g) other activities set out under Chapter 9 of this Market Rulebook.
Quote Asset	The second Asset in a Trading Pair.
RFQ	Means a "Request for Quote" or the submission of a request by an RFQ Client through the User Interface for an RFQ Quote to be provided by a Liquidity Provider, which if accepted by the RFQ Client, is Filled by the Liquidity Provider, thereby executing a Block Trade.
RFQ Client	Means a Client who is allowed to enter into Block Trades.
RFQ Quote	Means the best guaranteed price based on a specified Trading Pair and quantum of Assets, provided by a Liquidity Provider to an RFQ Client, for a limited time, in response to an RFQ by an RFQ Client.
Restricted Location	Means a country or jurisdiction where access to the MTF or the use of the Services may be restricted or prohibited by Matrix, such as, but not limited to:

Term	Definition
	a) the United States of America, the Chinese Mainland and Chinese Macau Special Administrative Region; b) any country or jurisdiction which may be subject to economic sanctions under Applicable Laws and Regulations; c) any other country or jurisdiction where the Applicable Laws and Regulations prevent Matrix from having a business relationship with, or from providing the Services to, persons located, domiciled, holding assets in, or in any way linked to such countries or jurisdictions; d) the countries or regions listed by the Financial Action Task Force as “High-Risk Jurisdictions subject to a Call for Action” or as “Other monitored jurisdictions” as published and amended from time to time; and e) any other country or jurisdiction which Matrix, in its sole discretion, deem to be a Restricted Location, and which Matrix may publish on its website or notify the Client under a Notice or provided for under the User Agreement, from time to time
Restricted Person	Means either a US Person or a citizen of, a resident of, domiciled in, Chinese Mainland or in Chinese Macau Special Administrative Region or a citizen of, a resident of, domiciled in, incorporated or in any way established in, a Restricted Location or: <ol style="list-style-type: none"> otherwise prohibited under the Applicable Laws and Regulations from using the MTF or receiving the Services; or subject to economic sanctions or designated as a terrorist person or organisation by a competent government or international body such as but not limited to the United Nations Security Council, the European Union Council, the UAE or the US Office of Foreign Assets Control.
Rule	Refers to a rule contained in this Market Rulebook.
Services	Means the services provided by Matrix to its Clients under the User Agreement, which include trading on the MTF and the custody of a Client’s Assets.
Soft Fork	A Soft Fork occurs when the underlying protocol of a blockchain is changed, such that it continues to be backward compatible with older versions. This means that relevant parties that still operate on the older blockchain protocol will still be able to validate and verify transactions on the upgraded version.
Stablecoin	Means a blockchain-based token that is valued 1:1 by reference to an underlying fiat currency, which meets the criteria to be deemed an “Accepted Virtual Asset” by the FSRA as set out under the FSRA Rules, and which is accepted to be traded on the MTF.
Stop Price	The Stop Price is the specified price which triggers a Stop Order to buy or sell an Asset.
Stop-Limit Order	A Limit Order that is executed only if and when the last Trade price on the Order Book equals or surpasses the Stop Price.
Taker Order	An Order where a Client places an Order that is Filled against another Order in the Order Book.

Term	Definition
Trade	The resulting transaction on the MTF after the Fill of two Orders.
Trading Pair	Asset types which can be traded as per the following pairs: d) Fiat Currency into Virtual Assets; e) Virtual Assets into Fiat Currency; or f) Virtual Assets into other Virtual Assets.
Trading-Session	Means the period of time during which Assets can be traded on the MTF or through Block Trades.
Trading Suspension	Means the period of time during which trading activity on the MTF and/or through Block Trades is suspended by Matrix in its sole discretion, including among other things, upon the occurrence of any of the events set out in Rules 13.4, 20.3, 20.4 and 20.5.
UAE	Means the United Arab Emirates.
User Agreement	Means the agreement entered into between Matrix and a Client for the provision of Services as provided for under such agreement.
User Interface	Means the interface a Client uses to access and use the MTF and receive Notices and includes any online communication tool as Matrix makes available to Clients from time to time.
US Person	means a person located in, or a citizen or resident of the United States of America (US) or any of the following: a) a domestic partnership (partnership organised in the US); b) a domestic corporation (corporation incorporated in the US); c) any estate other than a foreign estate or trust; or d) the US government, a US state, or the District of Columbia (including any agency, instrumentality or political subdivision thereof).
Virtual Asset	Means a Virtual Asset which meets the criteria to be deemed an “Accepted Virtual Asset” by the FSRA as set out under the FSRA Rules, and which is accepted to be traded on the MTF.
Wallet	Wallet means software used to store public and private keys, to track ownership of and to receive or send Virtual Assets / Stablecoins, and in relation to each Account includes the Hot Wallet and Cold Wallet.

Interpretation

- 2.2. In this Market Rulebook, references to:
- 2.2.1. "we", "our", or "us" are to Matrix.
 - 2.2.2. "Client", "you" or "your" are to clients of Matrix who trade on the MTF and to whom Matrix provides its Services under the User Agreement.
 - 2.2.3. "writing" includes any record capable of being published, whether or not in electronic form, unless a contrary intention is otherwise specified.
 - 2.2.4. Applicable Laws and Regulations includes a reference to the relevant provision in the Applicable Laws and Regulations, as amended, extended, consolidated, substituted, or re-enacted from time to time.
 - 2.2.5. unless indicated otherwise:
 - a) a "Client" means a client of Matrix who agreed to the User Agreement and for this Market Rulebook to be binding on them, and who receives the Services Matrix provides to its Client under the User Agreement;
 - b) a "person", whether capitalised or not, means a natural person or a legal person (which include but are not limited to a sole proprietorship, joint venture, partnership, corporation, company, firm, bank, association, cooperative, trust, estate, government, governmental agency, regulatory authority or other entity of any nature), as the context requires;
 - c) terms defined in Applicable Laws and Regulations have the same meaning as in those Applicable Laws and Regulations, unless otherwise defined in this Market Rulebook or the context requires otherwise;
 - d) an act or course of conduct includes both acts and omissions;
 - e) terms importing the singular shall be deemed to include the plural and vice versa;
 - f) a "time" is a reference to Coordinated Universal Time or UTC.
- 2.3. Chapters, section headings and the provided guidance, are for guidance only and shall not affect the interpretation of this Market Rulebook.
- 2.4. Subject to any right of review or appeal to a tribunal or the ADGM Court that may be prescribed in ADGM legislation or FSRA Rules, the decision of Matrix shall be final in relation to the interpretation of these Rules.

Chapter 3 - Scope and Application

Persons to whom this Market Rulebook applies

- 3.1. This Market Rulebook applies to:
 - 3.1.1. every Client;
 - 3.1.2. every Authorised Representative;
 - 3.1.3. any Order filled on the MTF by a Client or an Authorised Representative; and
 - 3.1.4. to the carrying on of any activity connected to the trading of an Asset on the MTF.

Powers of Matrix

- 3.2. The powers assigned to Matrix under this Market Rulebook are in addition to:
 - 3.2.1. the powers of the FSRA, or any other Competent Authority which can exercise any powers in relation to Matrix's listed Assets in the ADGM; and
 - 3.2.2. any other powers which Matrix may have under its constitutional documents, any other agreements which it has entered into with the Clients and any powers which it may have under Applicable Laws and Regulations.

Application to Clients

- 3.3. A Client's continued use of the MTF will be considered as agreement to abide by this Market Rulebook.
- 3.4. This Market Rulebook shall continue to apply to a Client for a period of 12 months following the Client's resignation or termination, as provided for under Chapter 12.

Chapter 4 - Acceptance as a Client

Requirements for acceptance of Applicants

- 4.1. An Applicant wishing to become a Client must:
 - 4.1.1. complete the online application form;
 - 4.1.2. sign the User Agreement;
 - 4.1.3. have read, understood, and agreed to abide by this Market Rulebook, and confirmed as such by ticking the applicable box on the Matrix website;
 - 4.1.4. meet the eligibility criteria in Rule 5.3; and
 - 4.1.5. provide such additional information as Matrix may require.

Right to request additional information from Applicants

- 4.2. Matrix reserves the right to require a Client to give additional proof of any representations made at the time of opening an Account, as well as on an ongoing basis in relation to any transaction on the MTF, or whenever Matrix decides to ensure that its Client CDD information is up to date.

Discretion to accept and terminate business relationship

- 4.3. If an Applicant complies with Rule 4.1 and satisfies the eligibility criteria in Rule 5.3, Matrix may, in its absolute discretion, accept the Applicant as a Client, effective on such date and at such time as Matrix may specify.
- 4.4. Matrix may terminate access to, and the use of, the MTF to any Client in accordance with the terms in the User Agreement and these Rules, without the need to provide a reason for such termination.

Chapter 5 - Client Eligibility Criteria

- 5.1. An Applicant may be a legal person or a natural person.
- 5.2. Matrix may not admit an Applicant as a Client and provide him with access to the MTF unless the Applicant satisfies each of the eligibility criteria in Rule 5.3 to Matrix's satisfaction.
- 5.3. To be eligible to obtain access to MTF-related Services, an Applicant must:
- 5.3.1. when a natural person, be twenty one (21) years old and have the capacity to enter into binding agreements under the Applicable Laws and Regulations;
 - 5.3.2. when a legal person:
 - a) be duly organised and validly existing under the Applicable Laws and Regulations;
 - b) appoint an Authorised Representative who satisfies Rule 5.3.1, and who has all the necessary rights and authority to legally bind the Client or operate its Account;
 - c) not be ultimately owned by a Restricted Person;
 - 5.3.3. not have previously been suspended or terminated as a Client of Matrix or any other virtual asset MTF globally;
 - 5.3.4. have full power and authority to enter into the User Agreement and in doing so, will not violate any other agreement to which he is a party;
 - 5.3.5. not be a Restricted Person or acting on behalf of, for the benefit of, or under the control of such person;
 - 5.3.6. not access the MTF while:

- a) located in a Restricted Location, or while acting on behalf of, for the benefit of, or under the control of a person who is a national of a Restricted Location (for natural person); or
 - b) while acting on behalf of, for the benefit of, or under the control of a person who is established or incorporated or domiciled in a Restricted Location (for legal persons);
- 5.3.7. provide accurate and timely CDD information to Matrix's satisfaction, and clear Matrix's CDD;
 - 5.3.8. operate the Account exclusively for their own use (i.e., as principal);
 - 5.3.9. only deposit into the Account through a bank account and external Virtual Asset / Stablecoin Wallet registered with Matrix; and
 - 5.3.10. have adequate systems to access and trade on the MTF.

Chapter 6 - Clients' Continuing Obligations

Compliance requirement

- 6.1. Following an Applicant's acceptance as a Client, it is the responsibility of the Client to ensure that it continues to meet its obligations under the User Agreement (as applicable to activities on the MTF) and this Market Rulebook, and that it complies with the relevant FSRA Rules and any other Applicable Laws and Regulations.

Specified continuing obligations

- 6.2. A Client must comply with the following continuing obligations, as they apply to them:
 - 6.2.1. where applicable, maintain the appointment of an Authorised Representative (appointed under Rule 5.3.2(b)) and ensure Matrix is kept up to date with such appointment;
 - 6.2.2. maintain security systems suitable for their use of the MTF to avoid unauthorised access and comply with any security measures and procedures for authentication requested by Matrix from time to time (including but not limited to, creating unique access credentials, and maintaining the security of the Account by protecting access credentials and API keys from unauthorised access or use);
 - 6.2.3. co-operate with Matrix, the FSRA and any Competent Authority during any investigation that is conducted in relation to the Client's access to, or activity on, the MTF;
 - 6.2.4. ensure that it makes all the notifications provided for under Chapter 7 in a timely manner;

- 6.2.5. comply with undertakings given by the Client, and any other agreement between the Client and Matrix;
- 6.2.6. comply with the procedural, operational, and technical requirements of Matrix's systems and networks, as specified by Matrix from time to time which are necessary for the use of the MTF;
- 6.2.7. ensure any information or documents relating to the Client provided to Matrix, including but not limited to CDD information and documents, are kept up-to-date;
- 6.2.8. where applicable, hold an appropriate regulatory license or authorisation to continue to be engaged in activities on the MTF;
- 6.2.9. where applicable, maintain required personnel and technical resources to ensure the Client's compliance with this Market Rulebook;
- 6.2.10. pay such Fees and charges as may be applicable to the Client on or before the due date specified by Matrix;
- 6.2.11. bear its own costs and expenses in connection with any such investigation referred to in Chapter 21 of this Market Rulebook and indemnify Matrix in full in respect of all costs and expenses reasonably incurred by Matrix in connection with any investigation in so far as those costs relate to an investigation or any part of an investigation which relates to the Client's activity on the MTF except to the extent that any such costs arise as a consequence of fraud, gross negligence or willful default of Matrix;
- 6.2.12. observe high ethical standards to preserve market integrity and act with honesty, integrity, fairness, due skill and care when conducting any activities on the MTF;
- 6.2.13. refrain from any action or conduct which may impact or harm the reputation of Matrix;
- 6.2.14. where applicable, ensure that its Authorised Representatives are sufficiently trained, are adequately supervised, and have adequate experience, knowledge, and competency to abide by and comply with the Market Rulebook;
- 6.2.15. continue to meet the eligibility criteria under Rule 5.3 at all times as long as they are a Client;
- 6.2.16. ensure to log out from the Account at the end of each session when accessing the MTF;
- 6.2.17. ensure that any Personal Data provided to Matrix is up-to-date and correct; and
- 6.2.18. in the case of a Liquidity Provider, maintain such procedures to ensure the timely execution, recording, and settlement of Block Trades.

6.3. The Client is responsible for all acts, omissions, conduct, and activity conducted on his Account.

Obligation to act as principal

6.4. Each Client shall act as principal in respect of all of its interactions with Matrix and activity on the MTF including, without limitation, when trading or accessing the MTF through an Authorised Representative, and such Client shall be responsible and liable to Matrix as principal and not as agent.

Chapter 7 - Client Notification Obligations

General notification requirements

7.1. A Client must notify Matrix as soon as practicable:

7.1.1. if it believes or has reason to suspect that its Account has been compromised;

7.1.2. if it has or may have committed a material breach of the User Agreement, this Market Rulebook or any relevant Applicable Laws and Regulations;

7.1.3. of any material change to the information that the Client has provided to Matrix (including but not limited to CDD information, a change of address, or email address or any other particulars and Client contact details communicated to Matrix);

7.1.4. of a Default Event in respect of the Client;

7.1.5. of the commencement of or the formal notification of any investigation or disciplinary or enforcement proceedings, or the receipt of an injunction, or the imposition of a sanction against the Client by the FSRA or a Competent Authority relating to the Client's activities on the MTF or which may otherwise be material in the context of the Client's obligations under this Market Rulebook;

7.1.6. of a material change which affects the Client's ability to comply with this Market Rulebook;

7.1.7. of a matter which results in the Client being unable to comply with the eligibility criteria under Rule 5.3 or its continuing obligations under Chapter 6; or

7.1.8. if there is a need to report a material incident in relation to its Account, including any material operational problems or security concerns related to its Account.

Legal persons' notification requirements

7.2. In addition to complying with Rule 7.1, a Client who is a legal person must also notify Matrix immediately, by amending information submitted to Matrix, in relation to a change in its:

7.2.1. name;

- 7.2.2. Authorised Representative;
- 7.2.3. “Beneficial Owner” (as this term is defined under FSRA Rules); and
- 7.2.4. legal status and/or regulatory status (as may be the case).

Notifications to Matrix

- 7.3. The notifications in Rules 7.1 and 7.2 must be made using the appropriate means as notified by Matrix to the Client from time to time, including through the User Interface.

Chapter 8 - Asset Eligibility

Admission of an Asset

- 8.1. Matrix may only admit a Virtual Asset if it meets the criteria to be deemed an “Accepted Virtual Asset” for trading on the MTF or through Block Trading.
- 8.2. Matrix may also admit Fiat-Fiat Pairs as an ancillary product for trading on the MTF.
- 8.3. Where Matrix decides to admit a new Asset for trading on the MTF:
 - 8.3.1. Matrix will provide a Notice in relation to the admission of a new Asset for trading, which specifies among other things the effective date of such admission and the duration of the Pre-Trading Session which applies to the trading in the newly admitted Asset; and
 - 8.3.2. trading in a newly admitted Asset will be subject to the restrictions set out in Rule 20.15 during the Pre-Trading Session.

De-listing of an Asset

- 8.4. Where Matrix decides at its sole discretion, or is required by the FSRA or under relevant Applicable Laws or Regulations, to remove an Asset from the MTF, Matrix will:
 - 8.4.1. provide a Notice to that effect along with the effective date of such removal; and
 - 8.4.2. cancel any pending Orders in relation to such delisted Assets; and
 - 8.4.3. restrict Clients from entering any Orders in relation to such delisted Assets.

Chapter 9 - Prohibited Activities

- 9.1. A Client must not use his Account or his access to the MTF to engage in any Prohibited Activities.

Guidance

Prohibited Activities include, but are not limited to:

- (a) *using a web crawler or similar technique to access the MTF or to extract data;*

- (b) *using a fraudulent computer network protocol address by using a false address or a third-party address, or by any other means, for the purpose of committing a crime or preventing its discovery;*
- (c) *reverse engineering or disassembling any aspect of the Matrix's website, API, or the MTF in an effort to access any source code, underlying ideas and concepts and algorithms;*
- (d) *performing any vulnerability, penetration, or similar testing on the API;*
- (e) *taking any action that imposes an unreasonable or disproportionately large load on the MTF, or detrimentally interferes with, intercepts, or expropriates any system, data or information which relates to the MTF;*
- (f) *dealing in Virtual Assets / Stablecoins that may have been tainted in any way from an illegal activity, or which are associated with a tainted Virtual Asset / Stablecoin Wallet; or*
- (g) *infringing upon Matrix's or any third party's copyright, patent, trademark, or intellectual property rights.*

Circumvention of restrictions

- 9.2. A Client whose access to the MTF is suspended, terminated, or restricted by Matrix must not:
- 9.2.1. circumvent or attempt to circumvent the suspension, termination, or restriction;
 - 9.2.2. implement measures the effect of which would amount to the circumvention of the suspension, termination, or restriction; or
 - 9.2.3. use another Client's access to the MTF to circumvent the suspension, termination, or restriction.

Chapter 10 - Communications with Clients

Means of notifications to Clients

- 10.1. Matrix may use various means to communicate with its Clients, which include but are not limited to:
- 10.1.1. posting a Notice on the Matrix website;
 - 10.1.2. sending an email to a Client's email address on record with Matrix; and
 - 10.1.3. any other form of electronic communication as may be notified to Clients from time to time.
- 10.2. A Client may:
- 10.2.1. choose his preferred means to receive Matrix's communications; and
 - 10.2.2. withdraw their consent to receive communications electronically in writing. Any cost incurred by Matrix for using paper-based communications shall be borne by the Client.

10.3. Any communication given by Matrix under this Market Rulebook shall, in the absence of any express agreement, be in writing and shall be deemed to be duly notified to the Client if left at, or sent to, the Client's last known registered address, fax number or registered email address.

English language requirement

10.4. Every document or information provided or required to be provided by a Client to Matrix, or provided by Matrix to a Client, must be in the English language.

10.5. All communications between a Client and Matrix shall be in English.

Chapter 11 - Applicable Laws and Regulations

11.1. A Client's conduct on the MTF is subject to the Applicable Laws and Regulations of the relevant Competent Authority applicable to:

11.1.1. Matrix in the ADGM; and

11.1.2. the Client, as these may apply to the Client in his country, of residence or where he normally resides or is domiciled (for natural persons), or incorporation (for legal persons), as enacted, replaced or amended from time to time.

11.2. Such Applicable Laws and Regulations in relation to Matrix include without limitation:

11.2.1. the laws and regulations in force in the ADGM, including but not limited to those in relation to the protection of personal data;

11.2.2. the FSRA Rules, including those in relation to Financial Crime; and

11.2.3. the Federal and Emirate-level laws and regulations in force in the UAE, to the extent applicable, including without limitation the relevant UAE legislation and implementing regulations on Financial Crime and confidentiality.

11.3. By agreeing to the User Agreement and opening an Account, the Client agrees and represents that he will at all times comply with such Applicable Laws and Regulations, as these apply to the MTF and to the Client.

Compliance with laws on Financial Crime

11.4. The Client must comply with Applicable Laws and Regulations in relation to Financial Crime to ensure that its funds held in the Account are not derived from illegal activities or Financial Crime, and that any Assets it deals with have not been tainted in any way by illegal activity or Financial Crime.

- 11.5. In complying with the Applicable Laws and Regulations which apply to it, Matrix may investigate the source of a Client's Assets, so that it may determine, in its sole discretion, how to handle such Assets in accordance with Applicable Laws and Regulations. This may include but is not limited to, returning Assets to their origin (i.e., in case of Fiat Currency, a transfer back to the bank account from which these were transferred into the Account, and in case of Virtual Assets / Stablecoins, a transfer back to the external Virtual Asset / Stablecoin Wallet address from which there were transferred).

Chapter 12 - Suspension, Termination, Resignation and Wind-Down

Suspension, restriction, or termination

- 12.1. Matrix may, in its absolute discretion, suspend, restrict, or terminate a Client's access to the MTF, irrespective of the products that are offered by Matrix and traded by the Client, and if the Client:
- 12.1.1. does not comply with this Market Rulebook;
 - 12.1.2. breaches the User Agreement (applicable to the MTF operations) or an Applicable Law or Regulation;
 - 12.1.3. refuses to acknowledge the Risk Disclosure and Privacy Policy;
 - 12.1.4. is subject to a Default Event;
 - 12.1.5. carries on or has attempted or is attempting to carry on any Prohibited Activity.
 - 12.1.6. raises concerns about the security of his Account, or that his Account is being used in a fraudulent or unauthorised manner;
 - 12.1.7. attempts to circumvent Matrix's systems and controls;
 - 12.1.8. currently is or is likely to:
 - c) become subject to litigation, a regulatory or enforcement action, or proceedings by a Competent Authority; or
 - d) expose Matrix to such risks in a) and reputational risk;
 - 12.1.9. fails to meet or ceases to meet the eligibility criteria in Rule 5.3 or the continuing obligations in Rule 6.2;
 - 12.1.10. carries on any activity on the MTF in a manner that Matrix deems, in its sole discretion, to be inconsistent with, or detrimental to, the operation and maintenance of a fair and orderly market on the MTF, or to pose a heightened risk of legal or regulatory non-compliance associated with a Client's activity; or

- 12.1.11. is the subject of a request by the FSRA, or by a Competent Authority, or if suspension, restriction, or termination is required under Applicable Laws and Regulations.
- 12.2. Matrix may exercise its powers under Rule 12.1 with immediate effect or on such notice as Matrix deems reasonable or necessary in the circumstances.
- 12.3. If Matrix exercises its powers under Rule 12.1:
 - 12.3.1. it may provide written reasons within seven (7) days of such suspension, restriction, or termination; or
 - 12.3.2. on notice, it may provide reasons at the time of the relevant notice.
- 12.4. Matrix shall terminate a Client's access to the MTF permanently and immediately upon the termination of the User Agreement, as provided for under the User Agreement.
- 12.5. Matrix will restore a Client's access to the MTF or his Account once Matrix, in its sole discretion, determines that the reason for such suspension has subsided.

Client Resignation

- 12.6. A Client may resign by giving Matrix prior notice as provided for under the User Agreement (as amended and notified to the Client from time to time).
- 12.7. Matrix may, in its absolute discretion, refuse to accept a Client's notice of resignation in the event the Client that is subject to an ongoing investigation by Matrix or a Competent Authority.
- 12.8. Following a Client's resignation, all of the Client's Open Orders shall be canceled. The Client shall be instructed to provide valid instructions to transfer the Client's Assets from his Account so that it may be closed. Any outstanding Fees will be deducted from the Client's Assets before any transfer out of the Client's Account.
- 12.9. Notwithstanding either the resignation by a Client under Rule 12.6 or the termination of a Client's access to the MTF under Rules 12.1 or 12.4, a Client shall continue to be bound by these Rules until the date on which a Client's transactions are settled and completed, and all outstanding Fees or other sums due by the Client to Matrix or another Client have been settled.

Account Wind-Down

- 12.10. Matrix may in its absolute discretion decide to wind down the Client's Account as per Rule 12.11 below if:
 - 12.10.1. Matrix exercises its powers under Rules 12.1 or 12.4; or
 - 12.10.2. a Client exercises his right to resign under Rule 12.6 and Matrix accepts the Client's resignation.

- 12.11. In the event of an Account wind-down under Rule 12.10, Matrix will issue a Notice to the Client requiring him to provide the necessary details of an appropriate (Fiat Currency or Virtual Asset / Stablecoin) account held with a third-party within the time specified in the Notice, so that Matrix may transfer the Client's Assets to such account.
- 12.12. If the Client does not provide the details requested by Matrix under Rule 12.11 within the time specified in the Notice, Matrix may in its absolute discretion sell the Assets held in the Client's Account at the prevailing price on the MTF, and transfer the sale proceeds and any of the Client's Fiat Currency balance, less any Fees owed to or costs incurred by Matrix, to the Client's bank account using the Client's banking details on file with Matrix.

Chapter 13 - Trading Rules

Non-permitted trading

- 13.1. Margin trading is not permitted on the MTF.
- 13.2. Short selling is not permitted on the MTF.

Trading hours

- 13.3. Clients may carry out Trades on the MTF or enter into Block Trades, 24 hours a day, 7 days a week, and 365 days a year, except when trading is suspended by Matrix under a Trading Suspension.

Scheduled Downtime

- 13.4. From time to time, Matrix may halt trading temporarily on the MTF, or restrict or suspend its Services or Clients' access to the MTF or to their Accounts, to conduct maintenance or systems upgrades.
- 13.5. Matrix shall inform Clients of any scheduled downtime in advance within a reasonable time, by way of a Notice, email, or publication on its website.
- 13.6. Matrix is not liable or responsible for any inconvenience or damage caused as a result of a scheduled downtime.

Types of Orders

- 13.7. A Client can place the following types of Orders on the MTF:
- 13.7.1. a Maker Order;
 - 13.7.2. a Market Order, which includes a Taker Order;
 - 13.7.3. a Limit Order; or
 - 13.7.4. a Stop-Limit Order.

Maker Orders and Taker Orders

- 13.8. Matrix does not guarantee that a Market Order or Maker Order will Fill at a price specified.
- 13.9. A Market Order or Maker Order are “Immediate or Cancel Orders” (i.e., IOCs) which may Fill at a number of different prices, based on the quantity of the Order and the quantities of the existing Orders on the Order Book at the time.
- 13.10. A valid Market Order or Maker Order will be immediately posted to the Order Book.

Limit Orders

- 13.11. A Limit Order is Filled at the specified price or a better price.
- 13.12. A Limit Order can result in a Maker Order or a Taker Order, or an Order that is partially a Maker Order and partially a Taker Order.
- 13.13. A Limit Order which is not executed immediately will remain on the Order Book until:
- 13.13.1. It is cancelled by the Client;
 - 13.13.2. It is completely Filled at that price by one or more Taker Orders placed by another Client;
or
 - 13.13.3. It is cancelled by Matrix in accordance with Rules outlined in Rule 13.32 of this Market Rulebook.
- 13.14. A Limit Order “placed outside the market” will be Filled by the best available existing Order rather than an existing Order with the same price as the Limit Order.

Guidance

A Limit Order is deemed to be “placed outside the market” when an ask Order is below the highest existing bid Order, or vice versa.

- 13.15. Matrix will validate a Limit Order’s price against the most recent snapshot of the resting best bid/ask for a given Asset within the Order Book.
- 13.16. Limit Orders that fall within the limits would be allowed automatically into the Order Book.
- 13.17. The User Interface will provide a warning message to Clients in relation to Orders which are outside the limits, and such warning will be displayed prior to submission of the Order. The API will not provide any alert or warning message to that effect.
- 13.18. The allowed limits are set in the MTF by Matrix as a configurable percentage. These limits will be set at Trading Pair based on market conditions such as liquidity and volatility as decided by Matrix, in its sole discretion. These limits will be published via Notice.

Stop Limit Orders

13.19. Once a Stop-Limit Order has been triggered, it is considered a Limit Order and follows the rules specified in Rules 13.11 to 13.14.

13.20. A Stop-Limit Order is not posted to the Order Book and is not visible to other Clients, but any resulting Order is posted and visible. A Stop-Limit Order becomes a Limit Order when the Stop Price is triggered. A Stop-Limit Order is not guaranteed to Fill as market conditions may make it impossible to execute such Orders at the Stop-Limit Order level.

Minimum and maximum Orders

13.21. All Orders placed on the Order Book are subject to the minimum and maximum Order sizes as provided in the Notice issued by Matrix from time to time.

13.22. Matrix may periodically update the minimum Order and maximum Order to reflect the current state of the market and the notional value of the Assets.

Submission and cancelation of Orders

13.23. A Client may only submit or cancel Orders from the Order Book during the times specified by Matrix and subject to the requirements and restrictions as specified in this Market Rulebook.

13.24. Any Order entered onto the Order Book by a Client shall:

13.24.1. be assigned a time stamp and an identification number;

13.24.2. be treated by Matrix as firm and available for execution; and

13.24.3. when Filled, be binding on the Client, including when the Order was placed by an Authorised Representative.

13.25. Each Account will list the Order Book(s) that is/are available to that Client.

13.26. When a Client places an Order, that quantity of the Virtual Asset / Stablecoin (including any applicable fees) are placed on hold in the Account until the Order Fills, expires, or is canceled. Any unfilled portion of your Order will remain on hold until it Fills, expires, or is canceled. No fees are charged for canceled Orders.

13.27. Clients will receive a confirmation Notification every time they have placed an Order, cancelled an Order, and when that Order is partially or completely Filled. A Client can also view this in real time on the User Interface.

13.28. Any Order Filled on the Order Book in accordance with this Market Rulebook creates a binding contract on the Client placing the Order.

13.29. A Client that submits an Order to the Order Book is responsible for the consequences of any errors made in the entering of an Order in the Order Book.

- 13.30. A Client may amend an Order entered in the Order Book at any time prior to the Order being Filled.
- 13.31. Amended Orders shall lose their original time priority and be given a new time stamp.
- 13.32. Matrix may cancel a Client's Order in whatever circumstances it considers appropriate including, but not limited to, circumstances where Matrix considers that an Order is erroneous or believes it necessary in order to preserve an orderly market, or if such Order breaches in any way this Market Rulebook or Applicable Laws and Regulations.
- 13.33. A Client must cancel any Order (in whole or in part) if after placing such Order the Client wishes to avoid a Fill of that Order. Clients also understand that they may not be able to cancel an Order prior to it Filling (in whole or in part) and that we are not liable to them for the completion of an Order after a cancellation request has been submitted.
- 13.34. A Client must not enter or attempt to enter an Order or amend an Order in the Order Book in a Trading Pair which is subject to a suspension by Matrix or the FSRA.
- 13.35. An Order may be Filled by one or more matching Orders.
- 13.36. A Client is responsible for all obligations and liabilities arising from the entry, cancellation and execution of all Orders submitted to the Order Book by that Client.

Order Record

- 13.37. Matrix shall record the following details in relation to every Order:
- 13.37.1. Client's identification number;
 - 13.37.2. Date and time of the Order;
 - 13.37.3. Identification of the Trading Pair;
 - 13.37.4. Order type and whether it is to buy or sell an Asset;
 - 13.37.5. Order Status: open, partially completed, completed, cancelled;
 - 13.37.6. Price at which the Order is placed;
 - 13.37.7. Price and Fee where the Order is Filled; and
 - 13.37.8. Quantity: order size measured in Asset units (Trading Pair).

Orders to be pre-funded

- 13.38. Except where a Client is a Liquidity Provider executing a Block Trade, an Order where the relevant Client has insufficient available balance on Account to cover the Order plus any Fees at the time of placing such Order, shall be automatically rejected by the MTF and shall not be recorded in the Order Book.

13.39. Matrix only accepts Orders through the MTF's web User Interface or its API.

13.40. The MTF records each Client's balances of Virtual Assets / Stablecoins and Fiat Currencies.

13.41. Matrix's API allows a Client to perform the following:

- 13.41.1. Place and cancel Maker Orders and Taker Orders;
- 13.41.2. View account balances;
- 13.41.3. Get details of Order history; and
- 13.41.4. Receive the MTF's Market Data.

13.42. All Orders submitted through the API are still subject to the same price-time priority.

13.43. Placed Order are prioritized based firstly upon the best price (i.e: highest bid and lowest offer) and secondly by the time the order is received.

13.44. When an Order is entered in the Order Book, Matrix will match such Order to the greatest extent possible with active Limit Orders in the Order Book which reflects the best price and has been entered the earliest (highest time priority); and continue with the Limit Orders in the Order Book which has the next highest priority and so on. A Client must authenticate using the API key and access token to place Orders, view active Orders, or cancel Orders.

13.45. The number of Orders or requests allowed through the Matrix API is restricted and the messages are monitored through the API.

13.46. Matrix will provide Clients with an error warning if Clients exceed the number of requests allowed.

13.47. Matrix will provide a rejection message with an error warning when a Client exceeds the number of Orders placed per account.

Reversal of Trades

13.48. All Trades are final and may not be reversed by Matrix unless:

- 13.48.1. Matrix is required to do so under Applicable Laws and Regulations.
- 13.48.2. Matrix is required to do so by the FSRA or by a Competent Authority (including in cases of Financial Crime or other breaches of Applicable Laws and Regulations).
- 13.48.3. the Trade was undertaken by a Client in breach of this Market Rulebook; or
- 13.48.4. the Trade resulted from:
 - a) a technical failure, whether as a result of malicious conduct or due to the malfunctioning of the MTF's information technology infrastructure, which affected the MTF; or

- b) a Fill which is in material breach of this Market Rulebook, in which case Matrix shall make all reasonable efforts to restore the Clients to the position they would have been in had the breach not occurred.

13.49. In the event a Trade is reversed, Matrix will (unless it would be unlawful for it to do so) provide the Client with a Notice and the reasons for reversal and, where appropriate, with the procedure for correcting any factual errors which led to the cancellation. Matrix is under no obligation to allow a Client to repeat a Trade at the same price or on the same terms as the reversed Trade.

Chapter 14 - Order Matching

Order matching

- 14.1. The Order Book matches Taker Orders with Maker Orders based on priority given to price and the time when the Order was entered on an IOC basis.
- 14.2. Each time a Taker Order is posted in the Order Book:
 - 14.2.1. the Taker Order is matched with the earliest in time Maker Order at the best price in the Order Book;
 - 14.2.2. to the extent that the Taker Order is not completely Filled by that Maker Order, it is matched with any subsequent Maker Orders at that price, in the chronological sequence those Maker Orders were posted; and
 - 14.2.3. to the extent that the Taker Order is not completely Filled by one or more Maker Orders described above, it is matched with one or more Maker Orders at the next best price, in the chronological sequence those Maker Orders were posted, and this process is repeated until the Taker Order is completely Filled.

Fills

- 14.3. A Fill occurs when:
 - 14.3.1. a Maker Order is matched with a Taker Order, resulting in Trade; or
 - 14.3.2. a Client accept an RFQ Quote, resulting in a Block Trade.
- 14.4. In a Trade, an Order may be matched with and filled by one or more Orders.
- 14.5. In a Block Trade, an RFQ Quote must be within the trading limit assigned by Matrix to a Liquidity Provider.

Guidance

A Liquidity Provider may only issue an RFQ Quote within the trading limit assigned to him by Matrix. This means that an RFQ can only be quoted by Liquidity Providers with sufficient trading limits.

14.6. Clients will receive a Notice regarding their Fill(s).

Chapter 15 - Settlement of Trades

15.1. All Trades are settled (i.e. Filled Orders, either partially or entirely):

- 15.1.1. by debiting and crediting the relevant balances of Virtual Assets / Stablecoins and Fiat Currencies in both Clients' Accounts, and are reflected in Client's trading history on the User Interface; and
- 15.1.2. in real-time and the MTF verifies the total balance before and after the Trade to ensure that it remains unchanged (after the applicable fees have been deducted).

Guidance

The process described above happens "off-chain" and is not broadcasted to any given blockchain.

Chapter 16 - Fees

General

- 16.1. Matrix may impose such fees and other charges as it may from time to time determine and publish by Notice. A Client shall pay to Matrix all applicable subscriptions, charges, fees, and any other costs, including interests on any late payment due under this Market Rulebook, the User Agreement, or any Notice in the timeframe specified by Matrix.
- 16.2. Matrix may offset any and all debts owed to it by setting-off any owed amounts against the Fiat Currency to the credit of the Client's Account or, if the Client's Account does not have enough Fiat Currency to its credit to pay outstanding amounts, sell Assets held in the Client's Account in satisfaction of such debt.
- 16.3. A Client is required to determine whether taxes, duties or deductions arise from its trading on the MTF. Clients are liable for the payment of any applicable taxes, duties or deductions that arise from the Client's trading on the MTF.

Trading fees

- 16.4. Every Trade will be subject to a transaction fee. Matrix will display the applicable transaction fee to Clients on the User Interface prior to each transaction, and this transaction fee is stated in each confirmation that is issued to Clients.

- 16.5. Matrix may amend or vary its fees and charges from time to time by way of a Notice. Matrix will provide reasonable advance notice to Clients of any changes to any such fees or charges, or the imposition of any new fees or charges.
- 16.6. Matrix will charge Clients a maker fee for each Maker Order and a taker fee for each Taker Order that is posted to the Order Book, as Matrix may from time to time determine and publish by Notice. The fee is denominated in the Quote Asset of the Trade and is calculated as a percentage of the Order quantity. A fee is blocked in the Client Account's available balance for the amount of the highest fee at the time of placement of the Order and once the Order is Filled, the fee will be deducted from Client's available balance. If an Order is posted to the Order Book which results in a partial Maker Order and Taker Order, a maker fee applies to the portion Filled as a Maker Order and a Taker fee applies to the portion Filled as a Taker Order. Fees may vary between Order Books. The current fee rates are available in the Fee Schedule section of Matrix's website.

Chapter 17 - Access to Market Data

- 17.1. All Clients have full and equal real-time access to Market Data. Market Data is available to Clients of the MTF through the User Interface or the API, or any other means as provided by Matrix from time to time.
- 17.2. Market Data comprises of the following:
- 17.2.1. All Limit Orders placed in the Order Book (price, quantity, and time);
 - 17.2.2. All canceled Orders in the Order Book (price, quantity, and time);
 - 17.2.3. All Fills (price, quantity, and time).
- 17.3. Market Data does not include any information relating to a Client's Order or a Client's cancelled Order.

Transparency Obligations

- 17.4. Matrix will disclose to the public and to the FSRA the required pre-trade and post-trade information as provided for under FSRA Rules.
- 17.5. Matrix will provide a standardised, consistent, and structured format when disclosing trading information to the public.

Chapter 18 - Market Integrity

- 18.1. To ensure that Clients have equal access to the MTF, Matrix will not grant any Client preferential access or prioritise one Client or a number of Clients against another.

- 18.2. Matrix will take into consideration the interests of its Clients collectively and not on an individual Client basis.
- 18.3. All executed transactions are final (unless Matrix, acting reasonably and in accordance with these Rules, determines that an executed transaction may be reversed).

Chapter 19 - AML and Market Abuse

Anti-money laundering

- 19.1. Clients can transfer Fiat Currency between their Account and pre-registered bank accounts under their name and registered with Matrix.
- 19.2. Matrix will reject Fiat Currency deposits from a Client's bank account(s) not registered with Matrix, and will return any transferred funds unless the Client has obtained prior approval from Matrix.
- 19.3. A Client must comply with relevant Financial Crime and AML legislation in force in the UAE, and in any other jurisdiction to the extent that such legislation applies to the Client.
- 19.4. A Client must comply with any AML measures and procedures set out in a Notice published by Matrix.
- 19.5. A Client may only transfer Fiat Currency to his Account from his own account held with a regulated bank established in a jurisdiction which is acceptable to and registered with Matrix.
- 19.6. Upon Matrix's request, a Client must immediately disclose to Matrix the source of:
- 19.6.1. any Assets transferred or to be transferred to his Account; and
 - 19.6.2. the Client's wealth.
- 19.7. The disclosure by the Client required by Rule 19.6 must be made in such verifiable documentary form as Matrix may reasonably require.

Market Abuse

- 19.8. This section on Market Abuse does not apply to the Fiat-Fiat Pairs listed on Matrix (Please also refer to Rule 1.5).
- 19.9. A Client must not engage in, participate in, aid, abet, allow, finance, support or otherwise endorse or enable conduct or activities which could constitute Market Abuse of the Assets listed on Matrix.
- 19.9.1. market manipulation by effecting Trades which give, or are likely to give, a false or misleading impression as to the supply of, or demand for, or as to the price of, one or more Assets, or secure the price of one or more such Assets at an abnormal or artificial level;

- 19.9.2. disseminating false or misleading information by any means which gives, or is likely to give, a false or misleading impression as to any Assets by a Client who knew or could reasonably be expected to have known that the information was false or misleading; or
 - 19.9.3. insider dealing by dealing, or attempting to deal, in any Assets on the basis of inside information not known to the public.
- 19.10. Orders placed on the MTF, and Trades executed on the MTF, must be made in good faith for the purpose of entering into bona fide transactions.
- 19.11. Notwithstanding the Client's general requirement to cooperate with Matrix under Chapter 21, a Client must cooperate with Matrix, the FSRA or any other Competent Authority in relation to an investigation into Market Abuse.

Chapter 20 - Measures to Maintain Fair and Orderly Trading

- 20.1. Matrix may take any action, including market control measures, it deems appropriate to preserve market integrity, maintain fair and orderly trading, and to secure compliance with this Market Rulebook.

Market control measures

- 20.2. The market control measures in Rule 20.1 may include, but are not limited to:
- 20.2.1. imposing a Trading Suspension;
 - 20.2.2. modifying risk-mitigating parameters;
 - 20.2.3. restricting Clients' access to the MTF;
 - 20.2.4. restricting Clients' ability to enter into Block Trades;
 - 20.2.5. restricting order types to Limit Orders;
 - 20.2.6. canceling Open Orders sitting on the Order Book; or
 - 20.2.7. any other actions deemed by Matrix to be in the best interest of its Clients, the MTF and to preserve fair and orderly trading.

Exceptional situations or event

- 20.3. The situations or events in Rule 20.1 shall include anything which is deemed in Matrix's reasonable discretion to be exceptional, including but not limited to the following specific circumstances:
- 20.3.1. major price volatility on the MTF, especially where a Trade differs significantly from the market price or where liquidity is poor;

- 20.3.2. decisions or information which are to be published imminently and which might have a significant influence on the price of an Asset;
- 20.3.3. a Virtual Asset / Stablecoin no longer meeting the criteria to be deemed an “Acceptable Virtual Asset” by the FSRA, as provided for under the FSRA Rules;
- 20.3.4. Matrix not being authorised to operate the MTF or provide custody;
- 20.3.5. changes in Applicable Laws and Regulations which make the Services provided by Matrix to Clients, illegal or require remedial action before they can be resumed; or
- 20.3.6. other situations that Matrix deems may compromise fair and orderly trading.

Emergency situations or events

- 20.4. The situations or events in Rule 20.1 shall include anything which is deemed in Matrix’s reasonable discretion to be of an emergency nature, including but not limited to the following specific circumstances:
 - 20.4.1. failure of the MTF, including its access infrastructure or parts thereof;
 - 20.4.2. failure of a Client’s access to the MTF;
 - 20.4.3. failure of Matrix’s custody or settlement infrastructure or systems;
 - 20.4.4. a Force Majeure event; or
 - 20.4.5. other emergencies that Matrix deems may compromise fair and orderly trading.

Technical issues

- 20.5. If any technical reasons prevent or restrict Clients’ ability to place or cancel Orders, or prevent or restrict access to the MTF or affect the operation of the Order Book or MTF, including but not limited to scheduled downtime of the MTF, Matrix may, in its sole discretion, take one or more of the following actions in respect of its MTF operations:
 - 20.5.1. take any action provided for under Rule 20.2, including the halting of trading (Rule 20.2.1) or canceling Open Orders (Rule 20.2.6);
 - 20.5.2. temporarily disable depositing or withdrawing Assets (in connection with actions taken by it as a custodian);
 - 20.5.3. disable the ability to place new Orders;
 - 20.5.4. disable the API, User Interface, the MTF, or its website; or
 - 20.5.5. disable access to the MTF.

Trading Session

- 20.6. During the Trading Session, a Client can submit, amend or cancel Orders on the MTF, subject to the requirements and restrictions as specified in this Market Rulebook.
- 20.7. Once a Trading Session has closed, no orders can be entered, and no trades can be executed until the opening of the next Trading Session.
- 20.8. Matrix will notify Clients for closing of a Trading Session through Matrix's website, Notice, or any other means of communication.

Trading Suspension

- 20.9. A Trading Suspension may be in relation to all Orders or RFQs or restricted to specified Trading Pairs.
- 20.10. During a Trading Suspension, no new Orders or RFQs shall be placed, and no Orders shall be Filled or RFQ Quotes may be provided or accepted. Clients may however cancel Open Orders or Open RFQs.

Guidance

During a Trading Suspension, Open Orders and Open RFQs shall be maintained until the Trading Suspension is lifted, or until these are canceled by the Client.

For the avoidance of doubt, a Trading Suspension can also include a suspension of Block Trades as well as any other products and services listed on Matrix.

- 20.11. Matrix will resume a Trading Session as reasonably practicable and when Matrix deems it is appropriate in its sole discretion to do so.
- 20.12. Matrix will provide a Notice to Clients in relation to:
- 20.12.1. any action taken under this Chapter 20 unless it is prohibited under Applicable Laws and Regulations for Matrix from doing so; or
 - 20.12.2. the resumption of trading following a Trading Suspension.

Resumption of trading

- 20.13. A new Trading Session starts after the end of a Pre-Trading Session.
- 20.14. Before the start of a new Trading Session following a Trading Suspension, Matrix will send a Notice to Clients specifying the duration of the Pre-Trading Session.
- 20.15. During the Pre-Trading Session:
- 20.15.1. a Client may only enter Limit Orders and may cancel Open Orders or Open RFQs; and

- 20.15.2. Open Orders will not be matched and RFQ Quotes in relation to Open RFQs cannot be provided.

Guidance

After the start of a new Trading Session any outstanding Open Orders which can be Filled will be Filled and Liquidity Providers may provide RFQ Quotes to any Open RFQs.

Chapter 21 - Monitoring and Investigation

Reporting of Client activity

- 21.1. Matrix shall immediately report to the FSRA, and to any other Competent Authority, as relevant, any Client conduct which may constitute Market Abuse, Financial Crime or money laundering, or a breach Applicable Laws and Regulations, and share any relevant information which might be helpful to them in that regard.

Complaints in connection with the use of the MTF

- 21.2. A Client can make a complaint about the conduct of another Client, or against Matrix or any of its employees, as per the procedure set out in Matrix's Complaints Policy a copy of which is published on the Matrix's website (a Client may at any time request, free of charge, a hard copy of the policy).
- 21.3. In the event of a complaint, Matrix shall:
- 21.3.1. promptly acknowledge any complaint made under Rule 21.2;
 - 21.3.2. promptly review and consider such complaint in accordance with Matrix's Complaints Policy;
 - 21.3.3. provide a timely reply to the complainant following its internal investigation; and
 - 21.3.4. keep records of the complaint and investigation.
- 21.4. A Client may, as provided under Matrix's Complaints Policy:
- 21.4.1. appeal against Matrix's decision regarding his complaint;
 - 21.4.2. refer his complaint for binding external dispute resolution; and
 - 21.4.3. refer his complaint to the FSRA.

Information disclosure

- 21.5. Matrix may require a Client to immediately provide accurate information relating to its Order or Trade in any format, electronic or otherwise, as specified by Matrix.

- 21.6. Matrix may disclose any information or documents in its possession or which it has obtained from a Client to any person (including a Competent Authority) for the purpose of enabling it to institute, continue, or defend any proceedings, including any court proceedings. Matrix has no obligation to notify a Client that it is in receipt of any such information or documents.
- 21.7. Matrix may keep information or documents which come into its possession under this Market Rulebook for such period as it considers necessary or appropriate for the purposes such information or document was obtained.

Investigations

- 21.8. Matrix may investigate any suspected breach of this Market Rulebook, regardless of how a suspected breach comes to its attention, whether such suspected breach is detected by Matrix, reported by a Client, or comes to Matrix's attention from any other source. Matrix has no obligation to notify a Client that an investigation is underway.
- 21.9. Following an investigation pursuant to Rule 21.8, if Matrix determines, in its absolute discretion, that a breach of this Market Rulebook has occurred and was committed a Client, Matrix may impose a Sanction on such Client under Chapter 22.
- 21.10. Matrix shall record any investigations and Sanctions on a Client's compliance record.

Assistance by Clients in relation to investigations

- 21.11. Clients must provide all reasonable assistance requested by Matrix and its delegates in relation to an investigation under Rule 21.8 to Matrix's satisfaction.
- 21.12. The Client must provide the assistance required by Rule 20.8 within the timeframes specified by Matrix and shall include, without limitation, the submission of information, access to information, premises, and individuals reasonably within the control of the Client regarding:
- 21.12.1. the provision of all information (including responding to questionnaires) and documents requested by Matrix; and
 - 21.12.2. investigations by Matrix of a Client's compliance with this Market Rulebook.

Chapter 22 - Sanctions

List of Sanctions

- 22.1. Matrix may, in the interests of maintaining a fair and orderly market, and to prevent and deter Prohibited Activity, impose one or more of the following Sanctions on a Client which it considers, in its absolute discretion, has committed a breach of a Rule:
- 22.1.1. a written warning;

- 22.1.2. a temporary suspension;
 - 22.1.3. publication of details of the offender and rule breach on the Matrix website;
 - 22.1.4. requiring a legally enforceable undertaking from the Client to Matrix, under which the Client is required to carry out specific activities;
 - 22.1.5. the issue of a cease and desist order, which may be published on the Matrix website; and
 - 22.1.6. termination of the Client's access to the MTF.
- 22.2. In considering which Sanctions to impose on a Client, Matrix will have regard to the factors set out in Annexure 1 of this Market Rulebook.
- 22.3. A Client may appeal Matrix's Sanction by making a complaint in accordance with Matrix's Complaints Policy.

Chapter 23 - Virtual Asset Fork Protocol

Guidance

It is important to note that a number of actions taken by Matrix in this Chapter may relate to actions taken by Matrix as MTF (under this Market Rulebook) and as custodian (as otherwise provided for under the User Agreement).

Planned Forks

- 23.1. In the event of a Planned Fork, Matrix will:
- 23.1.1. suspend all in-bound and out-bound transfers of the affected Virtual Asset (in connection with actions taken by it as a custodian);
 - 23.1.2. notify Clients as soon as practicable by email and Notice of:
 - a) the Planned Fork;
 - b) any suspension of Services as a result of the Planned Fork, including any restrictions on transfers of the Virtual Assets affected by the Planned Fork; and
 - c) the time when the suspension of the Services will cease and normal operation of the MTF resumes.

Soft Fork

- 23.2. In the event of a Soft Fork, Matrix will:
- 23.2.1. wait for the majority of nodes of the affected Virtual Asset to upgrade to the new protocol and on migration of the majority of nodes to the new protocol;

- 23.2.2. review the impact of the new protocol on the blockchain and the Virtual Asset's price;
- 23.2.3. upgrade to the new protocol, after satisfactory review by Matrix in its sole discretion.

Hard Forks

- 23.3. In the event of a Planned (uncontentious) Hard Fork, Matrix will discontinue using the old blockchain for the affected Virtual Assets, and will notify Clients of their option to:
 - 23.3.1. transfer the affected Virtual Asset to the new blockchain and continue trading on the MTF;
or
 - 23.3.2. transfer the affected Virtual Assets to an external virtual asset wallet that will support the pre-Planned Hard Fork blockchain given that such Virtual Assets may not be traded on the MTF anymore.
- 23.4. In the event of a (contentious) Hard Fork, Matrix will de-list the affected Virtual Assets from the MTF if they do not qualify as Accepted Virtual Assets.

Chapter 24 - Custody of Client Assets

- 24.1. A Client's Virtual Assets / Stablecoins to the credit of such Client's Account shall be held by Matrix, on behalf of the Client, in Matrix's Wallet.
- 24.2. A Client's Fiat Currency to the credit of such Client's Account shall be held by Matrix, on behalf of the Client, in a segregated client money account with a third-party custodian as provided for under the User Agreement.
- 24.3. All Assets held by Matrix on behalf of Clients shall be held in accordance with the relevant FSRA Rules and Applicable Laws and Regulations.
- 24.4. Title to Client Assets shall at all times remain with Clients. As the owner of the Assets, the Client bears all risk of loss in relation to such Assets. None of the Assets held in a Client's Account are the property of Matrix.
- 24.5. A Client controls the Assets held in his Account. At any time, subject to outages, downtime, and other applicable policies and the restrictions, a Client can withdraw received Assets by transferring them to his bank account or external virtual asset wallet.
- 24.6. A Client assumes all liability for any losses incurred as a result of sending a Virtual Asset / Stablecoin to an incorrect address.

Chapter 25 - Block Trading Rules

Block Trading Eligibility Criteria

25.1. In addition to satisfying the relevant applicable criteria set out under Rule 5.3, a Client wishing to participate in Block Trades as

25.1.1. an RFQ Client, must also satisfy:

- a) the FSRA criteria to be classified as either a “Professional Client” or a “Market Counterparty” as these are provided for under COBS, and amended from time to time; and
- b) Matrix’ suitability requirements by completing the “Client Suitability Questionnaire”;
or

25.1.2. a Liquidity Provider, must also satisfy:

- a) the FSRA criteria to be classified as either a “Professional Client” or a “Market Counterparty” as these are provided for under COBS, and amended from time to time; and
- b) Matrix’ assessments of the Liquidity Provider’s business risk, corporate governance, and credit risk.

before such Client is allowed to participate as either an RFQ Client or a Liquidity Provider, as the case may be, in carrying on Block Trades.

Acknowledgement of specific Block Trade risks

25.2. Before entering into a Block Trade, a Client is required to read and acknowledge Matrix’s Risk Disclosure document as notified by way of a Notice or made available to the Client, before being allowed to place an RFQ. The Risk Disclosure document contains specific risks which are associated with Block Trades on the MTF.

25.3. A Client who does not comply with Rule 25.2 above will not be allowed to issue RFQs. However, the Client’s access to any Service which is not related to Block Trading would still be available to such Client.

RFQ and RFQ Quote requirements

25.4. An RFQ Client may initiate a Block Trade by issuing an RFQ using the User Interface. An RFQ must specify the following:

25.4.1. whether the proposed Block Trade is a buy or a sell trade; and

the amount of the Assets subject of the Block Trade which must be at or above the Minimum Volume Threshold, otherwise the RFQ will not be issued.

25.5. RFQ Clients and Liquidity Providers are prohibited from disclosing, or solicit or induce others to disclose, any details relating to a proposed Block Trades (including in relation to the terms of an RFQ or an RFQ Quote) which shall be deemed to be constitute inside information not known to the public, other than:

25.5.1. as necessary to execute the Block Trade;

25.5.2. to Matrix; or

25.5.3. the FSRA or any competent authority as required under the Applicable Laws and Regulations.

25.6. A Liquidity Provider may issue an RFQ Quote which is within the trading limits imposed on such Liquidity Provider by Matrix, in its sole discretion and as a result of Matrix' assessment of the Liquidity Provider's eligibility as provided for under Rule 25.1.2(b) of this Market Rulebook.

Guidance

The Minimum Volume Threshold requirement is in line with MIR rules regarding the minimum order size for a trade to be qualified as being large in scale (i.e. a block trade).

Pre-funding

25.7. Notwithstanding Rule 13.38, the requirement to pre-fund a Trade does not apply to a Liquidity Provider in the context of entering into a Block Trade.

Guidance

A Block Trade is subject to the risk of settlement failure since a Liquidity Provider is not subject to this Market Rulebook's pre-funding requirement.

For the avoidance of doubt, the pre-funding requirements in Rule 13.38 continue to apply to a RFQ Client when placing a Block Trade. A Block Trade will not be executed unless an RFQ Client has sufficient available balance on Account to cover the cost of the Block Trade plus any Fees.

Execution of a Block Trade

25.8. Parties to a Block Trade shall always consist of an RFQ Client and a Liquidity Provider.

Guidance

This means that Block Trades cannot be executed in the event where both parties submitting RFQs are RFQ Clients. Such Orders shall not execute against each other.

For the avoidance of doubt, a Block Trade shall not set off Open Orders which are on the Order Book or conditional Orders such as a Limit Order.

- 25.9. An RFQ Quote where the price is outside the Deviation Threshold, as notified to Clients by way of a Notice from time to time, will be invalidated.

Guidance

The Deviation Threshold is maintained and reviewed by Matrix periodically based on an assessment of the liquidity, depth and other relevant characteristics of the Order Book.

- 25.10. The RFQ Quote is only valid, and can be accepted by an RFQ Client, during the period of time specified in the RFQ Quote.

Guidance

The time validity of RFQ Quote depends on prevailing market volatility and is usually between 10-15 secs.

An RFQ Client will need to submit a new RFQ after the expiration of an RFQ Quote.

- 25.11. When an RFQ Quote is accepted by an RFQ Client, the RFQ will Fill, and the Block Trade will be deemed to be executed between the Liquidity Provider and the RFQ Client.

Settlement of Block Trades

- 25.12. Matrix shall reflect a Filled Block Trade by debiting and crediting the relevant balances of Assets in the Account of the RFQ Client and that of the Liquidity Provider.

- 25.13. Any Assets credited and debited in accordance with Rule 25.10 shall be blocked until the Filled Block Trade settles.

Guidance

After a Block Trade is executed, RFQ Client Accounts are updated to show the new ledger balance. However, the incremental Assets will be placed on hold and not available for the RFQ Client to withdraw or to use to pre-fund for other Trades or Block Trades, until the settlement process is fully completed.

- 25.14. A Filled Block Trade shall be deemed final and settled, and the hold placed on the Assets in the Block Trade parties' Accounts shall be lifted, after Matrix receives delivery of the Assets from both parties of a Block Trade and transfers these to the RFQ Client and Liquidity Provider's Accounts, accordingly.

Settlement Failure

- 25.15. In the event of a settlement failure by a Liquidity Provider, Matrix may, in its sole discretion, take any such action as described in the Default Rules set out under Chapter 26 of this Market Rulebook.

Guidance

The risk of Block Trades failing to settle due to the Liquidity Provider's default is set out in Matrix's Risk Disclosure document and is due to the absence of a requirement for a Liquidity Provider to pre-fund Block Trades.

Recording, public disclosure and reporting of Block Trades

25.16. The details of Filled Block Trades shall be:

- 25.16.1. recorded in RFQ Client and the Liquidity Provider's trading history logs respectively;
- 25.16.2. disclosed publicly:
 - a) on the relevant section of the User Interface; and
 - b) on the Order Book as an executed Block Trade; and
- 25.16.3. reported to the FSRA.

Block Trade Default Risk Provision

25.17. Matrix maintains a Block Trade Default Risk Provision under which it shall honor an RFQ Client's Block Trade in the event of the failure of a Liquidity Provider to settle a Block Trade under one of the following circumstances where a Liquidity Provider after the Block Trade has been executed:

- 25.17.1. fails to provide the Assets to settle a Block Trade; or
- 25.17.2. provides Matrix with tainted Virtual Assets / Stablecoins which may not be used to settle the affected Block Trade..

25.18. Matrix's Block Trade Default Risk Provision shall be established through provisions made to Matrix's accounts. The details of the Block Trade Default Risk Provision shall be communicated to RFQ Clients by way of a Notice, from time to time.

Guidance

The amount of the Block Trade Default Risk Provision is determined in line with sufficiency assessments that Matrix will conduct regularly based on projections of the volume of Block Trades within a specified period of time.

25.19. The Block Trade Default Risk Provision is used to cover the costs of fulfilling the failed Block Trade, and the legal fees which Matrix incurs for commencing legal proceedings against the Liquidity Provider.

- 25.20. In the unlikely event where the Block Trade Default Risk Provision is not sufficient to cover the costs in Rule 25.17, any outstanding costs shall be covered by Matrix's shareholders. Once the RFQ Client's failed Block Trade is honored, Matrix shall be subrogated to all the rights and remedies of the RFQ Client in relation to the failed Block Trade.
- 25.21. Matrix may at its sole discretion allocate any amounts recovered from the defaulting Liquidity Provider to the Block Trade Default Risk Provision or to offset any losses it suffered as a result of the Liquidity Provider's failure to settle a Block Trade.

Chapter 26 - Default Rules

- 26.1. Matrix shall, at its absolute discretion, determine if it shall treat a Default Event as a "Declared Default" and shall determine the date and time of such Declared Default. Matrix shall notify, in writing, the defaulting Client or Liquidity Provider of the Declared Default and its date and timing. Matrix will also inform FSRA prior to declaring a Declared Default.
- 26.2. Upon the declaration by Matrix that a Default Event is a Declared Default, Matrix may take any such action in its sole discretion as it deems appropriate.
- 26.3. The actions which Matrix may take under Rule 26.1 include but shall not be limited to the following:
- 26.3.1. requiring the defaulting Client to provide any information or document within a specified time to assist Matrix in its investigation of the Default Event;
 - 26.3.2. requiring the defaulting Client to remedy the Default Event, where possible or desirable by the MTF in its sole discretion, within the time Matrix specifies;
 - 26.3.3. cancelling some or all Orders or transactions of the defaulting Client;
 - 26.3.4. selling some or all of defaulting Client's Assets to the credit of the defaulting Client's Account;
 - 26.3.5. suspending the defaulting Client's access to the MTF;
 - 26.3.6. blocking the defaulting Client's access to his Accounts;
 - 26.3.7. treating any or all Orders or transactions of the defaulting Client then outstanding as having been repudiated by the defaulting Client, in which case Matrix's obligations under such Orders and / or transactions shall be cancelled and terminated;
 - 26.3.8. commencing legal proceedings for the recovery of losses from the failed Block Trade arising from the settlement failure of the defaulting Liquidity Provider; or
 - 26.3.9. temporarily or permanently restricting the defaulting Liquidity Provider from providing RFQ Quotes.

- 26.4. Notwithstanding Matrix' Block Trade Default Risk Provision, Matrix is not responsible for and shall not be liable for the Default of any Client or in respect of any Orders.
- 26.5. Transactions undertaken on Matrix's Order Book are not subject to any compensation scheme.
- 26.6. Without prejudice to any other rights MTF may have, whether under this Market Rulebook, under the User Agreement, by operation of Applicable Laws and Regulations or otherwise, Matrix may at any time and without notice to a defaulting Client set off any amount payable or owing by Matrix to the defaulting User against any amount payable or owing by the defaulting Client to Matrix. Matrix shall notify the defaulting Client of any set off effected under this Market Rulebook. If any obligation is unascertained, Matrix may make a good faith estimation of that obligation and effect set off in respect of that obligation, subject to Matrix adjusting its accounting once such obligation is ascertained.
- 26.7. If the proceeds realised pursuant to Rule 26.9.4 are not sufficient to pay all the defaulting Client's liabilities to Matrix, then the defaulting Client shall promptly pay on demand the deficit.
- 26.8. Matrix's rights under this Market Rulebook are in addition to, and not in limitation or exclusion of, any rights Matrix may have whether under the User Agreement, by operation of Applicable Laws and Regulations or otherwise.
- 26.9. In the event Matrix makes a determination that a Client's default is final, Matrix will:
- 26.9.1. publish a notice of the defaulting Client on Matrix's website;
 - 26.9.2. notify any Competent Authority, including the FSRA, which may have responsibility for any matter arising out of or connected with the Default Event;
 - 26.9.3. delist the names of defaulting Clients from its website (on case to case basis);
 - 26.9.4. debit from the defaulting Client's Account any:
 - a) damages suffered as a result of the Default Event; and/or
 - b) any trading fee discounts or rebates that the Client received in the course of the calendar year preceding the date on which Matrix became aware of the Default Event.
- 26.10. If a Default Event is caused by Matrix, Matrix will:
- 26.10.1. notify the affected Client(s) and publish a Notice on its website setting out the material of the Default Event and the remediation action undertaken by Matrix; and
 - 26.10.2. indemnify the affected Client(s) for their loss due to the Default Event.
- 26.11. If a Default Event is caused by any of Matrix's third-party service providers, Matrix will:

- 26.11.1. notify the affected Client(s) and will publish a Notice on its website setting out the material of the Default Event and the remediation action undertaken by Matrix;
 - 26.11.2. remedy the issue as per the contractual obligations of the concerned third-party service provider;
 - 26.11.3. claim any damages caused by the Default Event and assess the situation to indemnify the Client (as applicable);
 - 26.11.4. consider whether to terminate its agreement with the concerned third-party service provider; or
 - 26.11.5. carry out any other remediation action as may be required.
- 26.12. If a Default Event is caused by a Liquidity Provider, Matrix will:
- 26.12.1. honor the affected RFQ Client(s)'s Block Trade following the Default Event under the Block Trade Default Risk Provision set out in Chapter 25 of this Market Rulebook;
 - 26.12.2. consider whether to temporarily or permanently restrict the defaulting Liquidity Provider from participating in Block Trades; and
 - 26.12.3. consider whether to commence legal proceedings against the defaulting Liquidity Provider.

Chapter 27 - Amendment of this Market Rulebook

- 27.1. Matrix may from time to time amend this Market Rulebook as per the process set out below.
- 27.2. Proposed amendments to this Market Rulebook shall be submitted to Clients for public consultation.
- 27.3. Where public consultation is required, Matrix will:
- 27.3.1. publish a consultation paper on its website, and notify Clients and relevant stakeholders of:
 - 27.3.2. the public consultation through a Notification or by email inviting them to provide their comments and feedback on the proposed amendments during a period of no less than fourteen (14) business days from the date of the publication of the consultation paper; and
 - 27.3.3. the means to provide comments and feedback on the proposed amendments; and
 - 27.3.4. immediately provide a copy of the consultation paper to the FSRA.
- 27.4. A consultation paper shall at a minimum set out:
- 27.4.1. the text of both the proposed amendment and the Rules that are to be amended;

27.4.2. the reasons for the proposed amendment; and

27.4.3. an assessment of the likely costs and benefits.

27.5. Matrix will acknowledge the receipt of Client comments or feedback. Matrix will make responses to the public consultation available for inspection by Clients, unless a respondent requests his responses to be kept private.

27.6. An amendment to this Market Rulebook will become effective only after the end of the public consultation process, and once the amendment is approved by the FSRA and published by Matrix on its website and notified to Clients.

Amendment without public consultation

27.7. Where the FSRA has agreed to dispense with the requirement for public consultation, an amendment to this Market Rulebook will become effective immediately upon publication on the MTF and notification to Clients.

Annexure 1 - Factors for imposing Sanctions

- A1. In considering the Sanctions to be imposed on a Client, Matrix will have regard to the following factors:
- 1.1. The nature and seriousness of the breach, including:
 - 1.1.1. whether the Rule breached is of high importance to the running of an orderly market;
 - 1.1.2. whether the breach was deliberate or reckless;
 - 1.1.3. whether the Client acted with a lack of integrity in the course of the breach or the subsequent investigation;
 - 1.1.4. the market impact of the breach on the orderliness of the market, including whether the integrity of the MTF is damaged;
 - 1.1.5. whether proper standards of market conduct were disregarded;
 - 1.1.6. the duration and frequency of the breach;
 - 1.1.7. the amount of any benefit gained, or loss avoided by the Client as a result of the breach;
 - 1.1.8. whether the breach reveals systemic weakness in the Client's internal systems and controls relating to the Client's participation and trading on the MTF (for legal persons); and
 - 1.1.9. whether there are a number of breaches or acts, which individually may not justify Sanctions, but which do so when taken collectively;
 - 1.2. the conduct of the Client before and after the breach, including:
 - 1.2.1. if the breach was not identified by Matrix, how quickly, effectively, and completely the Client brought the breach to the attention of Matrix;
 - 1.2.2. the degree of cooperation the Client showed during the investigation of the breach;
 - 1.2.3. any remedial action taken by the Client since the breach was identified (including taking disciplinary action against employees, agents or customers involved; addressing any systemic failures; and taking action designed to ensure that similar issues did not arise in the future); and
 - 1.2.4. the likelihood that the same type of breach will recur if no action is taken;
 - 1.3. the previous compliance record of the Client, including:
 - 1.3.1. whether Matrix previously requested the Client to take remedial action to rectify the same or similar issue;
 - 1.3.2. whether the Client has previously given undertakings to Matrix that similar issues have been resolved and a particular behaviour has ceased;
 - 1.3.3. whether Matrix has previously invoked Sanctions against the Client for the breach in question or similar breaches; and
 - 1.3.4. the general compliance history of the Client;
 - 1.3.5. the likely deterrent effect on Clients in general of the imposition of the Sanction; and
 - 1.3.6. action taken by Matrix in previous similar cases.

Document Control

Changes to this Market Rulebook are made by [Clyde & Co / Legal / Compliance/ Business] approved by [Senior Executive Officer].

Version	Date	Summary of Changes
1.0	27/04/2021	First edition of the Market Rulebook.
2.0	31/12/2021	Annual Review and Additional Rules for Block Trades
2.1	13/06/2022	Enhancement of Rules for a proper coverage of Assets listed by Matrix including Fiat Currencies