



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**This translation has been done for information purposes only. The original version of these rules is written in Spanish. In the event of a conflict between this translation and the Spanish document, the Spanish version will prevail.**

**FIDUCIARY AND SECURITIES HANDBOOK  
OPERATIVE AND SERVICES EXTERNAL CIRCULAR  
DFV - 135**

**Date: 20 DEC 2021**

**Addressed to:**

Banking Establishments, Financial Corporations, Commercial Financing Companies, Cooperative Entities of a Financial Character, Cooperative Organizations of Higher Degree, Official Special Institutions – IOE (Second Floor Banking), Trust Societies, Companies Administering Pension Funds and Guarantees, Insurance Entities, Stock Exchanges, Stock Exchanges and Agricultural Products, Agro-industrial and Other Commodities, Stock Exchange Commissioning Societies, National Agricultural Exchange Commissioning Societies, Investment Management Societies, Securities Trading Systems and Registration Management Companies, High Value Payment Systems Administration Entities, Low Value and Clearing and Liquidation of Securities, Foreign Exchange, Derivatives and Other Financial Assets, Capitalization Companies, General Directorate of Public Credit and the National Treasury, Central Deposits of Securities Established in Colombia, Office of the Financial Superintendent of Colombia, Main Office and Branches of *Banco de la República* (the Central Bank of Colombia).

**SUBJECT: 97: ELECTRONIC TRADING SYSTEM – SEN**

This External Operating and Services Circular replaces the External Regulatory Circular DFV-135 of 16 December 2020, corresponding to Issue 97: "**ELECTRONIC TRADING SYSTEM - SEN**" of the Fiduciary and Securities Department Handbook in its entirety.

The aforementioned circular is amended to incorporate the automatic entry of orders and *habeas data*.

Sincerely,

(Signed)

MARCELA VILLEGAS CONDE  
Acting Deputy Executive Governor

(Signed)

ANDRES MAURICIO VELASCO MARTÍNEZ  
Chief Officer for Payment Systems and Banking  
Operation



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

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**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

The Superintendency of Securities, today the Office of the Financial Superintendent of Colombia (FSC), under Resolution number 0528/August 21, 1998, approved the Operating Regulations of the Electronic Trading System - SEN which has undergone several amendments, the latest of which were authorized under Resolution FSC 1425/02 December 2021 in order to incorporate the automatic entry of bids and habeas data.

The present circular reproduces the full text of the above-mentioned regulations updated with the authorized amendments.

**OPERATING REGULATIONS  
ELECTRONIC TRADING SYSTEM – SEN**

**CHAPTER I. GENERAL AND OPERATIVE REGULATIONS**

**1. Definition:** The Electronic Trading System (hereinafter SEN - standing for *Sistema Electrónico de Negociación* -or the System) is the securities trading and transaction registration system managed by *Banco de la República*. The System allows Agents to use remote workstations to make spot or term trade transactions, Repo transactions, buy/sell back transactions and securities lending transactions with domestic or foreign public-debt securities or with securities issued by *Banco de la República* that are registered electronically or deposited in a centralized securities depository. The SEN System also allows legally authorized financial institutions to make and register money loan transactions in the interbank market. A further purpose of the System is to receive and register over-the-counter securities transactions carried out by Agents.

**2. Technical and operational terms:** For purposes of the present Regulations and the Operation Manual, the following terms shall have the meanings assigned here below, whether used in the singular or plural:

**Acceptance:** Taking a Quote previously posted on the System, by the introduction of a Quote in the opposite direction by an Agent intending to close a transaction.

**Acceptor:** An Agent who takes or accepts a Quote introduced by another Agent.

**System Manager:** The Electronic Trading System is managed by *Banco de la República*, without prejudice to the Bank's acting as an Agent in the System or carrying out the activities and functions it is responsible for under its own legal mandate, in particular, those involving the System, such as administration of the Central Securities Depository and management of the Central Bank Accounts.

**Local Manager:** The person responsible within each entity of creating users of the System and assigning or modifying permits or access to the different options provided by the System.

**Algorithm Operations Administrator:** An individual appointed by the local administrator as the person responsible for the algorithm's activity in the trading system.

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**Transferee:** In Repo and buy/sell back transactions, the Agent who initially receives from the Transferor or, through a transfer, ownership of a number of securities in exchange for payment of a given sum of money, undertaking at the same time to transfer to the Transferor securities of the same type and characteristics in exchange for payment of a sum of money on the same date or at a later date agreed on beforehand.

**Agent:** An entity that is a member of the System, with direct access to active participation in one, several or all Tiers and types of SEN Transaction, on the terms and conditions laid down in Articles 6, 7, 9, 11 and 12 of the present Regulations.

**Ticket:** A voucher or supporting document that is generated every time a Transaction is made or registered in the System, recording, inter alia, such financial conditions as term, amount, rate or price, date and nominal and transfer values of funds.

**Automatic Matching:** A Closing Transaction Mechanism when any of the following situations exists for the same securities:

- When the bid and ask price conditions, the nominal value and the settlement term are equal.
- When the price of a previous bid quote is better than the price of a new ask quote, closing is done at the price of the bid quote.
- When the price of a new ask quote is better than that of a new bid quote, closing is done at the price of the ask quote.
- When, in the case of a bid or ask quote, the conditions of price and settlement term are equal but the nominal value is different, closing is at the lower nominal value, provided the quote allows partial closing and respects the minimum amounts, divisibility factor and round lot defined for the security.

**Automatic Matching with Bidding:** A Closing Transaction Mechanism when the following situations exist for the same securities:

- Before effecting the Closing, the System reports the intention of closing to the Agents having access to the Session and allows Bidding to take place for the period of time specified in the Session's conditions.
- When the bid and ask price conditions, the nominal value and the term are equal, the System effects closing after termination of the specified Bidding period.
- When an on-going Biding is interrupted by a bid quote being entered or modified that is better than the best ask quote conditions, closing occurs at the bid quote price, once the specified Bidding period is over.
- When an on-going Bidding is interrupted by an ask quote being entered or modified that is better than the bid quote conditions, closing occurs at the ask quote price, once the specified Auction period is over.
- When term and price conditions are equal in a bid quote and an ask quote, but the nominal value is different, closing occurs at the lower value, once the specified Bidding period is over.

The specified Bidding period begins to run from the time the System reports the intention of Closing to the Agents having access to the Session, with the first bid and ask quotes entered for a given security and

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

term.

**Central Counterparty Risk Clearinghouses:** Agencies whose exclusive purpose is to serve as the central clearinghouse for clearing transactions in order to reduce or eliminate the risks of non-compliance with the financial obligations derived from such transactions.

**Early Cancellation:** Early termination of a Forward Transaction. This option applies specifically to Repo, Simultaneous and Securities Lending transactions. In the event of an early cancellation, it shall be effected by Agents in the Central Securities Depository, the system responsible for carrying out the clearing, on the basis of the initial amount of the transaction, plus accrued returns up to the time of early termination.

**Closing:** Automatic conclusion of a securities transaction or an operation carried out in the SEN System, through acceptance of a quote posted on the System, by any means envisaged in the present Regulations or the Operation Manual that is today, by the mechanism of Automatic Matching or Automatic Matching with Bidding.

**Clearing:** Determination of the obligations of delivering securities and/or transferring money between Agents who have participated in a transaction, either by the original date of settlement or, where applicable, devolution.

**Supplementation:** Information required by the System Manager from Agents after pre-entry of information on transactions that are the subject of registration.

**Confirmation:** A transfer order sent to the clearing and settlement system shall be considered confirmed when the parties involved in the transaction that gave rise to the transfer order have transmitted the data on the transaction to the securities clearing and settlement system and the system has received and matched up said communications.

**Registration Confirmation:** Registration by which a Counterparty verifies the information concerning execution of a transaction pre-entered by the other Counterparty and confirms it directly.

**Joint Contingencies:** Strategies that are implemented by two or more infrastructures jointly and in a coordinated manner to counteract incidents or non-financial risk events that may affect the provision of the main services of such infrastructures.

**Individual Contingencies:** Strategies that each securities and foreign exchange market infrastructure has planned and implemented to face risk incidents identified in its business continuity plan, or when a situation or event occurs that may affect the provision of an infrastructure's critical services, defined in accordance with the applicable regulations, including the Basic Accounting and Financial Circular of the Office of the Financial Superintendent of Colombia (SFC), Chapter XXIII; Rules related to Operational Risk Management: FSC External Circular No. 041/2007 (Operational Risk), FSC External Circular No. 042 (Information Security), FSC External Circular No. 007 (Cybersecurity), FSC External Circular No. 038 (SCI), and other provisions that regulate the standards required for business continuity and crisis management plans in supervised entities as well as the provisions that modify, add to, or replace them.

**Counterparties:** The Agents that directly close a transaction.

**Quotation:** Mechanism by which an Agent requests information from other Agents on the price or rate at which other Agents are willing to sell or buy a certain quantity of a particular security. To this end, the

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

invited Agents may send their quotes, on the terms requested and within the period previously specified in the SEN Operation Manual, whereupon the System shall make Sweeping Operations by Automatic Matching. The minimum number of invited Agents and the Quotation mechanism's conditions shall be specified in the Operation Manual.

**Market Makers and Aspiring Market Makers:** Agents selected and qualified as such by the Ministry of the Treasury and Public Credit for purposes of the regulations the Ministry issues in respect of trading of public-debt securities. Such Agents shall operate subject to the requirements and conditions set by the Ministry in said regulations and the provisions of the present Regulations, the SEN Operation Manual and laws and regulations governing the public securities market.

**Central Bank Account:** A money account in legal Colombian tender that every Agent must hold at *Banco de la República* for Settlement of transactions closed in the SEN System.

**Securities Account:** The accounts that Agents must hold in a centralized securities depository for the custody and, if they so agree, management of dematerialized securities. Said accounts are used for Settlement of transactions closed in the SEN System.

**Custodian:** Trust company(ies) authorized by the Office of the Financial Superintendent of Colombia to provide safekeeping for securities as provided for in Part 2, Book 37, Title 1, Articles 2.37.1.1.1 and 2.37.1.1.2 of Decree 2555/2010 or the provisions that modify, add to, or replace it.

**Trustee:** an individual or legal entity who has signed a contract with an authorized trust company for securities safekeeping to the end that the latter exercises care and supervision of the securities belonging to the trustee or the property of the investment vehicle(s) managed by the trustee in accordance with the legal system.

**Working Day:** Any day on which financial institutions generally provide their services to the public in Bogotá D.C., excluding Saturdays, Sundays and holidays.

**Transaction Execution:** Execution of a transaction occurs at the time the parties involved quote and close, by verifiable means, sufficient trade conditions for calculating the peso value of the respective transaction. The execution time of a transaction is the moment immediately after the Closing.

**Transferor:** In Repo and buy/sell back transactions, the Transferor is the Agent who originally transfers ownership of a number of securities to the Transferee in exchange for payment of a sum of money.

**Tier:** A set of trading sessions, segments or mechanisms to which a particular group of Agents have access.

**Settlement Date:** The date that Agents making a transaction have agreed on for settlement of the transaction on the agreed terms.

**Base or Initial Collateral or Guarantee:** The one agreed upon by both or one of the parties in the transaction based on the risk exposure that is assumed in the transaction either prior to or on at least the same day the transaction is made. In the case of buy/sell back and securities lending (temporary securities transfer) transactions, this collateral is an element added to the securities that are the subject of the initial exchange in the transaction. In the case of repo transactions, this guarantee will be the discount applied to the security that is the subject of the initial transaction exchange.

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**Variation or Adjustment Collateral or Guarantee:** The one agreed upon by both or one of the parties in the transaction based on the risk exposure assumed in the transaction when required by the Stock Market, the Securities Trading Systems, the Securities Transactions Registration Systems, or Clearing and Settlement Systems for securities transactions in which such collateral is in effect.

**Automatic Entry of Orders:** Mechanism by means of which an Agent may automatically send Orders to the SEN, using algorithmic systems or applications, managed and administered by the Agent, and previously authorized by the System Administrator.

**Interbank Transaction:** A loan transaction by which an Agent (a legally authorized financial institution) lends to another Agent (a similarly authorized financial institution) a certain sum of money, and the latter undertakes to return the sum to the former within the agreed period, together with the value of agreed interest.

**Lines of Credit (Limits):** Limits or credit lines reciprocally allocated by Agents to close deals in the market during the trading Sessions for which this option is applicable.

**Settlement:** The process by which the obligations arising from securities transactions closed or registered in the SEN are definitely fulfilled, where one party delivers the securities through an entry in the respective Securities Account and the other party transfers the funds through an entry in the Deposit Account.

**Over-the-Counter (OTC) Market:** The market that operates outside the Securities Trading Systems.

**Offeror:** The Agent participating in a closing whose quote is taken or accepted by another Agent.

**Quote:** A proposal posted on the System by an Agent, indicating the conditions on which he is willing to close a transaction in the SEN system.

**Bid/ask quote:** A situation in which an Agent simultaneously registers buy and sell conditions for the same securities, to help provide greater liquidity in the market, in accordance with the regulations set by the Ministry of Finance and Public Credit for the Market Makers' Program of public debt securities.

**Transaction:** For purposes of the present Regulations, transaction shall mean the carrying out in the System of the conditions of an operation between two Agents by means of closing a deal or Transaction Registration.

**Sweeping Operation:** The set of Closings automatically triggered in the System in connection with the Offeror's securities, price or rate, and terms, when one or more Quotes exist that are equal to or better than the conditions entered by the Acceptor.

**Spot Transaction:** A transaction registered or closed with a clearing and settlement term ending on the transaction's date of registration or closing (same day) or up to three (3) working days starting from the day after the transaction's date of registration or closing.

**Forward transactions:** Transactions with a longer settlement period than that laid down for Spot Transactions.

**Operator:** An individual or algorithmic application managed by an Agent, who may be designated by the Local Administrator to carry out operations in the System.

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**Originator:** In securities lending transactions, the Agent who originally transfers to another (Receiver) ownership of the securities that are the main subject of the transaction with an agreement to transfer them back on the same date or a subsequent one while receiving in exchange ownership of other securities or a certain sum of money equal to or of greater value than the securities that are the subject of the transaction.

**End of Session Price:** The price of a security at the end of each trading session. It is published in terms of a clean price.

**Clean Price:** The Quote price for the purchase or sale of a security through the SEN System, which does not include the value of interest accrued on the security since the date of issue or since the last payment.

**Pre-entry Information:** All the information that the manager of the securities transaction registration system, which operates by registration confirmation, requests from the Agent initiating the registration process, where such information has not yet been verified by the Counterparty.

**Information Security Principles:** i) Confidentiality: Information shall be accessible only to those who have been authorized to access it. ii) Integrity: Information shall be accurate and complete and guaranteed not to have been altered since it was created. iii) Non-repudiation: Where information relating to a particular transaction or event is about a party there to, said party shall not disclaim his participation in the transaction or event.

**Market Depth:** The SEN window displaying all existing quotes made in a specific Session for a given security or reference.

**Crisis Protocol:** Protocol agreed upon by the securities and foreign exchange infrastructures, approved by the Office of the Financial Superintendent of Colombia, which establishes the guidelines and minimum rules of action for infrastructure providers in the securities and foreign exchange market in the event of a crisis event in order to strengthen the market's operational resilience through a higher level of preparedness to face and recover from adverse events that threaten the normal course of its activities and to ensure the continuity of the market.

**Bidding:** A trading mechanism whereby two quotes ready for closing are exposed to the market for a pre-determined time before the closing is effected. During the exposure time, any Agent participating in the session may intervene by improving on any of the initial quotes. Closing shall be effected with the best quotes existing after the fixed intervention time is over.

**Receiver:** In Securities Lending transactions, the Agent who initially receives from another Agent (Originator), by transfer, ownership of a number of securities constituting the subject of the transaction, undertaking to retransfer them on the same date or at a later date. Concomitantly, the Receiver transfers to the Originator ownership of other securities or a certain sum of money of a value equal to or greater than the value of the securities that are the subject of the transaction.

**Transaction Registration:** Mechanism by which a registered institution may pre-enter and verify in the System the conditions (security, rate/price, amount, settlement date, etc.) of a transaction previously made on the OTC Market. Transaction Registration shall be carried out in accordance with the provisions in Part III, Title II, Chapter II of the Basic Legal Circular of the Office of the Financial Superintendent of Colombia (C.E. 029/14) or as amended, supplemented, or substituted for by regulations.

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**Repos:** Transfers in which one party (the “Transferor”) transfers ownership of securities to another (the “Transferee”) in exchange for the payment of a sum of money (the “Initial Amount”) and in which, at the same time, the Transferee makes the commitment to transfer securities to the Transferor of the same kind and characteristics in exchange for the payment of a sum of money (“Final Amount”) on the same date or on a date previously agreed upon.

**Session:** The trading segment in which Agents post their quotes for the purpose of closing transactions in the SEN System.

**Buy/Sell back Transactions:** Transactions in which one party (the “Transferor”) transfers ownership of securities to another (the “Transferee”) in exchange for the payment of a sum of money (the “Initial Amount”) and in which, at the same time, the Transferee makes the commitment to transfer securities to the Transferor of the same kind and characteristics in exchange for the payment of a sum of money (“Final Amount”) on the same date or on a date previously agreed upon.

**Trading System:** A multilateral transaction mechanism in which institutions members of the system take part, in accordance with the rules and conditions established in and regulated by Decree 2555/2010 Part 2, Book 15, Title 2, Chapter 1, Article 2.15.2.1.1 or such provisions that might amend, supplement, or replace it, and the present Regulation, for making firm Quotes for securities to be closed in the system and for disseminating information to the market on the transactions.

**Registration System:** A mechanism for receiving and registering information on securities transactions made on the OTC Market by system members, or by such members with non- member individuals or institutions, in accordance with the rules and conditions established in Decree 2555/2010 Part 2, Book 15, Title 3, Chapter 1, Article 2.15.3.1.1 or such provisions that might amend, supplement, or replace it, and the present regulations.

**Auction:** A mechanism whereby an Agent invites other Agents to buy or sell a certain quantity of a particular securities through a Dutch Auction. The invited Agents must respond within a specific lapse of time; at the end of this time quotes shall be awarded at the rate or price established as the Auction cut-off rate or price. The minimum number of invited Agents and the Auction conditions shall be specified in the Operation Manual.

**Dutch Auction:** An awarding mechanism in which the inviting Agent defines a cut-off rate, which shall be assigned to all invited Agents whose Quote has been approved.

**Compensatory Amount:** Amount of money determined by the System Manager under these Regulations that an Agent undertakes to pay to his Counterparty for failing to allow Settlement of a transaction on the settlement date.

**Types of Quote:**

- **FOK (Fill or Kill):** Where a Quote is partially taken, and the remainder disappears regardless of the minimum amount.
- **GTC (Good till Cancel):** The Quote is active until the end of the Session or until it is eliminated or taken. The remainder remains active if it is greater than the minimum amount.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

- **GTS (Good till Specified):** A temporary Quote in which the dealer must indicate to the System how long he wants it to be active. When it is taken by an Quote of higher value, the remainder remains active if it is greater than the minimum amount.
- **COT (Quotation):** A Quote exclusively associated with the Quotation mechanism. The Quote remains active to the end of the expiration period or until it is eliminated or taken. It may only be modified to improve its current conditions.

**Types of Transactions:** The transactions that Agents may make or register in the System are: spot or term trade transactions, Repos, buy/sell back transactions, securities lending and Interbank Transactions, in the manner determined by the Operations Manual.

**Securities Lending:** Transactions in which one party (the “Originator”) transfers the ownership of a number of securities (the subject of the transaction) to the other party (“Receiver”) with an agreement to transfer them back on the same date or a subsequent one. Concurrently, the Receiver shall transfer to the Originator the ownership of other securities or a sum of money that is equal to or greater in value than the securities that are the subject of the transaction.

**3. General operating parameters for the SEN System:** The SEN System shall be operated under the following general parameters, which shall apply both for the Trading System and for the Securities Transaction Registration System:

- a. The making and registration of transactions in the secondary securities market and money market, including: purchase-and-sale, repo, buy/sell back transactions, securities lending and interbank transactions, and all other securities-market and money-market transactions approved by the competent authority and contemplated in these Regulations.
- b. Concurrent access by Agents to trading sessions and mechanisms on the days and at the times defined by the System Manager.
- c. The possibility of operating with or without prior or subsequent identification of the counterparty, according to the modalities provided for in Article 5 hereof.
- d. Lines of credit that each Agent may assign to his potential counterparties.
- e. Automatic closing of transactions, where the bid quote and the ask quote for the same security are compatible as to amount, term and price or rate, and the reporting of every closing and the respective clearing and settlement conditions to Agents.
- f. Automatic forward leg, on the date agreed on, for the transactions where this is applicable.
- g. Electronic conservation and automatic numbering of all transactions made in each trading session.
- h. Interconnection to *Banco de la República*'s Central Securities Depository, which in turn is connected to the Bank's system of Central Bank Accounts for Settlement of transactions made or registered in the SEN System. Transactions are sent through that connection to the Depository for Settlement on the day they are settled, even if the Settlement Date is T>0. For clearing and settlement of transactions, there may also be interconnection to other securities-transaction clearing and settlement systems, payment clearing and settlement systems, centralized securities depositories, and Central Counterparty Risk

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Clearinghouses. In addition, it is possible to interconnect with price providers authorized by the Office of the Financial Superintendent of Colombia and institutions professionally providing information to the securities market, in these cases, on the terms and conditions previously agreed on with such providers.

- i. Reporting of transactions closed in the SEN System to inspection, oversight or control authorities and Autoregulatory organizations, in accordance with regulations provisions in force.
- j. Presumption of Agents' and Operators' knowledge and acceptance of the regulations and of such other provisions as the System Manager may issue and communicate, as provided by Decree 2555/2010, Part 2, Book 15, Title 1, Chapter 3, Article 2.15.1.3.2 as provisions that might amend, replace or add to it.
- k. The possibility of registering Interbank Transactions and previously agreed transactions in the OTC Market, such as trade transactions, Repos, buy/sell back transactions and securities lending.
- l. The possibility of cancelling transactions through the procedure established for the respective Tier in the SEN Operation Manual.
- m. Minimum amounts and multiples of trading according to the quantities established for each Tier in the SEN Operating Manual.
- n. Impossibility of changing the initial conditions of an effected closing, except in the case of early cancellation of repos, buy/sell back transactions, and securities lending where the counterparty is known.
- o. Possibility of entering orders manually or automatically under the terms and conditions defined in the SEN Operations Manual.

**3.1 Specific Parameters for the Trading System:**

- a. Automatic closing of transactions, where the bid quote and the ask quote for the same security are compatible as to amount, term and price or rate; and immediate notification of the clearing and settlement conditions to Agents participating in each closing.
- b. The initial conditions of an effected closed deal shall not be modified, except in the case of early cancellation of Repos, buy/sell back transactions and securities lending where the Counterparty is known.

**3.2 Specific Parameters for the Securities Transaction Registration System:**

The possibility of registration with confirmation of transactions previously made in the OTC Market, such as trade transactions, Repos, buy/ sell back transactions, securities lending and Interbank Transactions. Registration of Repos, buy/sell back transactions and securities lending shall be effected subject to the particular rules laid down in Basic Legal Circular, Part III, Title II, Chapter II, of the Office of the Office of the Financial Superintendent of Colombia or the regulations that amend, supplement, or substitute for it.

**4. Tier Types:** Trading Sessions and mechanisms shall be grouped into Tiers, according to whether the system involved is the Trading System or the Securities Transaction Registration System, and whether or not participation is exclusive to Agents designated as Market Makers or Aspiring Market Makers.

**4.1 Trading System Sessions:**

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Participation in **First-Tier** sessions is exclusive to institutions designated by the Ministry of the Treasury and Public Credit as Market Makers or Aspiring Market Makers. Other Agents may take part in First-Tier sessions by express authorization of the System Manager or the Ministry of the Treasury and Public Credit.

First-Tier trading Sessions shall operate under the following general parameters:

**Purchase-and-sale Session with same-day settlement (CONH):**

Types of transaction: Purchase and sale. Settlement term: (T+0).

Types of trading: Purchase and sale of complete (total) securities offered at a clean price, and purchase and sale of short-term securities, principal or coupon, offered at a rate.

Credit lines: Not affected.

Agent identification: Blind Transaction. Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment, model No. 1.

Types of Quote: FOK, GTS and GTC.

Negotiable securities: Colombian domestic or foreign public debt securities, and those authorized by the Ministry of the Treasury and Public Credit, as the regulator of the Public Debt Securities Market Makers Program.

**Spot purchase-and-sale Session, settlement after trading date, (CTMO)**

Types of transaction: Purchase and sale. Settlement term: Longer than T+0.

Types of trading: Purchase and sale of complete (total) securities offered at a Clean Price, and purchase and sale of short-term securities, principal or coupon, offered at a rate.

Credit lines: Not affected.

Agent identification: Blind Transaction. Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Quote: FOK, GTS and GTC.

Negotiable securities: Colombian domestic or foreign public debt securities, and those authorized by the Ministry of the Treasury and Public Credit, as the regulator of the Public Debt Securities Market Makers Program.

**Buy/sell back transaction and Securities Lending Session (SIMIL)** Types of transaction: buy/sell back transactions and securities lending. Settlement term:  $T \geq 0$ .

Types of trading: buy/sell back transactions and securities lending where the underlying is offered at a rate or a price.

Underlying: Complete (total) securities offered at a Clean Price or short-term securities, principal or coupon, offered at a rate.

Credit lines: Not affected.

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Agent identification: Blind Transaction. Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Quote: FOK, GTS and GTC

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**First-Tier Quotation Session (ICOT)**

Types of transaction: Purchase and sale, Repo, Simultaneous and Interbank Transactions. Settlement term:  $T \geq 0$ .

Types of trading: Purchase and sale of complete (total) securities offered at a Clean Price, and purchase and sale of short-term securities, principal or coupon, offered at a rate, Interbank Transactions, Repos, buy/sell back transactions and securities lending where the underlying is offered at a rate or a price.

Underlying in buy/sell back transactions and securities lending: Complete (total) securities offered at a Clean Price, and short-term securities, principal or coupon, offered at a rate.

Credit lines: Not affected.

Agent identification: Blind Transaction. Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Quote: COT.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**First-Tier Auction Session (LICI)**

Types of transaction: Purchase and sale. Settlement term:  $T \geq 0$ .

Types of trading: Purchase and sale of complete (total) securities offered at a clean price, and purchase and sale of short-term securities, principal or coupon, offered at a rate, Interbank Transactions, Repo, buy/sell back transactions and securities lending where the underlying is offered at a rate or a price.

Underlying in buy/sell back transactions and securities lending: Complete (total) securities offered at a clean price, and short-term securities, principal or coupon, offered at a rate.

Credit lines: Not affected.

Agent identification: Blind Transaction. Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

Participation in **Second Tier** Sessions is open to the First-Tier Agents mentioned above and also to all other Agents members of the SEN System. The general parameters for operation of the **Second Tier** trading Sessions and mechanisms are the following:

**Purchase-and-sale Session (CVSE)**

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Types of transaction: Purchase and sale. Settlement term:  $T \geq 0$ .

Types of trading: Standardized purchase and sale, with a fixed term for settlement on every Wednesday, of complete (total) securities offered at a Clean Price, and purchase and sale of short-term securities, principal or coupon, offered at a rate. Purchase and sale, with a settlement term of 0-5 days, of complete (total) securities offered at a Clean Price, and purchase and sale of short-term securities, principal or coupon, offered at a rate.

Credit lines: Affected.

Agent identification: Semi-Blind Transaction.

Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Quote: FOK, GTS and GTC.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**Purchase-and-sale Session with Bidding T+0 (PUSP)**

Types of transaction: Purchase and sale. Settlement term:  $T = 0$ .

Types of trading: Purchase and sale of complete (total) securities offered at a clean price, and purchase and sale of short-term securities, principal or coupons, offered at a rate.

Credit lines: Affected.

Agent identification: Semi-Blind Transaction. Closing mechanism:

-Automatic Matching with Bidding, after 10 seconds of exposure for First-Tier mandatory quotation issues as defined by the Ministry of the Treasury and Public Credit in the Public Debt Securities Market Makers Program.

-Automatic Matching with Bidding, after 20 seconds of exposure for First-Tier non- mandatory quotation issues, as defined by the Ministry of the Treasury and Public Credit in the Public Debt Securities Market Makers Program.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Offer: GTC.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**Purchase-and-sale Session with Bidding T>0 (PULP)**

Type of transaction: Purchase and sale. Settlement term:  $T > 0$ ,  $T \leq 365$

Types of trading: Purchase and sale of complete (total) securities offered at a Clean Price, and purchase and sale of short-term securities, principal or coupons, offered at a rate.

Credit lines: Affected.

Agent identification: Semi-Blind Transaction. Closing mechanism:

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

-Automatic Matching with Bidding, after 10 seconds of exposure for First-Tier mandatory quotation issues, as defined by the Ministry of the Treasury and Public Credit in the Public Debt Securities Market Makers Program.

-Automatic Matching with Bidding, after 20 seconds of exposure for First-Tier non- mandatory quotation issues, as defined by the Ministry of the Treasury and Public Credit in the Public Debt Securities Market Makers Program.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Offer: GTC.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**Money Session (DINE)**

Types of transaction: buy/sell back transactions, Repos, Interbank Transactions and securities lending.

Settlement term:  $T \geq 0$ .

Types of trading: Repos, Interbank Transactions, buy/sell back transactions and securities lending, where the underlying is offered at a rate or a price.

Underlying of buy/sell back transactions and securities lending: Complete (total) securities offered at a Clean Price, and short-term securities, principal or coupons, offered at a rate.

Quotas: Affected.

Agent identification: Semi-Blind Transaction. Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Quote: FOK, GTS and GTC.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**Money Session with Bidding (DIPU)**

Types of transaction: Repos, buy/sell back transactions and securities lending. Settlement term:  $T \geq 0$ ,  $T \leq 365$ .

Types of trading: Repos, buy/sell back transactions and securities lending, where the underlying is offered at a rate or a price.

Underlying of buy/sell back transactions and securities lending: Complete (total) securities offered at the clean price, and short-term securities, principal or coupons, offered at a rate.

Credit lines: Affected.

Agent identification: Semi-Blind Transaction. Closing mechanism:

-Automatic Matching with Bidding, after 10 seconds of exposure for First-Tier mandatory quotation issues, as defined by the Ministry of the Treasury and Public Credit in the Public Debt Securities Market Makers Program.

-Automatic Matching with Bidding, after 20 seconds of exposure for First-Tier non- mandatory quotation

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

issues, as defined by the Ministry of the Treasury and Public Credit in the Public Debt Securities Market Makers Program.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Offer: GTC.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**Second-Tier Quotation Session (2COT)**

Types of transaction: Purchase and sale, Repos, buy/sell back transactions and Interbank Transactions

Settlement term:  $T \geq 0$ .

Types of trading: Purchase and sale of complete (total) securities offered at a clean price, and purchase and sale of short-term securities, principal or coupons, offered at a rate, Interbank Transactions, Repos, buy/sell back transactions and securities lending where the underlying is offered at a rate or a price.

Underlying in buy/sell back transactions and securities lending: Complete (total) securities offered at a Clean Price, and short-term securities, principal or coupons, offered at a rate.

Credit lines: Affected

Agent identification: Semi-Blind Transaction. Closing mechanism: Automatic Matching.

Settlement mechanism: Model 1 Delivery upon Payment. Types of Quote: COT.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

**4.2 Sessions of the Transaction Registration System Registration Confirmation Session (TRD)**

Participants authorized to effect securities Transaction Registration are required to report the following minimum information at pre-entry or by subsequent supplementation:

Identification of the traded security by a mnemonic.

The currency or unit in which the respective security's nominal value is expressed. The nominal value of the transaction expressed in the currency or unit in which the security is issued.

The value of the transaction in pesos.

Date and time at which the transaction was executed. Name and identification of the transaction beneficiary.

The fee in percentage terms in the case of a third-party transaction.

Types of transaction: Purchase and sale, Repos, Interbank Transactions, buy/sell back transactions and securities lending.

Settlement term:  $T \geq 0$ .

Price or rate according to the type of trading: Purchase and sale of complete (total) securities offered at a Clean Price, and purchase and sale of short-term securities or coupons offered at a rate, Repos, Interbank

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Transactions, buy/sell back transactions and securities lending where the underlying is offered at a rate or a price.

Underlying in buy/sell back transactions and securities lending: Complete (total) securities offered at a Clean Price, and short-term securities, principal or coupons, offered at a rate.

Credit lines: Affected.

Agent identification: Semi-Blind Transaction. Registration mechanism: Registration with verification. Settlement mechanism: Model 1 Delivery upon Payment.

Negotiable securities: Colombian domestic or foreign public debt securities, or with securities issued by *Banco de la República*.

The foregoing notwithstanding, the System Manager may create new mechanisms, Tiers or Sessions, provided that the general parameters thereof are such as are defined in the present Regulations and shall be specified in the Operation Manual.

**5. Agent identification:** The SEN System can be run with or without prior or subsequent Agent identification, according to the following modalities:

a. **Blind Transaction:** The processes of making Quotes, Closing the deal, Clearing and subsequent Settlement are carried out without identification of the counterparty acting in the Transaction.

b. **Semi-Blind Transaction:** Agents acting as a party to a Transaction are identified in their respective SEN workstations once the Transaction is closed, but the rest of the market will not know the parties involved in the Closing.

c. **Open Transaction:** Agents acting as parties to a transaction are identified at all stages of the process, from the time the first Agent enters his quote, or, in the case of registration, the conditions of the transaction previously made with another Agent in the OTC Market, until conclusion of the transaction or registration. However, once the closing or registration, as the case may be, is effected, the rest of the market will not know the counterparties involved in the operation.

**6. Agents:** The System Manager may offer membership of the SEN System to the following entities as Agents entitled to use the services provided by System: credit institutions, trust companies, stock-exchange brokerage firms, independent securities brokerage firms, pension and severance-pay fund management firms, insurance companies, capitalization societies, Ministry of the Treasury and Public Credit, Financial Institutions Guarantee Fund (FOGAFIN), the Agricultural Sector Financing Fund (FINAGRO), and the Central Counterparty Risk Clearinghouses provided they meet the requirements laid down in these regulations. *Banco de la República*, too, may act as Agent to execute transactions of its own.

Agents may use their status as such to act in any or all of the Tiers in which the System operates.

**Paragraph One:** Under Decree 2555/2010, Part 7, Book 1, Article 7.1.1.1.2, as provisions that might amend, replace or add to it, only Agents subject to oversight by the Office of the Financial Superintendent may become members of a securities transaction registration system. Consequently, and in accordance with Decree 1525 of 2008, neither the Ministry of the Treasury and Public Credit nor state entities at the





**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

national or sub-national level may participate in the Securities Transaction Registration System.

**7. Agent membership requirements:** The entities referred to in the previous Article that wish to join the SEN System as Agents must meet the following requirements:

a. Submit a membership application to the Deputy Governor's Office for Payment System and Banking Operation Division or the Fiduciary and Securities Department,

of *Banco de la República*. The application must be signed by a duly authorized legal representative and be accompanied by a certificate of existence and legal representation, issued by a competent authority no more than three (3) months earlier. Said certificate shall not be required from the Ministry of the Treasury and Public Credit.

b. Be a member of SEBRA, the Bank's electronic services system, or any future successor system, and of the Central Securities Depository, and be a holder of, or request and become a holder of, a Central Bank Account.

c. Possess at all times the management, operational, technical, technological and communications capacity necessary for operating in the system, including an adequate structure for risk management and control, in accordance with the requirements established by the System Manager.

d. If accepted, sign the respective SEN membership contract authorizing the Bank to debit automatically from their Central Bank Accounts and Securities Accounts the resulting value of the Settlement effected by SEN for each transaction closed in the System, plus the fees set by the Bank's Administration Council, amounts payable for Extemporaneous Settlement, Compensatory Amounts and any applicable pecuniary consequences, as provided by these regulations and the Operating Manual.

e. Figure as registered securities intermediaries in the National Registry of Securities Market Agents. The Ministry of the Treasury and Public Credit, *Banco de la República*, and the Central Counterparty Risk Clearinghouses are exempt from meeting this requirement.

f. Be registered in an auto regulatory organization as provided by the laws and regulations in force. The Ministry of the Treasury and Public Credit, *Banco de la República*, and the Central Counterparty Risk Clearinghouses are exempt from meeting this requirement.

g. In the case of the Central Counterparty Risk Clearinghouses, they must be registered in the National Registry of Securities Market Agents as infrastructure providers.

**Paragraph:** Agents shall remain in compliance with the requirements laid down in this Article as long as they remain a member of the System.

**8. Voluntary withdrawal:** Any Agent may withdraw from the SEN System by sending a request in writing to this effect to the Deputy Governor's Office for Payment System and Banking Operation Division or the Fiduciary and Securities Department, of *Banco de la República*.

The withdrawal shall become effective from the date the Bank informs the requesting Agent that the withdrawal request has been accepted, or from the date specified by the Agent, if this is later. The withdrawing Agent shall remain obliged to fulfill the duties, obligations and responsibilities laid down in these regulations and in the respective membership contract, in connection with transactions he is a party



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

to that are under way or pending settlement. Accordingly, he must deposit in a timely fashion in his Central Bank Account or Securities Account the money or securities, as the case may be, needed for due settlement of such transactions.

Upon withdrawal of an Agent, the Bank shall deactivate him in the System and disable the access codes of the Agent's operators, and take all other action necessary in SEBRA, the Bank's electronic services system, or any future successor system, to prevent the Agent's access to the SEN System.

Without prejudice to the above and in compliance with the provisions in the Basic Legal Circular of the Office of the Financial Superintendent of Colombia, *Banco de la República* shall keep the data or information on the respective Agent, which had been supplied or produced during the period of their membership in SEN, in their archives for a period of five (5) years starting from the termination date of the contractual relationship.

**9. Agents' obligations:** Agents shall comply with the obligations laid down in the laws in force, in government regulations or rulings, in the Operation Manual, in membership contracts of the SEN System and of all other *Banco de la República* services connected with the System, and in particular the following obligations:

- a. To verify the information introduced into the System, so that no Closing shall be effected that is incomplete or inconsistent or does not correspond to the transaction that is to be or has been made or registered.
- b. To complete closed transactions, by placing in a timely fashion securities or money into the Securities or Central Bank Account, as the case may be, on the basis of clearing by SEN, in order for the System Manager to effect the Settlement.
- c. To comply with the laws and regulations governing transactions made or registered through the SEN System, and also with any regulations that the Ministry of the Treasury and Public Credit and *Banco de la República* issue regarding the trading of securities.
- d. To meet the technical standards established in the document entitled "SEN Technical and Operating Requirements", which shall be made available to Agents and other interested parties by the System Manager, using such means of dissemination as the Manager specifies.
- e. To comply with the security and confidentiality standards, for access to and management of codes and profiles, that are established in the Handbook of the Bank's electronic services system, SEBRA, or any system replacing it.
- f. To implement a scheme of segregation of functions within each entity, so that the person performing the function of Local Manager can neither make nor register transactions in the System.
- g. To carry out their actions through the SEN System on the basis of loyal and ethical commercial principles and, in particular, to abstain from acts of unfair competition, fictitious transactions, or transactions involving improper use of privileged information, or intended to destabilize the market artificially or to move artificially the prices of traded securities, and all such actions as may harm or alter the market's integrity or transparency, and in general to abstain from the forms of behavior described in Act 964/2005, Title 6, Chapter 1, Article 50(b), as amended, supplemented or substituted.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

- h. To review, on the basis of System reports, each one of the transactions effected to establish that they have been correctly executed and advise the SEN manager immediately of any inconsistency in them. In the event that an inconsistency has generated excessive movements of securities or funds, keep the amounts of money or securities thus credited in the Deposit or Securities Account, depending on the case, so that the pertinent corrections can be made.
- i. To accept the tickets that the SEN System generates and all other records of the System as adequate and sufficient proof of the transactions made or registered through the System, of the conditions in which they were carried out, and also of the Agent and Operator responsible for each one of them.
- j. To inform the SEN Manager immediately of any failure in the system upon learning of it.
- k. To inform the System Manager of any irregularity, possible infraction or in general any act that the Agent is aware in the use of the SEN System by another Agent or Operator that may be liable to investigation, through the means established in the SEN Operation Manual
- l. To designate their Operators (individuals) or the algorithm application manager, updating the information should the occasion arise, and send them on the instruction and training courses that the System Manger organizes.
- m. To take appropriate and sufficient measures, on the conditions established by the Office of the Financial Superintendent of Colombia and other competent authorities, as the case may be, to prevent transactions made or registered through the SEN System from being used for asset laundering or any other unlawful purposes.
- n. To attend instruction courses given or organized by the System Manager and meetings of participants arranged by said Manager.
- o. To have in place the computing and communications equipment necessary for operating in contingencies, possess a business continuity plan, and take part in contingency tests carried out by the System Manager.
- p. To participate in connectivity, functional and load tests arranged by the System Administrators, and in general in tests other than those referred to in point (o) above.
- q. To comply with the physical and logistic measures necessary to ensure the safety of elements used in the System's terminals, stations or equipment and the integrity, confidentiality and availability of the information handled in them.
- r. To provide such additional information as may be required when operating on behalf of third parties, in the form and on the conditions set in the Operating Manual. When the third party corresponds to a mutual investment fund, the completion of said transactions in the name of the trustee shall be done through the corresponding Custodian.
- s. To display to the market, through a Session of Automatic Matching with Bidding, the transactions whose conditions have been agreed on previously, indicating that a prior agreement is involved and entering the Agent's bid or ask quote, as the case may be
- t. To report within the terms and on the conditions set in the Basic Legal Circular, Part III, Title II,



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Chapter II of the Office of the Financial Superintendent of Colombia (C.E. 029/14) or the regulations that amend, supplement, or substitute for it, the conditions of the transactions to be registered in the System.

u. To verify that operators (individuals) or the application manager who work in the System are duly registered on the National Register of Securities Market Professionals and ensure that they act in accordance with the applicable provisions.

v. To abstain from taking any action that may affect the System's order, security, competition, appropriate price formation, transparency and proper functioning.

w. Comply with the creation or delivery of the collateral referred to in article 27 of the present regulation under the conditions established therein.

x. Comply with the rules for protecting personal data and maintain proper confidentiality regarding their clients' data and information.

y. In compliance with the provisions in Regulation of the Public Debt Securities Market Makers Program established by the Ministry of Finance and Public Debt with respect to the clearing and settlement of buy/sell back transactions through a Central Counterparty Risk Clearinghouse, the Agents participating in the Public Debt Securities Market Makers Program shall authorize the manager of the system to deliver to the Central Counterparty Risk Clearinghouse through which the said transactions are cleared and settled, the historical information on the closings done so that said clearinghouse shall be able to carry out the corresponding calculations and risk analysis.

z. For use of Automatic Order Entry:

(i) Apply and certify the Automatic Order Entry tests in the environment defined by the SEN manager.

(ii) Ask the SEN Manager to enable the Automatic Entry of Bids.

(iii) Designate the algorithm administrator responsible for its correct operation as well as for the order resulting from its implementation. Notify the SEN Manager of a change of such manager in a timely manner.

(iv) Act together with the algorithm administrator as the people responsible for its operation as well as for the corresponding order, matches and transactions carried out.

(v) Validate, inform and certify any new versions or updates to the algorithms or systems for Automatic Bid Entry prior to their implementation in production to the SEN Manager.

(vi) Implement the necessary controls in the algorithms or systems for the automatic entry of order that guarantee their correct operation and prevent the behaviors indicated in item 9, paragraph g) of this regulation.

(vii) Establish the necessary controls and mechanisms so that, in the implementation and use of the mechanism for the Automatic Entry of Orders, directly or through a supplier, the security and confidentiality of the SEN's information is properly and sufficiently protected, thereby preventing unauthorized access or leakage of information to third parties.

(viii) Periodically review and evaluate the algorithms established in the system for the use of the



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Automatic Order Entry mechanism so that it may rely on the environment defined by the SEN Administrator.

(ix) Establish and periodically evaluate the risk controls inherent to the use of the Automatic Order Entry mechanism. Follow up and monitor procedures, controls, testing, and operations of trading algorithms, adaptation of internal risk measurement models, creation of limits to algorithm activity, and the creation of contingency and continuity plans.

(x) Have mechanisms that allow them to stop the Automatic Order Entry in the shortest possible time when a malfunction is detected, either in the production or testing environment.

(xi) Have a mechanism that allows them to have the infrastructure and technological capacity to develop, parameterize, and have algorithmic connectivity to the trading system.

**10. System Manager's obligations.** The obligations of the SEN System Manager shall be:

- a. To verify that the System effects the Closing of transactions in the cases and in the modalities laid down in the present Regulations and in the Operation Manual.
- b. To verify the proper operation of the general System and ensure that it does so according to the principles of integrity, transparency, fairness and efficiency.
- c. To inform Agents, through the System, about the closing conditions of every one of the transactions carried out.
- d. To keep, for the period of time specified by the provisions in force, the historical records of transactions made or registered in the SEN System, protect such information and prevent it from being altered, damaged or lost.
- e. Provide Agents with statistics on transactions closed in the SEN System.
- f. Provide advice and training to Operators.
- g. Provide technical assistance to Agents, in order to ensure proper operation of the software.
- h. To have at its disposal the computing infrastructure necessary for the SEN System to function and operate as stipulated in these regulations and in the Operation Manual.

Exceptionally, *Banco de la República* may temporarily suspend the service or modify the schedules due to: (i) reasons of force majeure or fortuitous event; or, (ii) in certain situations in which the affiliated entities usually or traditionally suspend the provision of services to the public; or, (iii) when there are reasons which, in the judgment of the Administrator, justify it. In the case referred to in items (ii) and (iii), the Manager shall give prior notice of the date on which the respective suspension or modification of schedules will occur, five (5) business days in advance and indicate the pertinent operating conditions, as the case may be.

i. To report the transactions made or registered in the SEN System to the inspection, oversight and control entities, in accordance with prevailing regulations, and, in particular, to report to the Office of the Financial Superintendent of Colombia and the Autoregulatory organizations if it learns or has evidence that any transactions or acts referred to in Article 9(g) herein have been carried out.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

Date: **Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

- j. To maintain privacy and confidentiality with respect to information on transactions made by Agents in SEN, except for such information as must be provided, under to legal provisions, to the competent legal or administrative authorities or Autoregulatory organizations, and such information as is needed by *Banco de la República* and its Board of Directors for the proper performance of its constitutional, legal and statutory functions and, in particular, for regulating the money, foreign- exchange and credit market.
- k. To attend in a timely fashion to Agents' enquiries, complaints or claims.
- l. To identify, control and manage properly the risks to which the Manager and the System are exposed. To this end, the Manager shall have a duly documented contingency and business-continuity plan, characterized at a minimum by: having been approved by the competent body, providing for the resources needed for its timely execution, and having passed the necessary tests for confirming its effectiveness. The Plan shall cover such items as: a contingency team and the team's functions, identification of events that can affect the systems' operation, measures taken to minimize risk, action to be taken when failures occur, alternative operations, and return to normal operation.
- m. To set the technical standards required for operating in the System and make them known by the mechanisms the Bank decides on for the purpose, including, inter alia, information bulletins or electronic websites.
- n. To make and keep an updated list of the securities that can be traded or registered in the System, together with their identification.
- o. To put in place, for securities transactions made or registered in the SEN System, efficient mechanisms for facilitating their clearing and settlement by delivery upon payment in authorized clearing and settlement systems.
- p. To provide information on prices or rates, and amounts, of transactions made or registered in the System to price providers authorized by the Financial Superintendent, pursuant to the Superintendent's general instructions in this regard and on such terms and conditions as the Manager agrees on with said providers.
- q. Have mechanisms and procedures to monitor the offers, quotes, and transactions closed or recorded in the tiers of the System, as well as mechanisms to detect follow- up on the electronic records of transactions so as to verify compliance on the part of the Agents involved in such transactions and fulfillment of their obligations in that capacity, as well as to implement processes for audit trails to facilitate efficient and timely compliance with the aforementioned duty to monitor, according to Decree 2555/2010, Part 2, Book 15, Title 1, Chapter 5, Article 2.15.1.5.1 or whatever provisions might amend, replace or add to it.
- r. To keep an updated record of Agents and Operators registered in the System.
- s. To give the names of the infrastructure providers and price providers the System is interconnected to.
- t. To do its best to maintain the System's order, security, competition, appropriate price formation, transparency, and proper functioning.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

- u. To order guarantees to be provided, supplemented or substituted, and to manage, call and enforce them on the terms laid down in the provisions in force and in these regulations. To this end, the SEN shall be supported by the functions of the DCV's collateral or guarantee management facility as well as by the functions that the central counterparty clearinghouse offers.
  - v. To enforce the default consequences referred to in these Regulations.
  - w. Keep a registry of the information on transactions made by Agents. Said registries shall be preserved for a period of five (5) years pursuant to the provisions in Article 96 of the Financial System Internal Regulations.
  - x. Maintain the data or information on the respective Agent, which has been supplied or produced during the period of their membership in SEN, in the archives of *Banco de la República* for a period of five (5) years starting from the termination date of the contractual relationship.
  - y. Keep a record of the Agents that have an enabled mechanism for the Automatic Entry of Orders.
  - z. Assign a specific identification for the Algorithmic Application Operator in order to easily identify the Offers entered through this mechanism.
  - aa. Make an environment that allows the Agents to validate the Automatic Entry of Orders and the corresponding controls for its use available to the Agents.
  - bb. Process the personal data provided by the Agents in the course of the provision of SEN services, in compliance with the personal data protection regime (Act 1266 of 2008, ACT 1581 of 2012, Decree 1074 of 2015 and other regulations that modify, supplement or replace them) and in accordance with the following personal data processing policy:
    - (i) **General Information - Responsible:** *Banco de la República*, NIT No. 8600052167, Main Office: Bogotá D.C. Contact: Citizen Service System (SAC), at the addresses, telephone and e-mail disclosed in the web page of *Banco de la República* in sections "Citizen Service System (SAC)" and "Privacy Policy and treatment of personal data."
    - (ii) **Processing and purpose:** The personal data provided will be subject to processing (collection, storage, use, circulation, or deletion) in order to properly comply with the operations of linking and using the SEN services described in this Regulation, including the construction of indicators and statistics for the monitoring and control thereof, the legal controls as well as to comply with the other constitutional and legal functions of *Banco de la República*.
- To this end, (i) the information management systems have current ISO 9001 and ISO/IEC 27001 certifications with the latter referring to information security; (ii) the policies and standards of the information management system are focused on protecting the confidentiality of information through mechanisms such as network access control and/or authentication devices and software to manage authorization levels, monitor system activity and record these activities; (iii) the conservation of documents and information is carried out in accordance with the provisions of Act 31/1992, article 55 and complementary regulations.
- (iii) **Exercise the rights of the holders of personal data:** The holders of personal data may access, know, update, and rectify such data; be informed about the use given to such data; submit queries and complaints

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

about the handling of such data; revoke the authorization or request the deletion of their data in appropriate cases; and exercise the other rights conferred by law. To exercise such rights, they may use the aforementioned contact mechanism. The procedures and terms for responding to queries, claims and other requests related to the exercise of the right of habeas data shall follow the provisions of Act 1266/2008 and the principles on data protection set forth in Act 1581/2012.

**11. Agents' Faculties:** Agents shall have the following powers:

- a. To make or register in the SEN System the transactions available in the System, to the extent permitted by Agents' corporate purpose and the legal provisions governing them.
- b. To set Lines of Credit for their counterparties, and to debit and release them through the System.
- c. To request the System Manager to cancel a transaction closed in the System, subject to prior fulfillment of the requirements specified in the Operation Manual.
- d. To have access to information connected with the financial conditions of transactions run in the System and to the historical bases.
- e. To use the electronic mail service through the System for communications connected with their transactions.
- f. To have access to the financial and data export or import tools offered by the SEN System.

**12. Responsibility of Agents and System Manager:** To all intents and purposes, Agents shall be solely accountable for all risks pertaining to the making, registration, existence, validity, effectiveness and settlement of transactions carried out through the SEN system.

Agents are understood to be under the obligation to comply with the rules, restrictions, conditions and prohibitions regarding each type of transaction and each kind of entity that have been established by the provisions in force, the government, the inspection, control and oversight authorities and Agents' own by-laws.

Therefore, the System Administrator shall in no way be liable for any of the transactions entered into or recorded through the System. Nor shall the System Administrator be liable for irregularities or fraudulent acts committed by officials of the Agents or persons authorized by them to access and operate the System through their terminals, or for incompetence or carelessness in the use of the same.

The System Administrator shall be responsible for compliance with the obligations set forth in Point 10 of these regulations.

The System Manager, notwithstanding the obligation to have at his disposal the necessary computing infrastructure for the SEN System's functioning, shall not be accountable for any service interruptions or failures that affect the closing or registration of transactions because of system technicalities, changes or alterations occurring during the transmission of information being received or sent by the Manager, or because of events of force majeure and/or acts of God or any other causes beyond the Manager's control.

Where there is interconnection to other trading or registration systems or to other infrastructure providers or price providers as contemplated in Decree 2555/2010, Part 2, Book 15, Title 1, Chapter 1, Article 2.15.1.1.6, as provisions that might amend, replace or add to it, the System Manager shall in no way be





**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

accountable for any information provided by said systems or for the means by which the interconnection is made. The extent of the System Manager's accountability for the provision of such information shall be such as is stipulated in any agreements or pacts that come to signed with each one of such entities. At all events, the System Manager shall not be accountable for use of the information it provides to other systems by virtue of said interconnection.

**13. Consequences:** In the event of extemporaneous settlement, or default by Agents of the provisions of these Regulations, the Operation Manual or the membership contract or of any other provisions relating to the SEN System, the following consequences will be generated, without prejudice to any other actions arising from Agents' conduct and undertaken by the competent authorities or the affected Agent, among others:

a. **Cautionary warning:** This consequence shall apply in the event of failure to meet the obligation specified in Article 9 n), p), or w) hereof, except where, in the case of training meetings given or organized by the System Manager, which are referred to in item n), the respective Agent shall have cancelled his participation at least two (2) hours before the start of the meeting. Failing to do so shall result in a cautionary warning which shall be in the form of a written letter sent to a legal representative of the Agent.

b. **Suspension:** This consequence shall apply, with due regard to the circumstances and gravity of the failure, in any of the following eventualities:

1. Failure to meet the obligations established in Article 9 hereof, except for those specified in literals g) and m).

2. Failure to pay in full to the Agent affected, within the term stipulated in Article 21 hereof, the Compensatory Amount payable for failure to complete a transaction, or the amount payable for extemporaneous settlement.

3. Making extemporaneous settlements of transactions closed in the System, three

(3) times within the year to date, counted from the first time. In this event, suspension shall apply in addition to the respective amount payable for extemporaneous settlement; and extemporaneous settlements occurring on one and the same day shall be counted as just one extemporaneous settlement.

4. Failure to repay the funds received through an Interbank Transaction. Suspension shall apply until the transaction is settled and shall be in addition to the Compensatory Amount payable by the defaulting Agent, as determined according to the provisions of Article 21.

5. At the express request of a competent judicial or administrative authority. In this event, the suspension may be extended for the period specified by the respective authority.

6. Failure to comply with what is stipulated in item b) number 9 of the present regulations on two (2) occasions within the year to date, counted from the first occasion, where such failures have resulted in Compensatory Amounts being set by the System Manager. In this event, suspension shall apply in addition to the respective Compensatory Amount; and failures occurring on one and the same day shall be counted as just one failure.

7. If the Agent's registration on the National Register of Securities Market Agents or in any Autoregulatory organization has been suspended.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

8. If three (3) cautionary warnings have been issued within one year to date.
9. At the express request of the Ministry of Finance and Public Debt to act during the sessions of the Public Debt Securities Market Makers Program as a consequence of the Agent's default on obligations to the Central Counterparty Risk Clearinghouse through which transactions that come under Resolution No. 4782 of 30 Dec 2014 of the Ministry of Finance and Public Credit or those that amend, supplement, or substitute for it are cleared and settled. The Ministry of Finance and Public Credit may send this request directly to the system manager or through the Central Counterparty Risk Clearinghouse where the cited transactions are cleared and settled.

If the Manager has to apply several suspensions to the same Agent within the same year to date for the reasons stated in numerals 1, 2, 3, 6 and 8 of this Article, the first suspension shall be for one (1) working day, the second for three (3) working days, the third for five (5) working days, and in every case the suspension shall come into effect from the last working day of the week following the date of the originating event.

The occurrence of any of the events stated in numerals 5 and 7 shall cause the suspension to be applied at such time and for such period as the competent authority or Autoregulatory organization may determine. All events of suspension shall be reported to the competent authority and Autoregulatory organization.

c. **Exclusion:** The System Manager shall exclude an Agent from the SEN System in any of the following cases:

1. If the Agent has been suspended more than three (3) times within the same year to date, counted from the first suspension.
2. If the Agent uses the System to carry out acts of unfair competition, fictitious transactions or, by taking undue advantage of privileged information, any transactions intended to destabilize the market artificially or alter artificially the prices of traded securities, or in general engages in any of the forms of behavior described in Act 964/2005, Title six, Chapter one, Article 50(b), as amended, supplemented or substituted; and this is demonstrated by the competent authority's investigation.
3. If the Agent violates legal provisions on asset laundering in connection with transactions processed through the System; and such violation has been determined by a competent authority
4. If the competent authority has ordered suspension of payments or liquidation of the Agent, in accordance with the relevant legal provisions.
5. By express order of a competent judicial or administrative authority.
6. If the Agent's registration in the National Register of Securities Market Agents or in a Autoregulatory organization has been cancelled.

The System Manager shall make the Agent's exclusion effective from the working day following that on which the event described in c.1 above occurs. Exclusion for any of the reasons set forth in c.2, c.3, c.4, c.5 and c.6 above shall be applied at such time as the competent authority may determine.

The Agent who has been excluded may apply to the Manager for readmission to the System three (3) months after his exclusion. The Manager shall review every application and decide whether it should be

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

allowed or not. At all events, the Agent applying for readmission shall have fulfilled all obligations pending at the time of exclusion, and the reasons for the exclusion shall have ceased to exist. Furthermore, the Agent must meet all requirements set forth in these Regulations for obtaining and maintaining the status of Agent.

**Paragraph 1:** Prior to determining the consequence, the System Manager shall ask the Agent for a written report on the causes of his default, in order to evaluate the circumstances of the situation. The Agent shall have an immutable period of three (3) working days to make the respective reply. If the Agent does not reply or if the System Manager does not find the explanation satisfactory, the manager shall so inform the Agent through a written letter in which he shall also inform the Agent of the application of the respective consequences as the case may be. Likewise, he may ask the Agent to make the necessary adjustments to his internal controls or procedures involved in the situation, to ensure the Agent's operational execution in accordance with the provisions in force.

**Paragraph 2:** If, due to the effect of a crisis event as per the terms of Chapter II of these Regulations, it is not possible to make appeals, suspensions, or exclusions as provided in this item, these measures shall be implemented after the crisis, and the process laid down in this Regulation will continue.

**14. Effects of suspension and exclusion:** Suspension shall signify interruption of the Agents' Faculties to operate in the SEN System. Without prejudice to the foregoing, all the Agent's obligations, duties and responsibilities under these Regulations and the respective membership contract shall remain in force. Accordingly, the suspended Agent shall remain under the obligation to deposit, in a timely fashion, the necessary money and/or securities into his Central Bank Account and/or Securities Account, as the case may be, if at the time the suspension becomes effective there are transactions pending settlement to which he is a party.

Exclusion of an Agent shall signify immediate termination of the membership contract by *Banco de la República*, without prejudice to the guarantees the Agent must provide for completing the transactions pending settlement.

**Paragraph:** Upon exclusion of an Agent, the Bank shall deactivate him from the SEN System and shall take the necessary action in the Bank's electronic services system, SEBRA, or any system replacing it in future, to prevent the Agent from having access to SEN.

**15. Security and access codes:** The SEN System shall have security mechanisms for access to the different modules it is composed of, as provided by the SEN Operation Manual and the regulations of SEBRA or any system replacing it. The SEN System's access codes are personal, non-transferable and confidential, inasmuch as they may be used only by the Operator to whom they are assigned, who shall be responsible for their proper management and conservation.

Use of the codes and any other security mechanisms the System Manager establishes shall be exclusively the responsibility of the Agent and his respective Operator; consequently, the actions they carry out in the System by using said security mechanisms shall be understood to have been carried out by the Agent and the respective Operator.

It shall further be understood that the assignment of profiles that each Agent's Local Manager makes in the System shall correspond to the due segregation of functions established in their organization.

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

The Local Administrator shall assign to the Algorithmic Application Operator, the name and identification of the administrator of the algorithm operation.

**16. Fees for SEN services:** The fees that the System Manager charges Agents for use of the SEN System shall be set in a general fashion by the Bank's Administration Council, in accordance with the provisions of Decree 2520 of 1993, Article 41, as amended, supplemented, or substituted. Said fees shall be published in External Regulatory Circulars and publicized by such mechanisms as the Bank decides on, including information bulletins and electronic websites, without prejudice to employing other, additional means for publicizing them.

The Administration Council, in setting such fees, shall apply the policy of uniform fees per product, that is to say, fees shall not be determined by Agents' legal status or individual characteristics. The Council shall bear in mind that fees must be published before being charged and shall not be retroactive.

**Paragraph:** The Administration Council may, in accordance with their legal and statutory powers, modify the fees set, should new circumstances justify doing so by reason, inter alia, of the volume of transactions or cost growth, and shall so inform Agents by the means indicated.

**17. Risk Management:** In First-Tier transaction trading, credit risk is controlled by delivery-versus-payment or delivery-versus-delivery Settlement, as the case may be. In Second-Tier transactions, in addition to such risk control, Agents have available to them the mechanism of setting, debiting and releasing Lines of Credit or transaction credit lines per counterparty, to limit their operating and counterparty risks (credit and liquidity). To this end, each Agent may set a maximum risk quota or Limit per counterparty, which shall be automatically debited with each Closing or Registration, in accordance with the parameters each Agent sets in the System. Such parameters may range from an overall control to specific controls, and Agents may also establish for each counter party credit lines associated with market and credit risks.

The market risk from transactions closed or registered in the SEN System is mitigated by application of the Compensatory Amount defined in Article 21 hereof, which is payable by an Agent to his counterparty where the Agent is responsible for the fact that a transaction cannot be settled on the scheduled date.

As regards legal risk, the System's operation and management, Agents' actions in the system, and the obligations, powers and responsibilities of the parties are contemplated and protected by laws and regulations: in Act 964 of 2005, by Part 2, Book 15, Title 1, Chapter 1, Article 2.15.1.1.3; by Part 2, Book 15, Title 1, Chapter 2, Article 2.15.1.2.3; by Part 2, Book 15, Title 1, Chapter 3, Article 2.15.1.3.2; and by Part 7, Book 3, Article 7.3.1.1.2 of Decree 2555 of 2010 or those provisions that might amend, supplement, or substitute for it, the present Regulations, the SEN Operation Manual and membership contracts, and other concordant rules.

**18. Closing:** The automatic conclusion of a securities transaction or operation effected in the SEN System, through acceptance of a quote posted on the System, by any means stipulated in the present Regulations and the Operation Manual, that is today, by the mechanism of automatic matching, and automatic matching with bidding.

The SEN System closes transactions by automatic matching if all the conditions (quantity, price or rate, and Settlement date) of two quotes in opposite directions for the same security or reference coincide,

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

verifying beforehand the Lines of Credit or transaction credit lines referred to in Article 17, where applicable.

Where closing conditions for the same security or reference coincide, quotes shall be considered in chronological order of entry.

Quantity coincidence maybe disregarded if the higher-value quote accepts partial closing, in which case the transaction will be closed at the value of the lower-value quote. The remainder of the partially closed quote shall remain on screen with the initial registration time, provided it is not an FOK Quote and meets the minimum and maximum value requirements, the maximum being set in accordance with the provisions of *Banco de la República's* global banking insurance policy.

In Sweeping Operations, closing will be effected automatically, and the closing price or rate shall be that of the Offeror. In the event of coincidence of closing conditions, quotes shall be considered in chronological order of entry.

Once the System has effected a closing by automatic matching, in accordance with the operating conditions of each Tier and Session, Agents may not cancel or modify the transactions of said closing, unless authorized to do so by the System Manager in the cases provided for in the Operation Manual.

A closing by automatic matching shall be reported through the System by means of a closing ticket. Moreover, the quotes shall disappear from the respective session, and the transaction shall be recorded on the closings screen.

End of session prices shall be established by the System Manager, on the criterion of traded price. The System shall fix each day a final end of session price for each security or reference, such price being the last valid one in each Session.

**19. Transaction registration with confirmation:** Registration of transactions made in the over-the-counter or OTC Market may be confirmed in the Sessions or mechanisms provided for the purpose in the System.

Registration of transactions in the System is an essential condition for the transactions to be cleared and settled in a clearing and settlement system authorized by the Financial Superintendent.

The characteristics of transaction registration shall be as defined for Registration Mechanism in Article 4 hereof. Under the provisions of Part III, Title II, Chapter II of the Basic Legal Circular of the Office of the Financial Superintendent of Colombia (C.E. 029/14) as amended, supplemented or substituted, setting forth necessary instructions for performing intermediation operations in the securities market, Agents shall report the execution of transactions made in the OTC Market within fifteen (15') minutes following execution of the respective transaction.

Furthermore, under the provisions of the above regulations on registration of securities transactions in the OTC Market, when such transactions are executed after the System's closing time and before the opening of the following working day, they shall be registered as though executed at the first instance of the following opening, that is to say, registration shall be effected in the first fifteen (15') minutes of the System's opening.

The respective intervals of time for registering securities operations shall be a maximum of ten (10')

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

minutes for the person having to pre-enter information, and a maximum of five (5') minutes counted from the time of pre-entry of information for the person having to confirm the respective transaction, according to the instructions the Manager may issue for this purpose.

Once the System has issued confirmation of the Registration, according to the operating conditions of each Tier and Session, Agents may not cancel or modify the transactions of said Registration, unless authorized to do so by the System Manager in the cases provided for in the Operation Manual.

Confirmation of Registration shall be reported through the System by means of a Ticket, and the transaction shall be recorded on the Closings screen.

End-of-session prices shall be established by the System Manager, on the criterion of traded price. The System shall fix each day a final end of session price for each security or reference, such price being the last valid one for the Registration session or mechanism.

Repo, buy/sell back, and securities lending transactions made on the OTC market carried out on one's own behalf or the behalf of a third party and that are required to be registered in SEN shall be subject to the collateral or guarantee management that is dealt with in article 27 of the present regulation.

**20. Clearing and Settlement.** Transactions made or registered in the SEN System shall be cleared once the Closing or Registration, as the case may be, has been effected. And they shall be settled in a Clearing and Settlement System authorized by the Financial Superintendent, on the Settlement Date, by the mechanism of delivery upon payment.

In compliance with the provisions of the Ministry of Finance and Public Debt within the regulations that govern the Public Debt Securities Market Makers Program, buy/sell back transactions that are made on the First Tier of SEN shall be cleared and settled through a Central Counterparty Risk Clearinghouse under the terms and conditions said Ministry shall issue.

**Paragraph:** The Settlement Date shall be on a working day, which fact shall be verified by the System. In the event of changes being made to working days after a transaction has been effected, the Settlement Date shall be moved to the immediately following working day, without involving recalculation of the transaction.

**21. Settlement of transactions:** All transactions closed or registered through the SEN System must be completed by the Agents involved in them. To this end, Agents shall deposit, in a timely fashion, the securities or money in their Securities or Central Bank Accounts, as the case may be, on the basis of the clearing effected by SEN or, in such cases that apply, by the central counterparty clearinghouse.

Transfer orders sent by the SEN System that are cleared and/or settled in the Central Securities Depository and/or in *Banco de la República's* system of Central Bank Accounts (securities and funds) shall be considered final, enforceable, irrevocable and effective against third parties, from the time such orders are accepted by the Central Securities Depository and/or the system of Central Bank Accounts, on the conditions set forth in the regulations of said systems.

*Banco de la República* shall in no case be accountable for the non-settlement of transactions closed or registered in the SEN System because of the inexistence or insufficiency of available balances on Agents' Securities Account and/or Central Bank Account. In these cases the procedure regarding the transaction

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

may be the following:

- a. Extemporaneous settlement: Spot purchase-and-sale transactions with a settlement term of up to T+2, may exceptionally be completed extemporaneously where Agents experience operational problems that make it impossible for settlement to occur on the initially agreed date. Extemporaneous settlement must be effected no later than the working day following the initially set date (T+1), on the agreed conditions, and may be requested only one (1) time.

In the case of semi-blind or open transactions, extemporaneous settlement shall require approval of the counterparty in the initial and final operation. No counterparty approval shall be required for blind transactions.

An Agent requesting postponement of a transaction shall be under the obligation to pay to his counterparty a sum of money in respect of extemporaneous settlement, such sum to be determined in every case by the System Manager by applying the following formula for purchase-and-sale transactions:

**Amount payable for extemporaneous settlement = VM + FV**

**Where:**

VM: Value of money at the referenced time, at the usury rate. The System Manager shall specify in the SEN Operation Manual the formula and elements needed to find VM.

FV: Fixed compensatory value, expressed in terms of the prevailing legal minimum monthly wage. The System Manager shall specify in the SEN Operation Manual the formula and elements needed to find FV.

Every extemporaneous settlement shall be reported to the non-defaulting Agent and to the competent supervision authority and the Autoregulatory organizations. Should there occur a chain of extemporaneous settlements of SEN transactions, the report to the oversight authorities and Autoregulatory organizations shall be made in respect of each of the Agents who were the subject of extemporaneous settlement, identifying specifically the Agent who triggered the chain. The event of extemporaneous settlement shall be counted only for the Agent who set off the chain. Should any further criterion be needed to identify the first in the chain, it shall be the Agent who effected the earliest trading in the SEN System. All Agents in the chain shall pay money consequences.

If the transaction is not settled on the new date set for settlement, it shall be declared to be in default, with the consequences set forth in these Regulations.

- b. Default: Where a transaction is not settled on the initially agreed conditions and extemporaneous settlement is not possible, or where it is not settled on the new date agreed on for extemporaneous settlement, the transaction shall be declared to be in default.

The defaulting Agent shall pay a Compensatory Amount to his counterparty, such Amount to be determined in each case by the System Manager by applying the following formulae:

**Purchase-and-sale transactions**

Compensatory Amount =  $(VF * NV) + FV$

Where:

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

VF: Volatility factor of price or rate in percentage terms. The System Manager shall specify in the SEN Operation Manual the formula and elements needed to find the volatility factor (VF).

NV: Nominal value in pesos of the transaction generating the Compensatory Amount (multiplied by the Real Value Unit -UVR- or the exchange rate -TRM- for the initially agreed day of settlement, in the case of securities in Real Value Units or dollars, respectively).

FV: Fixed compensatory value, expressed in terms of the prevailing legal minimum monthly wage. The System Manager shall specify in the SEN Operation Manual the formula and elements needed to find FV.

When dealing with forward purchase and sale transactions for which the collateral or guarantee established in number 27 of the present regulation has been created or delivered, the amount of compensation shall be equivalent only to the FV.

**Repos, buy/sell back transactions, securities lending and Interbank Transactions**

Compensatory Amount = VM + FV

**Where:**

VM: Value of money at the referenced time, at the usury rate. The System Manager shall specify in the SEN Operation Manual the formula and elements needed to calculate VM.

FV: Fixed compensatory value, expressed in terms of the prevailing legal minimum monthly wage. The System Manager shall specify in the SEN Operation Manual the formula and elements needed to find FV.

When a transaction, which is subject to the collateral or guarantee management of number 27 of the present regulation, is declared in default, the payment of the compensation amount shall be independent of the amounts or securities corresponding to the collateral transferred in case of a default as calculated by the DCV.

When a transaction falls into default, the System Manager shall declare it rescinded and exclude it from the settlement process and shall report each event of default to the non-defaulting Agent, the competent supervision authority and the Autoregulatory organizations.

The final part of an interbank transaction shall not be rescinded, since interbank transactions must always be settled. In such cases, compensation shall be charged in an amount equivalent to VM for each additional day it takes for the transaction to be settled.

The amount calculated in respect of extemporaneous settlement or default shall be paid by the liable Agent, no later than the Working Day following the request for postponement or the declaration of default, as the case may be.

To this end, the System Manager is authorized to debit, before the time specified in the SEN Operation Manual, the value of the respective Extemporaneous settlement Amount or Compensatory Amount from the Central Bank Account of the Agent who caused the event and credit said Amount to the other Agent's Deposit Account.

However, if the funds available in the defaulting Agent's Central Bank Account are not sufficient to debit, within the period referred to in the previous paragraph, the full value of the Extemporaneous settlement



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Amount or Compensatory Amount imposed on him, the System Manager shall report this to the two Agents involved in the transaction. The Manager shall, moreover, indicate to each of the two the name of his counterparty, even in the case of a blind transaction, so that the liable Agent may proceed to pay the imposed Amount directly to the other Agent within the same Working Day.

In this event, the Agent affected shall inform the System Manager whether the defaulting Agent has paid him or not the said Amount within the period specified in this Article, in order that, where appropriate, the defaulting Agent may be suspended according to the provisions of Article 13 hereof.

The only time that the defaulting Agent shall not be obliged to pay the extemporaneous settlement amount or compensatory amount to his Counterparty is when the Bank deems that the lack of timely settlement has been caused by an act of God or by force majeure, including, inter alia, situations of public unrest (provided they could not be foreseen and controlled). The event in question shall have been reported to the System Manager in writing by a competent legal representative before 10:00 a.m. on the working day following that of the default. Should *Banco de la República* find it to be duly demonstrated that the default or late settlement was caused by an event of the kind described above, it shall abstain from imposing the extemporaneous settlement Amount or compensatory amount and shall report its decision to the two Agents involved, no later than on the second working day following the date of default.

Payment of the extemporaneous settlement or compensatory amount or the fact that, as provided by the previous paragraph, the defaulting Agent is not obliged to pay it shall not preclude the Agent affected by the lack of timely settlement to have recourse to the mechanisms it regards as appropriate for obtaining full compensation for the damages it considers to have been caused to him by the liable Agent. Such recourse is contemplated in Article 31 hereof, and in that event the Agent affected may request information from the System Manager about the liable Agent, even where the transaction in question was a blind one.

In blind market transactions, *Banco de la República* shall act as the go-between for effecting transaction settlement, maintaining the anonymity of the Agents participating in the closing or registration, except in the event contemplated in the previous paragraph. In these cases, the event shall be reported to the respective oversight entity, together with the data of the operation by which settlement has been effected.

Likewise, should any Agent fail to carry out a transaction closed or registered in the SEN System, on the initially agreed conditions (price, rate, quantity or security), a report shall be made to the parties, the competent oversight entity and the autoregulatory organizations, declaring the transaction to be definitely in default.

The provisions of the present article shall be understood to be without prejudice to those of Act 964/2005, Title 3, Chapter 2, Article 14, and Decree 2555/2010, Part 2, Book 36, Title 3, Chapter 1, Article 2.36.3.1.8, as provisions that might amend, replace or add to it, in respect of defaulted Repos, buy/sell back transactions and securities lending. Where default of the final operation is reported, the System Manager shall terminate the blind market, shall notify the parties of the fact, informing the Agent found to be the debtor of his obligation to pay the difference between the final amount agreed on in the transaction and the market price of the securities on the date of default, in accordance with the provisions of Decree 2555/2010 in Part 2, Book 36, Title 3, Chapter 1, Article 2.36.3.1.8 as provisions that might amend, replace or add to it. The System Manager may also verify whether the parties have fulfilled their respective obligations.



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**22. Specific requirements for transaction trading and registration:** Agents may make or register transactions in the SEN System in respect of securities qualified in the System.

Quotes for such securities shall be made with due regard to technical operating conditions, as determined by the System Manager, particularly the following aspects:

- a. The type of Quote, depending on the kind of security, specifying whether it should be effected at a rate (nominal or effective) or at a Clean Price, and the fractioning and settlement conditions in each case.
- b. The way in which the best buy or ask quotes, as the case may be, shall be displayed on the trading screens, and on what classification criteria they shall be shown.
- c. The events in which a Bid/ask quote shall be required, according to Ministry of the Treasury and Public Credit regulations, for trading of public-debt securities and, especially, for First-Tier participants.
- d. The use and confirmation of mnemonic codes.

**23. Specific requirements for Repos and buy/sell back transactions:** Agents making or registering Repos and buy/sell back transactions shall meet the following requirements, without prejudice to the general requirements regulating the System's operation:

- a. Enter the Quote or Registration into the System, specifying the amount of the transaction, together with the rate of interest, the number of days to settlement and the term of the transaction.
- b. Accept the Clearing and Settlement that *Banco de la República* effects, according to the conditions set forth in the SEN Operation Manual.
- c. Comply with the relevant legal provisions on maximum conditions of volume, term and rate for Repos and buy/sell back transactions.
- d. The System Manager may establish control mechanisms to ensure that the transfer price or rate for the underlying asset in a buy/sell back transactions is at market prices. This mechanism, together with its methodology and operating procedure, shall be detailed in the System's Operation Manual.
- e. The securities delivered in a Repo or buy/sell back transaction shall figure in the name of the Transferee in the Central Securities Depository.
- f. The initially agreed term of the transactions shall not be longer than one (1) year from the time the respective transaction is made.
- g. Repo Transactions can be of two kinds: a closed Repo, in which the parties agree to leave the security immobilized over the life of the transaction; and an open Repo, in which mobility is allowed immediately and over the life of the transaction. The kind of Repo must be specified at the time of entering Quotes or Registration into the System.
- h. In closed Repo Transactions the securities originally delivered are allowed to be substituted by others. The procedure for securities substitution shall be as established by the Central Securities Depository in its Operating Manual.
- i. In buy/sell back transactions, the initial amount may not be calculated at a discount from the market price of the securities subject of the transaction. Nor may there be restriction of the mobility of the



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

securities, or substitution of the initially delivered securities.

j. Agents who make Repo and buy/sell back transactions in the SEN system shall not make commitments that surpass the limits established in Decree 2555/2010, Part 2, Book 36, Title 3, Chapter 3, Article 2.36.3.3.2 or as amended, supplemented, or substituted by future regulations.

k. The methodology and procedure for determining which securities will be susceptible to becoming the object of Repo and buy/sell back transactions shall be based on the credit, market, and liquidity criteria:

a. That they are domestic public debt securities managed by *Banco de la República* or issued by the same bank.

b. That they are electronically registered or deposited at the *Depósito Central de Valores* (DCV).

c. That, on the date of the transaction, the issue is valid and the balance in circulation is (COP 100.000.000.000) one hundred billion pesos at minimum.

d. That the securities do not show maturity of principal during the period of the transaction.

**24. Specific requirements for Interbank Transactions:** Interbank Transactions made or registered by Agents in the SEN System shall have the following characteristics:

a. The making or registration of such transactions shall be effected by specifying in the System the amount, the number of days to settlement, the term of the transaction and the rate of interest (nominal, in arrears).

b. Once the transaction has been made or registered, *Banco de la República* shall proceed to make the Settlement, by applying the agreed value in the Central Bank Accounts of the Agents involved in the transaction.

c. On the agreed Settlement Date for repayment, repayment shall be effected automatically by debiting from the borrowing Agent's Central Bank Account the principal and the value of interest settled by the SEN System and crediting them to the lending Agent's Central Bank Account.

d. Agents shall comply with all legal provisions in force relating to the volume, term and interest-rate conditions of the transactions they make or register.

**25. Specific requirements for securities lending transactions:** Agents making or registering securities lending transactions must meet the following requirements, without prejudice to the general requirements regulating the System's operation:

a. Enter the amount (nominal value requested) of the transaction to be made or registered into the System, the price or rate of the security subject of the transaction, the rate for transfer of the security, and the rate of return on the funds where the transaction is backed by money, the number of days to settlement, the term of the transaction, and the security to be delivered as collateral where the transaction is not backed by money.

b. Accept the Clearing and Settlement that *Banco de la República* effects, according to the conditions set forth in the SEN Operation Manual.

c. The securities delivered in a securities lending transaction shall figure in the name of the Receiver in



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

the Central Securities Depository. Where the securities lending is made in exchange for securities, the Central Securities Depository shall leave the securities backing the transaction in the Originator's account, and the Originator may not make use of them except in the event of default.

d. Comply with the pertinent legal provisions regarding maximum volumes, terms and interest rates for securities lending.

e. The initially agreed term of the transactions shall not be longer than one (1) year from the time the respective transaction is made or registered.

f. Where the securities lending is made in exchange for money, the net return payable by the Originator to the Receiver or the amount payable by the Receiver, under Decree 2555/2010 in Part 2, Book 36, Title 3, Chapter 1, Article 2.36.3.1.3, as provisions that might amend, replace or add to it, shall be the difference between the agreed rate of return for the funds during the life of the transaction and the rate for the securities transfer. If this difference is negative, the Receiver shall make payment to the Originator.

g. Where the securities lending is made in exchange for securities, the System shall calculate only the return generated by the rate for the securities transfer or the amount payable by the Receiver in compliance with the provisions of Decree 2555/2010 in Part 2, Book 36, Title 3, Chapter 1, Article 2.36.3.1.3, as provisions that might amend, replace or add to it, debiting the Receiver's Central Bank Account and crediting the Originator's, upon termination of the transaction.

h. Agents who make securities lending transactions in the SEN system shall not make commitments that surpass the limits established in Part 2, Book 36, Title 3, Chapter 3, Article 2.36.3.3.2 of Decree 2555/2010 or in the regulations that amend, supplement, or substitute it in the future.

i. The methodology and procedure for determining which securities will be susceptible to becoming the object of securities lending transactions shall be based on the credit, market, and liquidity criteria:

a. That they are domestic public debt securities managed by *Banco de la República* or issued by the same Bank.

b. That they are electronically registered or deposited at the Central Securities Depository (DCV).

c. That, on the date of the transaction, the issue is valid and the balance in circulation is (COP 100.000.000.000) one hundred billion pesos at minimum.

d. That the securities do not show maturity of principal during the period of the transaction.

**26. Specific requirements for securities trading by bidding:** In addition to the characteristics specified in Article 22 for securities transactions, Agents shall take into account the following requirements when making transactions by using the SEN System's Bidding mechanism:

a. Sessions operating by bidding are intended to give market exposure to transactions arising from pre-agreements, or exposure to Quotes having the same conditions of pre-agreed transactions.

b. Agents entering initial quotes from a pre-agreement must specify this fact in the System by using the identifier established for the purpose in the Operation Manual.

c. In the bidding, Agents entering initial quotes from a pre-agreement must do so for the same nominal



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

values, prices or rates, and terms as those of the initially agreed transaction.

d. Quotes made in the bidding must use the identifier established for the purpose in the Operation Manual.

e. Within the time allowed for bidding, Agents other than those who initiated the Bidding may intervene in the closing by introducing purchase or ask quotes that are an improvement on the conditions of the initial quotes.

f. Agents who introduced the quotes that set off the bidding may only improve on the conditions of the initial quotes; they may not withdraw or weaken them.

g. Agents who intervene in the bidding may only improve on the conditions of the quotes introduced; they may not withdraw or weaken them.

**27. Guarantee Rules:** Pursuant to the provisions of Decree 2555/2010 in Part 2, Book 36, Title 3, Chapter 2 or provisions that might amend, supplement or replace it, regarding the collateral or guarantee management mechanisms for mitigating market risk caused by variations in the market prices of the securities transferred or acquired in Repos, buy/sell back transactions, securities lending, and forward purchase and sale transactions that are carried out or registered in SEN, the Agents who are participating in the abovementioned transactions shall create and deliver collateral in making or registering each transaction whether it be for the agent's own account or on behalf of a third party.

To this end, SEN will use the following mechanisms:

The Collateral or Guarantee management in buy/sell back transactions that are carried out on the First Tier of SEN and in compliance with the provisions in the regulations for the Public Debt Securities Market Makers Program at the Ministry of Finance and Public Debt and which are cleared and settled through a Central Counterparty Risk Clearinghouse shall be subject to the rules of the respective Central Counterparty Risk Clearinghouse. The Ministry of Finance and Public Debt may establish consequences for defaulting on obligations to the respective clearinghouse in the sessions of the Public Debt Securities Market Makers Program.

i. The collateral or guarantee management for Second Tier buy/sell back transactions as well as the collateral or guarantee management for Repo, securities lending, and forward purchase and sale transactions that are made through SEN shall be subjected to the provisions in the regulations of the Collateral or Guarantee Management Function at the Central Securities Depository (DCV) and in the regulations and Operating Manual of said Depository as well as in other norms that amend, supplement, or substitute for them.

In such cases where the DCV notifies the SEN Manager of the failure on the part of the Agent to deliver the required collateral for a specific transaction, the SEN Manager shall notify the non-defaulting Agent so that he may determine which of the two following actions shall be applied:

a. Declare early settlement of the transaction

b. Declare the transaction in default

In a case where the DCV notifies the SEN Manager of the failure on the part of both Agents to deliver the



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

required collateral for a specific transaction, the SEN Manager shall declare early settlement of the transaction.

The conditions or rules for dealing with or replacing collateral when the securities have been subject to the suspension or cancellation of trading shall be those defined in the Regulations of the Clearing and Settlement System managed by *Banco de la República*.

**28. Mechanisms for communicating information:** The System Manager shall put out daily statistical information on the behavior of transactions made or registered in the System at the end of each Session or mechanism, through bulletins, circulars, press releases, notice boards or other appropriate means to ensure that the public has at least daily access to information on every security traded, as regards average, minimum and maximum opening and end-of-session prices or rates for transactions closed or registered, total volumes and the number of transactions involved.

The SEN Manager shall endeavor to make the System's information clear, transparent and objective, so as to allow Agents to identify the risks they incur by using the System. To this end, the Manager shall disseminate the present Regulations, the Operation Manual, the "SEN Technical and Operating Requirements", operating instructions, new operating and technical features of the System, the fees, the format for the SEN membership contract, the amount of securities issued that can be traded, the total exposure in Repo, buy/sell back, and securities lending transactions, by using, inter alia, the following mechanisms: External Regulatory Circulars, the Banco de República's website, information bulletins, e-mails, certified mail, participants' meetings, or training meetings requested by users or called by the System Manager.

Likewise, the System Manager shall make SEN's software available to the Financial Superintendent, the Autoregulatory organizations, the Ministry of the Treasury and Public Credit, and the competent inspection, oversight and control authorities requiring it for the proper performance of their functions, enabling them to access the System as observers when these authorities so request, in order to have information on the transactions carried out by Agents in the System. Said entities shall cover all costs connected with entry and connection to the SEN System, except for the fees charged for the Bank's electronic services system, SEBRA, and for SEN.

The System Manager may provide information to the securities market's autoregulatory organizations that require it for exercising their functions, subject to prior written authorization from the respective Agents and to prior signing of agreements or conventions with the Autoregulating organizations. The foregoing shall be understood without prejudice to delivering information to such organizations when the managers of securities trading systems and securities transactions registration systems are legally required to do so.

**29. Contingency mechanisms:** The System Manager has a duly documented contingency and business continuity plan, as an action guide for events in which there is interruption of the trading system and it becomes essential to make it operational again. The plan covers such matters as: knowledge of the business, identification of events liable to affect the system's operation, measures adopted to minimize risk, action to be taken when failures occur, alternative operations, and return to normal operation. Furthermore, the plan is subjected to a series of tests to check the established procedures, test the defined controls, test the resumption of operations in alternate sites or with reduced elements, check people's knowledge in their roles, establish recovery times and, in general, detect failures to take corrective actions.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**30. Insolvency proceedings and other measures:** In accordance with the provisions of Decree 2555/2010 in Part 2, Book 12, Article 2.12.1.1.9 or the provisions that might amend, supplement, or replace it, the Manager on receiving against an Agent any judicial or administrative measure intended to prohibit, suspend or in any way limit payments to be made by said Agent, shall send the transactions made or registered by said Agent in the SEN System before the measure was received to the Central Securities Depository for Settlement, without this action signifying for *Banco de la República* the guaranteeing of the respective transactions' effective settlement.

Where the above transactions cannot be settled on the stipulated date because of the lack of sufficient available money or securities in any of the Settlement accounts of the Agent who has been the subject of the measure, or for any other reason, said transactions shall be considered in default and reported as such to the parties, the competent oversight entity, and the body or authority that has decreed the judicial or administrative measure. The transactions in default shall be excluded from clearing and settlement in the Central Securities Depository and in *Banco de la República's* system of Central Bank Accounts, the responsibility falling on Agents to undertake judicial or extra-judicial collection, or to make claims in the liquidation or insolvency proceedings involved, for their respective credits to be recognized and paid, in accordance with the procedures and provisions in force. To this end, the System Manager shall, at the request of the Agent concerned, certify the transactions in default.

The SEN Manager shall proceed in accordance with Article 13 hereof, if notified of a suspension-of-payments order against an Agent of the System, arising from the seizure of property, assets and earnings, the initiation of forced or voluntary liquidation, or the admission or filing of any other insolvency proceedings or universal debt restructuring procedure having similar effects. Accordingly, the System Manager shall proceed, in such a case, to close access to the System for the Agent affected by the order and to reject all Quotes initiated by or in the name of said Agent that have not been closed or registered in the System, as the case may be.

**31. Resolution of conflicts:** Agents shall endeavor to reach direct and amicable resolution of any disagreement or controversy arising between them in connection with one or more transactions that have been or should have been processed through the SEN System. To this end, the Agents involved may request information from the System Manager on data recorded in the System.

This notwithstanding, Agents reserve the right to have recourse to any other legal mechanism for settling the controversy, preferably by using alternate forms of conflict resolution, such as arbitration, conciliation and amiable composition

At all events, the System Manager shall not mediate, arbitrate or settle any controversies that may arise between Agents or between the latter and their respective clients in connection with transactions made or registered in the System, the Manager's action in this regard being limited to providing the information referred in this Article.

**32. Conflict of interest:** Pursuant to the exception stated in Part 2, Book 15, Title 1, Chapter 2, Article 2.15.1.2.4 of Decree 2555/2010, or the provisions that might amend, supplement or substitute for it in the future, *Banco de la República* may act as a counterparty in the Electronic Trading System (SEN) in fulfillment of its constitutional and legal functions.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

For such purposes and to avoid any conflict of interest, the actions of *Banco de la República* shall be subject to the following rules:

- Segregation of duties: The functions of System Administrator shall be independent and separate from those associated with acting as counterparty in transactions closed through the System.
- Segregation of users: The users, passwords and profiles to perform the functions of System Administrator shall be assigned separately of those required to act as a counterparty in transactions closed through the System.
- Hierarchical Segregation: The function of System Administrator shall be part of a different chain of command than the one applicable to engaging in transactions through the System as counterparty.

**33. Auditing of the System:** The SEN System is under the control of the Auditor of *Banco de la República*, pursuant to Act 31/1992, Article 48, and Decree 2520/1993, Articles 71 to 74, as amended, supplemented or substituted.

**34. Operation Manual:** *Banco de la República*, acting through the Deputy Governor's Office for Payment System and Banking Operation Division, shall develop the provisions hereof in an Operation Manual to facilitate their dissemination to, and understanding by, System participants, and also to specify the technical and operating features required for the System's safe and efficient functioning. The Operation Manual shall bring together and describe in detail, inter alia, the specific rules for operation of the trading Tiers, the requirements for Quotes, the Limits or Lines of Credit, operating hours and, in general, all other aspects that may be necessary for ensuring the SEN System's proper and secure functioning.

**35. Scope, approval and amendment of the Regulations:** The Manager shall set forth in the Regulations the general provisions adopted in connection with securities trading, registration of transactions and admission of members.

The concepts laid down in the present Regulations, including amendments or additions thereto, shall be submitted for prior approval by the Financial Superintendent.

Any amendments or additions hereto that may become necessary shall be made by the Manager, who shall obtain approval from the Deputy Governor for Payment System and Banking Operation Division before submitting them to the competent authority.

**36. Effective date:** The present integral amendment to the Regulations shall enter into effect on the working day following that on which the Financial Superintendent formally communicates to *Banco de la República* the resolution whereby it gives its approval.

## **CHAPTER II. CRISIS PROTOCOL**

### **TITLE I- GENERAL ISSUES**

**37. Approval of the Protocol:** Pursuant to the provisions of the Single Regulatory Decree 2555/2010,





**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

article 2.35.5.1.2. and other applicable rules, Resolution 0674 / 27 July 2020 issued by the Office of the Financial Superintendent of Colombia whereby the crisis or Contingency Protocol of the Securities and Foreign Exchange Market was approved, is incorporated into these Regulations.

**38. Scope of Application:** In accordance with its legal status, *Banco de la República* is obliged to comply with the Crisis Protocol incorporated herein, under the terms of the Single Regulatory Decree 2555/2010, Part 2, Book 35, Title 5 and of the Basic Legal Circular, Chapter VIII, Title IV, Part III and other rules that amend, supplement or replace it as well as External Resolution No. 2/2018 of the Board of Directors of *Banco de la República*.

**39. Crisis Scenarios/Events:** In order to determine whether the securities and/or foreign exchange market infrastructures are in a crisis scenario or event, an individual analysis shall be done regarding extraordinary situations that prevent or threaten the proper functioning of the trading, registration, clearing, settlement or valuation processes of the transactions carried out therein and that are caused by external or internal risk factors; and whether such an extraordinary situation may extend to other infrastructures of the market affected. In this respect:

1. This Protocol shall be applicable only in the events in which:
  - a. An event classified at the orange alert level that is raised to a red alert level or a red alert is identified in accordance with the alert levels described in Chapter II, numeral 48 of these regulations.
  - b. Risk situations arise that affect or prevent the normal general operations of the securities and/or foreign currency exchange market infrastructure providers the effects of which extend to more than one infrastructure, and the individual contingency plans are deemed to have failed to contain or mitigate the effects of the event; or
  - c. Catastrophic events such as public calamity, disaster, or emergency as defined in Act 1523/2012 and other regulations that develop, amend, or complement it and that simultaneously affect the operation of two or more infrastructures materialize.

The applicable rules for these events will be those described in Appendix No. 2 ("Operating Rules").

2. This Protocol does not regulate:
  - a. Crisis events that are financial in **origin** ("financial crash");
  - b. Internal fraud by infrastructure providers;
  - c. Events that interrupt the operational and technological continuity of infrastructure providers but are not considered crisis events framed within the individual scope and in line with the existing regulations applicable to supervised entities (Basic Accounting and Financial Circular of the Office of the Financial Superintendent of Colombia (SFC), Chapter XXIII). Rules relating to Operational Risk Management. FSC External Circular No. 041/2007 (Operational Risk); FSC External Circular No. 042 (Information Security); FSC External Circular No. 007 (Cybersecurity). FSC External Circular No. 038 (SCI) and other rules that regulate the standards required for business continuity and crisis management plans in supervised entities).

For the events referred to in subparagraph c., each infrastructure provider affected will apply their internal



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

business continuity or crisis plans and will notify all of the others in the event that they may be affected. If the impact extends to several infrastructures, a decision shall be made as to whether it is possible to solve the problem on the basis of the individual contingency plans or whether it will be necessary to apply the protocol based on events a. and b. of numeral 1. of this numeral.

**40. Declaration of the Beginning and End of the Crisis:** For the purposes of this Protocol, the term "Start of the Crisis" shall be understood to mean:

1. For the Events described in Chapter II, numeral 39, numeral 1., paragraphs a. and b. of these regulations, when, generally and jointly, the securities and/or foreign exchange market infrastructures declare the temporary suspension of services of any or all of the infrastructures through the Crisis Committee after a prior pronouncement by the Office of the Financial Superintendent of Colombia. This statement will be communicated by the infrastructures to the securities and/or foreign currency markets.

For the above, whether the affected infrastructure or infrastructures are Systemically Important Infrastructures, i.e., they are infrastructure providers for the securities and/or foreign exchange market that, due to their number and volume of transactions, number of interactions with other infrastructures, number of affiliated entities, processes in which they participate, and the possibility of not being replaceable in the event of a failure or interruption of their operation that may affect the normal functioning of the market will be decisive.

The Crisis Committee will declare the end of the crisis for the infrastructures and will coordinate the turnaround date based on the ability of each infrastructure to reestablish service.

2. For the Events described in Chapter II, numeral 39, number 1, paragraph c of these regulations, this is when the competent authority decrees the beginning and end of the crisis and directs and coordinates the infrastructures and their MAPs for the management of the Event.

**41. Procedure for approving, modifying and updating it:** This Protocol and its amendments shall be approved by the Crisis Committee in accordance with the provisions of the FSC's Basic Legal Circular, Part III, Title IV, Chapter VIII, numeral 3.1. and then, shall be authorized by the FSC. Once the FSC's authorization has been obtained, each of the infrastructures will amend its regulations as applicable.

The Protocol will be reviewed periodically by the Coordinating Team, and if it needs to be updated, the corresponding amendment will be submitted to the Committee for approval and subsequent submission to the FSC for review and authorization. Changes to the Protocol will be published for public comment prior to submission to the FSC for their approval. Likewise, the amendments to infrastructure regulations resulting from the modifications made to the Protocol will be published for public comment under the terms that each infrastructure has established for that purpose.

**42. Parties:** The following securities and foreign currency exchange market infrastructure providers are party to this Protocol:

1. *Banco de la República*
2. Colombian Stock Exchange S.A.
3. Foreign Exchange Clearinghouse of Colombia S.A.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

Date: **Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

4. Central Counterparty Clearinghouse of Colombia S.A.
5. Deceval S.A.
6. Derivex S.A.
7. GFI Securities Colombia S.A.
8. GFI Exchange Colombia S.A.
9. Precia S.A.
10. PIP COLOMBIA S.A.
11. SET-ICAP FX S.A.,
12. SET-ICAP Securities S.A.
13. Tradition Colombia S.A.
14. Tradition Securities Colombia S.A.

**43. Implementation of the Protocol** To implement this Protocol, the following minimum points must be included in the regulations of infrastructure providers, in accordance with the provisions of Decree 2555/2010, based on the work that each carries out: (i) approval procedure; (ii) general structure; (iii) core policies or principles; (iv) Committee and its powers; (v) rights and obligations of the parties; (vi) rights and responsibilities of market members, affiliates, and participants ("MAPs"); (vii) policies and rules regarding the disclosure of information and Committee decisions; (viii) transitional provisions for the Protocol going into effect; and (ix) such other aspects as the Committee may deem pertinent.

**44. Protocol disclosure policies and rules:**

1. Once the Protocol is authorized by the FSC, it will be published on the infrastructure providers' websites.
2. The Communications Team shall advise the Committee on dissemination to the general public and relevant authorities regarding the activation of this Protocol.

The above will be done through the channels available to the infrastructure providers based on the scenario or crisis event and the provisions of Chapter II, Title VIII of these regulations.

**TITLE II - CRISIS MANAGEMENT MODEL**

**45. Crisis Management Model:** The Crisis Protocol shall be activated as provided in paragraph 40 of these regulations and after having exhausted the Individual Contingency measures defined in accordance with the existing regulations applicable to the supervised entities.

**46. Crisis Protocol Management:** Crisis event preparedness activities will be carried out as part of the preliminary management:



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

1. Defining the scope of this Protocol and the activation of various action strategies based on alert levels.
  2. Define the operating rules applicable during the crisis.
  3. Do a Business Impact Analysis (BIA) that describes the functioning of the securities and foreign exchange market, the processes supported by the infrastructure providers, the resources required to implement these processes, a methodology to determine the Systemically Important Infrastructures based on how critical they are, do a risk analysis, and determine the applicable scenarios for this Protocol.
  4. Define the governance structure, team composition, roles, and responsibilities in the event of a crisis event.
  5. Defining the communication protocols applicable to crisis events.
  6. Establish a communication channel with the FSC for inter-institutional coordination in the case of crisis events declared by a competent authority.
  7. Establish the general framework for testing the strategies defined in the Protocol and coordinate their implementation.
  8. Update the Protocol and its appendices based on the results obtained in the tests.
  9. Disseminate the documentation related to the Protocol as well as the updates to all MAPs in the securities and foreign exchange market.
  10. Train the in-house teams each infrastructure provider has to act in line with their defined functions and tasks as set out in the Protocol.
  11. Review this Protocol and the associated documents at least once a year while striving for continuous improvement.
- 47. Crisis Management:** Crisis event response, recovery, restart, and turnaround activities:
1. Convene the Coordinating Team to assess the scenario and determine the alert level.
  2. Gather relevant information regarding the impact on technology, people, and physical infrastructure of systemically important infrastructure providers and diagnose the situation to determine the event alert level.
  3. Convene the Crisis Committee.
  4. Evaluate whether infrastructures should be declared in crisis jointly based on the scenario that has materialized and the alert level.
  5. Activate this Protocol, including the Communications Plans.
  6. Suspend the provision of services by each of the affected infrastructure providers, as the case may be, in accordance with the provisions of the Operating Rules in Appendix No. 2.
  7. Implement the Operating Rules in Appendix No. 2 in accordance with the scenario that has materialized and the level of alert determined.
  8. Prepare the information systems for the turnaround by means of reconciling and tallying transactions

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

while considering what is defined in the Operating Rules (Appendix No. 2).

9. Determine the end of the crisis.
10. Compile lessons learned, report them to the Committee, and update the Protocol, if appropriate.

**TITLE III-ALERT LEVELS**

**48. Alert levels:** For the purposes of implementing this Protocol:

1. The alert levels are: Orange and Red, depending on the severity of the crisis events that occur. The alert level will determine which governing bodies should be activated or notified as well as the strategies to be followed in each case.
2. Each of the infrastructure providers must, individually, assess and determine the level of alert they are in and inform the Coordinating Team.
3. Based on the information gathered, the Coordinating Team will evaluate the situation and call together the Crisis Committee to report its findings and the alert level.
4. Depending on the alert level and the considerations and recommendations of the Coordinating Team, the Crisis Committee will take the measures it deems necessary to stabilize the operations of the Systemically Important Infrastructures and minimize the unfavorable impact of the Event.

***Orange Alert***

Any of the following events is considered an Orange Alert:

- i. The scenarios defined in Table No. 1 as Orange Alert that, at the request of one of the Systemically Important Infrastructures, require a joint analysis of the impact of said scenario on the other infrastructures in the market.
- ii. If one or more of the Systemically Important Infrastructures, lacking the materialization of a scenario that triggers the present Protocol, shows:
  - a. a prolonged interruption of its operations that potentially threatens the stability of the market; or
  - b. failure of or an inability to activate its Individual Contingency Plan or unsuccessful activation and has not been able to stabilize its operations thus threatening the stability of the market.

***Red Alert***

When a scenario classified at this level (see Table No 1) materializes in a Systemically Important Infrastructure with a high or medium impact and there are failures or it is impossible to activate its individual contingencies or its activation is not successful, or when measures to mitigate the impact of an Orange Alert incident have not been effective. This is the highest level of threat and requires the Committee to activate the Crisis Protocol.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

Date: **Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

The Red Alert implies impacts on the opening of the day following the incident, and therefore, requires the suspension of the services of the Systemically Important Infrastructure(s) affected and of the other interconnected infrastructures whose operations are affected by said suspension.

The relationship between scenarios and alert levels is determined by the level of probability and impact as follows:

**Table No. 1. Alert level of the protocol scenarios**

	Scenario	Probability	Impact based on effect			Warning
			People	Technology	Infrastructure	
1	Earthquake	Low	High	High	High	Red
2	Terrorism	Low	Medium	Medium	Medium	Red
3	Cyber Attack	Medium	Not applicable	High	Not applicable	Red
4	Epidemic/Pandemic	Low	High	Not applicable	Low	Orange
5	Civil unrest	Medium	Low	Low	Medium	Orange
6	Widespread failure – power supply in Bogota	Low	Not applicable	Medium	Medium	Orange
7	Failure in common datacenter provider	Low	Not applicable	High	Not applicable	Orange
8	Telecommunications provider failure	Low	Not applicable	High	Not applicable	Orange
9	Sanitation failure	Low	Low	Not applicable	Medium	Orange



# EXTERNAL OPERATING AND SERVICE CIRCULAR DFV - 135

Date: Dec 20, 2021

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

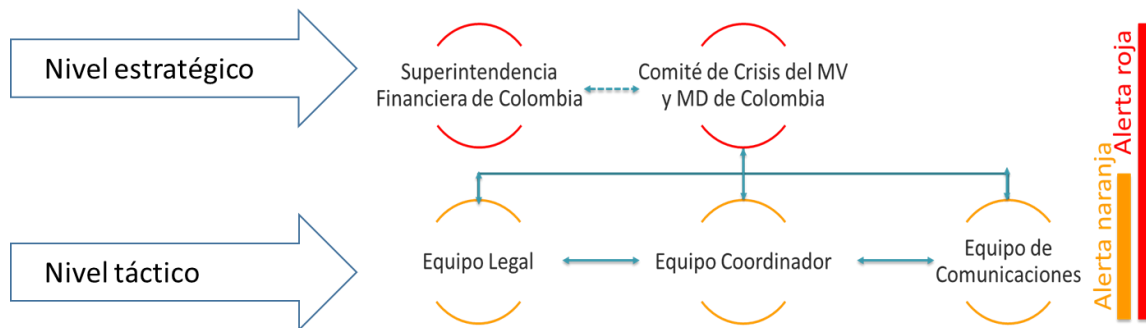
**49. Structure:** The following governing bodies shall be responsible for the design, activation, and implementation of the activities established in this Crisis Protocol:

1. Securities and Exchange Market Infrastructure Crisis Committee.
2. Coordinating Team.
3. Legal Team.
4. Communication Team.

The FSC also participates in the governance structure in its capacity as authority and agency in charge (Statutory Laws of the Financial System, Article 325, numeral 1, paragraphs a), c) and e) of "ensuring public confidence in the financial system," "supervising the actions carried out by the entities subject to its control and surveillance in order to ensure that the financial service is properly provided, that is, that its operations are carried out under conditions of security, transparency, and efficiency," and "preventing situations that may result in the loss of public confidence by protecting the general interest and, particularly, that of bona fide third parties."

The governing bodies include the officials designated by each of the infrastructure providers that are part of this Protocol. As deemed necessary or appropriate, the Protocol's governing bodies may invite outside persons, advisors, or representatives of third parties including the MAPs.

**Graph 1 - Governance Structure**



Strategic level – Office of the Financial Superintendent of Colombia --- Crisis Committee of the Colombian MV and MD

Tactical level – Legal Team --- Coordinating Team --- Communications Team

Orange Alert – Red Alert



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

Date: **Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**50. Rights and duties of securities and foreign exchange market infrastructure providers:**

- a. Right to:
  - i. Call committee and tactical team meetings.
  - ii. Participate in committee and tactical teams.
  - iii. Propose changes and/or updates to the present Protocol.
- b. Duty to:
  - i. Incorporate the Protocol into their regulations as applicable and in keeping with the purpose of each infrastructure provider.
  - ii. Disseminate and carry out awareness-raising activities for MAPs regarding the Protocol.
  - iii. Do the tests, exercises, and training that are developed within the framework of this Protocol.
  - iv. Summon the MAPs to the tests, exercises, and training sessions that are developed within the framework of this Protocol.
  - v. Keep the MAPs informed about the beginning, progress, and end of the crisis, in accordance with the parameters established herein.

**51. Rights and duties of MAPs:**

- c. Right to:
  - i. Receive information on the declaration of the beginning and end of the crisis and its progress.
  - ii. Receive information about changes or updates to this Protocol.
- d. Duty to:
  - i. Take the necessary measures to activate this Protocol.
  - ii. Abide by the indications contained in this Protocol and be prepared for its possible activation.
  - iii. Participate in the tests and exercises of this Protocol whenever summoned to do so.
  - iv. Participate in scheduled training sessions on the Protocol.
  - v. Supply the securities and foreign exchange market infrastructure providers with the information required to correctly implement this Protocol.
  - vi. Cooperate, as required, with efforts to address the crisis and the corresponding return to normalcy.

**TITLE V-CRISIS COMMITTEE OF THE SECURITIES AND FOREIGN EXCHANGE  
MARKET INFRASTRUCTURE**

**52. The Securities and Foreign Exchange Market Infrastructure Crisis Committee:** The Securities and Foreign Exchange Market Infrastructure Crisis Committee shall consist of one legal representative





**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

from each of the securities and foreign exchange market infrastructure providers that are party to this Protocol.

Infrastructure providers may replace the legal representative appointed to the Committee at any time.

**53. The Securities and Foreign Exchange Market Infrastructure Crisis Committee's responsibilities, powers, and functions:** The Committee is the highest governing body of the Crisis Protocol and will serve as a coordinating body with the regulatory and supervisory bodies. The Committee shall have the following responsibilities and powers:

- e. Design, implement and keep this Crisis Protocol up to date.
- f. Approve the provisions of this Protocol.
- g. Implement the activities incorporated into the Protocol.
- h. Document and keep Protocol information up to date.
- i. Disseminate and carry out activities to raise awareness of the Protocol among MAPs in order to specify the roles each one plays in the value chain as well as its procedures and stages.
- j. Activate the communication channels needed to report to or consult with the FSC regarding the Protocol actions.
- k. Assist the FSC with respect to all matters arising from the Protocol.
- l. Decide on the activation of the Protocol and the different stages to implement.
- m. Identify possible mechanisms for responding to a crisis event or contingency and identify and suggest those that can be implemented by the authorities in order to control the crisis or contingency.
- n. Design and run comprehensive tests of the Protocol.
- o. Define the actions needed to remedy the weaknesses revealed after the tests have been carried out.
- p. Meet the needs that arise as a result of a crisis event in a timely manner.
- q. Coordinate the management of goods and services necessary to deal with contingency events.
- r. Coordinate the tasks related to the post-crisis process, i.e., once the crisis is declared to be over.
- s. Encourage the continuous improvement of the Protocol.
- t. Establish mechanisms to communicate the Protocol, related activities, and other information considered relevant to MAPs and the general public.
- u. Determine the criteria for declaring a crisis in the securities and/or foreign exchange market infrastructures in accordance with the guidelines established in this Protocol.
- v. Designate the working groups needed to design and implement the Protocol.
- w. Design crisis management plans.
- x. Call team meetings to approve changes to crisis management plans.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

- y. Define continuity strategies.
- z. Declare that the securities and/or foreign exchange market infrastructures are in crisis.
- aa. Declare an end to the infrastructure crisis.
- bb. Define crisis turnaround strategies.
- cc. Establish the necessary human, physical, and technological resources as well as the people responsible in each of the parties with respect to the Protocol.
- dd. Establish plans for training the different stakeholders. Periodically report the modifications made to the Protocol.

In addition, the Committee shall be responsible for the following functions:

- a. Approve the Operating Rules and any additional rules that may be needed to be implemented based on the circumstances and/or as a result of instructions given by the FSC.
- b. Approve the deliverables and actions to be taken by the Coordinating, Legal, and Communications Teams.
- c. Transmit the information to be distributed in coordination to the Communications Team and define the general line of the messages to be communicated.

**54. Regular meeting of the Securities and Foreign Exchange Market Infrastructure Crisis Committee:** The Securities and Foreign Exchange Market Infrastructures Crisis Committee shall meet regularly at least once a year upon being summoned by any of its Members or by the Coordinating Team. The Committee shall be convened subject to the following rules:

- ee. The call will be made by written communication and/or e-mail in which the place, date, time and program of the meeting will be indicated. It shall be sent to the legal representative of each infrastructure provider that is a member of the Committee.
- ff. The notice shall be sent at least five (5) calendar days prior to the date on which the meeting is to be held or as soon as possible.
- gg. The notice shall include the information needed to discuss the items on the agenda proposed for the respective meeting.

**55. Extraordinary meeting of the Securities and Foreign Exchange Market Infrastructure Crisis Committee:**

- hh. The Securities and Foreign Exchange Market Infrastructures Crisis Committee shall meet on an extraordinary basis upon the occurrence of a crisis event that has been classified by the Coordinating Team as a Red Alert.
- ii. In any case, the members of the Committee may convene an extraordinary session upon the occurrence of any other crisis event in accordance with the provisions of numeral 1.1. of this Protocol or when circumstances not considered in this Protocol so require.
- c. The call may be made without the minimum advance notice required using any available means of



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

communication and be sent to the legal representative of each infrastructure provider in accordance with the list of contacts updated by the Coordinating Team. The notice of the meeting must indicate the place, date and time of the meeting.

d. In any case, the Committee may meet ex officio without prior notice.

**56. The Securities and Foreign Exchange Market Infrastructure Crisis Committee's Deliberating Quorum and Decision-making Majorities.**

jj. The Securities and Foreign Exchange Market Infrastructure Crisis Committee may deliberate in its meetings with the participation of a plural number of members which must include at least one representative from *Banco de la República*, the BVC S.A., the FECC S.A., and the CCRC S.A.

kk. Decisions shall be adopted with the affirmative vote of the majority of the participating members, provided that such majority includes the affirmative vote of *Banco de la República*, the BVC S.A., the FECC S.A., and the CCRC S.A. Each member of the Committee shall have one vote.

ll. If no decision is reached in accordance with paragraph b. above, the minutes of the meeting shall be sent to the FSC with the number of votes in favor, against or blank indicated and the opinions of the participants in the meeting.

mm. The Committee may hold non-face-to-face or online meetings in which it is possible one way or another to deliberate and decide by simultaneous or successive communication provided that a deliberating quorum is present.

If the means used for deliberation and decision is in writing, the Coordinating Team and the Legal Team will be responsible for sending the proposal and corresponding votes to the legal representatives of the suppliers and members of the Committee.

In any case, decisions shall be adopted with the majority required.

**57. The Chairman and Secretary of the Securities and Foreign Exchange Market Infrastructure Crisis Committee:** The Chairman and Secretary of the Committee shall be appointed by the Committee for each meeting.

**58. The minutes of the meetings of the Securities and Foreign Exchange Market Infrastructure Crisis Committee:** The meetings of the Crisis Committee shall be recorded in minutes prepared by the Secretary of each meeting and approved by the Chairman. The minutes shall be signed by the Chairman and the Secretary, and shall be kept by Deceval S.A.

The minutes shall be headed with their number and shall state at least: the place, date and time of the meeting; the members who participated in the meeting; the manner and time the meeting was called; the matters discussed; the decisions adopted and the number of votes cast in favor, against or blank; and the date and time the meeting was closed.

**59. Transparency analysis:**

nn. The Crisis Protocol and its appendices, except for appendices 1 and 5 which are confidential, will be public information.



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

oo. The Minutes of the Crisis Committee shall be public with the exception of those sections that include information which, if disclosed in advance, could have adverse effects on the implementation of certain policies, or the disclosure of which could affect the stability of the infrastructures at the beginning, during, and at the end of the crisis, or could interfere with the effectiveness of the decisions that the competent authorities should make.

Furthermore, the members of the Committee may classify opinions or points of view that are part of their deliberations as confidential as they deem necessary to protect the interests of each infrastructure provider and/or the general interest of the Colombian market.

The period during which these shall be kept confidential shall be fifteen (15) years from the date of preparation.

pp. Information that belongs to the proprietary, individual and private or semi-private sphere of an individual or legal entity in the documents submitted to the Committee, or in the minutes, shall be classified, especially if the disclosure thereof could cause harm to the rights of all persons to privacy and to the protection of habeas data as established in the Political Constitution.

## **TITLE VI - COORDINATING, LEGAL, AND COMMUNICATIONS TEAMS**

**60. Team Coordinator:** The Coordinating Team will be composed of the continuity or risk area leader of each infrastructure provider or whoever each provider designates for this purpose.

**61. Responsibilities and functions of the Coordinating Team:** The Coordinating Team is the technical, tactical, and operational governing body. It is in constant communication and coordination with the Committee and the other teams. The Coordinating Team has been delegated the following functions by the Committee:

- qq. Implement and propose updates to the Protocol.
- rr. Disseminate and carry out activities to raise awareness of the Protocol among MAPs and specify the roles each one has in the value chain as well as the Protocol's procedures and stages.
- ss. Design comprehensive tests of the Protocol.
- tt. Draw up plans of action to remedy the weaknesses revealed after the tests have been carried out.
- uu. Implement the tasks included in the Protocol that correspond to their level of autonomy.
- vv. Meet the needs of infrastructure providers that arise as a result of the crisis event in accordance with the provisions of the Operating Rules (Appendix No. 2).
- ww. Coordinate the management of goods and services needed to deal with crisis events.
- xx. Coordinate efforts related to the post-crisis process, i.e., once the crisis is declared to be over.
- yy. Encourage the continuous improvement of the Protocol.

The Coordinating Team also has the following functions:



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

- a. Issue a call for the Committee to meet.
- b. Propose additional rules to the operating rules (Appendix No. 2) during the crisis period as they deem necessary.
- c. Document the stages of the crisis event including the post-crisis one.
- d. Design, together with the Communications Team, the Crisis Communications Plan.
- e. Keep contact lists up to date in coordination with the Communications Team.

**62. Meetings of the Coordinating Team:** In all matters not provided for in this section, the Crisis Coordinating Team meetings shall be governed by the rules established for Crisis Committee meetings.

**63. Regular meetings of the Coordinating Team:** The Coordinating Team shall meet at least once every three (3) months on a regular basis upon the prior notification by one of the members of the Team. The call must include: the place, date, and agenda of each of the sessions.

**64. Extraordinary meetings of the Coordinating Team:**

zz. The Coordinating Team will hold an extraordinary meeting when there is an Orange Alert, Red Alert, any crisis event, or when any circumstance not considered in this Protocol so requires.

aaa. The call may be made without the minimum advance notice required and may use any available means of communication. The notice of the meeting must indicate the place, date and time of the meeting.

bbb. In any case, the Coordinating Team may meet ex officio without prior notice.

**65. Legal Team:** The Legal Team shall be made up of the attorney designated by each infrastructure provider participating in this Protocol.

**66. Responsibilities and functions of the Legal Team:** The Team is responsible for advising the Committee and the Coordinating Team on all legal, regulatory, statutory and policy issues related to this Protocol, the crisis event, its management, and its end. What is related to the implementation and application of the operating rules is also included (Appendix No. 2).

The Legal Team will also review and make the necessary revisions to the documents proposed by the Committee and the Coordinating Team in order to verify that they are in accordance with the infrastructure regulations and the applicable standards.

**67. Legal Team Meetings:** The Legal Team will meet once a year on a regular basis to check if there are changes or updates to be made to the Crisis Protocol, the operating rules or any other relevant document; they shall meet when necessary, at the request of the Committee or the Coordinating Team or at the call of any of its members. The notice shall be sent no less than five (5) calendar days prior to the date scheduled for the meeting or as soon as possible.

In any case, the Legal Team may meet ex officio without prior notice.

**68. Communication Team:** The Communications Team will be composed of the communications leader or advisor of each of the infrastructure providers or whoever each provider designates.

**69. Responsibilities and functions of the Communication Team:** The Communications Team is in



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

charge of coordinating communications between infrastructure providers and issuing the corresponding communiqués to their entities. They are also responsible for ensuring that the communiqués issued in the event of a crisis event are consistent with the provisions of this Protocol.

Their main functions are:

ccc. Design, together with the Coordinating Team, the Crisis Communications Plan.

ddd. Advise the Committee on all communications issues associated with a crisis event.

eee. Advise the Coordinating Team and the Committee on the dissemination of the Crisis Protocol and its operating rules to ensure that it is widely disseminated to the MAPs.

fff. Identify the stakeholders to whom the messages will be transmitted at the beginning and after the end of the crisis.

ggg. Consolidate and coordinate the information to be disclosed to the public, and support the preparation of messages for each stakeholder including messages that must be sent abroad (e.g., investors).

hhh. Participate in the design and implementation of the Protocol's comprehensive tests.

iii. Define communication templates with possible sample messages.

jjj. Keep contact lists up to date in coordination with the Coordinating Team.

kkk. Identify appropriate communication channels to disseminate information to stakeholders.

lll. Publish the decisions made by the Committee through the channels available and authorized in the different infrastructures depending on the event presented.

mmm. Monitor the veracity of information during and after the crisis, and set up mechanisms to mitigate and counteract the spread of rumors or false news.

**70. Communication Team Meetings:** The Communications Team will meet once a year on a regular basis to check if there are changes or updates that need to be made to the Communications Plans, and they will also meet on demand, at the request of the Committee or the Coordinating Team or the Legal Team, or at the call of any of its members. The notice shall be sent no less than five (5) calendar days prior to the date scheduled for the meeting.

In any case, the Communications Team may meet ex officio without prior notice.

**71. Official spokespersons:** The Committee may designate official spokesperson(s) depending on the crisis scenario, the topic to be addressed, and the expertise of each infrastructure provider who will be the only ones authorized to communicate the beginning, development, and end of the crisis to the market as well as to deal with the media.

## **TITLE VII – OTHER PROVISIONS**

**72. Approval of the Protocol:** In accordance with the provisions of FSC External Circular No. 012/2018, Part III, Title IV, Chapter VIII, numeral 4.3, "the Protocol must be included within the regulations of

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

infrastructure providers,” and these shall be approved by the FSC pursuant to the provisions of the Single Regulatory Decree 2555/2010, Article 2.35.5.1.1.2. The foregoing is in accordance with the provisions of the Single Regulatory Decree 2555/2010 and External Resolution No. 4/2009 of the Board of Directors of *Banco de la República*.

The regulations will be adjusted by each infrastructure to incorporate the aspects of the Protocol and the operating rules applicable to them based on the market in which they operate and the service they provide therein.

Once approved and included in the infrastructure regulations based on the Single Regulatory Decree 2555/2010, Article 2.35.5.1.1.1, the Protocol shall be binding for the infrastructures involved in it, for their members, affiliates, and participants and for the clients and agents of said members, affiliates, and participants.

**73. Waiver of Liability:** Given the conditions that bring about a crisis event and its declaration, and how long it lasts and its ending, the securities and foreign exchange market infrastructure providers are exempted from liability for implementing this Protocol and any of the results that derive from said implementation for the MAPs or any other third party.

**TITLE VIII - COMMUNICATIONS PLAN**

**74. General Communication Principles** The procedures for the coordinated management of communications between infrastructure providers and external communications shall be governed by the following:

Communication Team:

1. will be in charge of coordinating internal and external communications.
2. will designate one of their members to act as the Team's representative to the Crisis Committee. The representative shall be the only one to communicate directly with the Committee and the authorities and shall attend the meetings of the Committee in which the Team is required to participate.
3. will publish and disseminate the official position of the Crisis Committee, as planned, on any issue. Team members must ensure that the information they transmit to the different stakeholders is transparent, truthful, and reliable.
4. They shall ensure that the unity and coherence of the messages disseminated to the public is maintained.
5. Provide stakeholders with appropriate and timely information through the different communication channels in order to guide them regarding the decisions made during the crisis and the effects they entail.
6. They shall guarantee that the communication groups of the infrastructure providers have the same information.
7. They shall handle the information evenly. The information to be transmitted to the media will be



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

handled fairly and will be done through the official spokesperson or the communiqués issued by the Crisis Committee in coordination with the Communications Team.

For the above, the different communication channels available to the infrastructure providers shall be used, without distinction, as long as they are available. The use of these channels must be appropriate and timely in order to achieve coverage in the dissemination of messages.

8. They will accompany journalists as an interest group. The only channel of communication with journalists and other media is the representative designated by the Communications Team.

**75. Communications:**

1. Each infrastructure provider must maintain up-to-date contact information.
2. Crisis communications shall be framed within the following criteria and shall be recorded in a communications log using the following format:

<b>Elements</b>	<b>Explanation</b>
Facts	Description of the events, including person or group affected, place, date, authorities or officials and/or entities involved.
Scenario	Event that triggered the crisis
Territorial scope	Determine the scope: local, regional, or national.
Impact	Description or forecast of the impact on infrastructure providers and on the securities and foreign exchange market.
Actions	Description of actions taken or to be taken to reduce the impact of the crisis.
Authority	Communication with the authorities involved

**76. Communication channels between infrastructure providers:**

- ✓ WhatsApp: offers communication of medium-high availability. Although it depends on the data and communications providers, it has been demonstrated that data communication has greater coverage and availability than voice or text message communication in large-scale events. Allows direct communication to a specific user or group.
- ✓ Phone communication: availability varies depending on the scenario. Allows for conference calls between suppliers or calling face-to-face or virtual meetings.
- ✓ Face-to-face or online meetings: the main meeting point will be at the Colombian Stock Exchange



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

and the alternate meeting point will be at the Central Cash Depository of *Banco de la República*. In the event that it is not possible or advisable to use any of these facilities, whoever convenes the teams will decide on a place and time for a face-to-face or online meeting. In the case of an online meeting, the means available (WhatsApp, Skype, Webex, etc.) will be used.

- ✓ Text messages via cell phone: this is recommended for the transmission of one-to-one, short and concrete messages with reference to an event that occurred, a decision made, or instructions given.
- ✓ Institutional emails: if the servers were not affected, they are a secure channel of communication between infrastructure providers.
- ✓ Cloud-based e-mails: offer communication with medium-high availability since the servers are located in the cloud but are dependent on the communications provider.

Accounts should be created ex-ante to be used only in crisis events. Each entity will be responsible for creating their own cloud-based email accounts for crisis communication.

The security of communication mechanisms must be verified, and information must continue to be handled carefully in accordance with the internal information management policies of each infrastructure provider in order to avoid compromising it.

**77. Communication channels with stakeholders:** Upon the occurrence of a crisis event, the channels of communication with stakeholders are as follows:

Channel	Availability	Type of information and public purpose
Phone communication	May vary depending on the scenario	Telephone call for individual notification via landline or cell phone via voice or data channel.
SMS message	May vary depending on the scenario	Its use is recommended for the transmission of one-to-one, short specific messages with reference to an event that has occurred, a decision that has been made or instructions that have been given.
WhatsApp	Medium - High due to dependence on data and communications providers	Allows direct communication to a specific user or group.
E-mail	Depends on the scenario and the location of the servers.	Allows direct communication to a specific user or group.

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Press briefings / Interviews	Very high It can be done anywhere and does not depend on the company's own infrastructure.	General interest for the media and the general public. An official spokesperson for the Committee is required.
Social networks: Accounts on Twitter and Facebook	Medium - high since the servers are located in the cloud but depend on the communications providers.	Of general interest to all audiences.
Email in the cloud	Medium - high since the servers are located in the cloud but depend on the communications providers.	Information for MAPs
Web pages	Availability varies depending on the scenario. It is very high if the servers are located outside the country. It is lower if the servers are located in Bogotá.	Of general interest to all audiences. Status of services for MAPs

**78. Stakeholders:**

## 1. Member/Affiliates/Participants

- ✓ Bank Institutions
- ✓ Stock Brokerage Firms
- ✓ Trust Companies
- ✓ General and Life Insurance Companies
- ✓ Pension and Severance Fund Management Companies
- ✓ Investment banks
- ✓ Finance Companies



**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**

**Date: Dec 20, 2021**

---

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

- ✓ Foreign Exchange and Special Financial Intermediation Service Companies
- ✓ Currency Exchange Intermediation Companies
- ✓ Specialized Electronic Payment Companies (SEDPEs in Spanish)
- ✓ Special Official Institutions
- ✓ Others as determined by the Crisis Committee
- 2. Securities Issuers
- 3. Stock Exchanges and Depository Exchanges – MILA
- 4. International trustees
- 5. Foreign clients
- ✓ International Brokers
- ✓ Vendors
- 6. Investors (national and international)
- 7. National Government and control agencies
- ✓ Ministry of the Treasury and Public Credit
- ✓ Office of the Financial Superintendent of Colombia
- ✓ *Banco de la República*
- ✓ Securities Market Self-Regulator (AVF in Spanish)
- 8. Means of Communication
- 9. Associations
- 10. Providers
- 11. Opinion leaders
- 12. Public opinion
- 13. Emergency and Law Enforcement Agencies

**79. Standard messages:** In order to have a guide that enables communications for different audiences to be drafted quickly, Appendix No. 5 contains templates with standard messages based on the possible crisis scenarios.

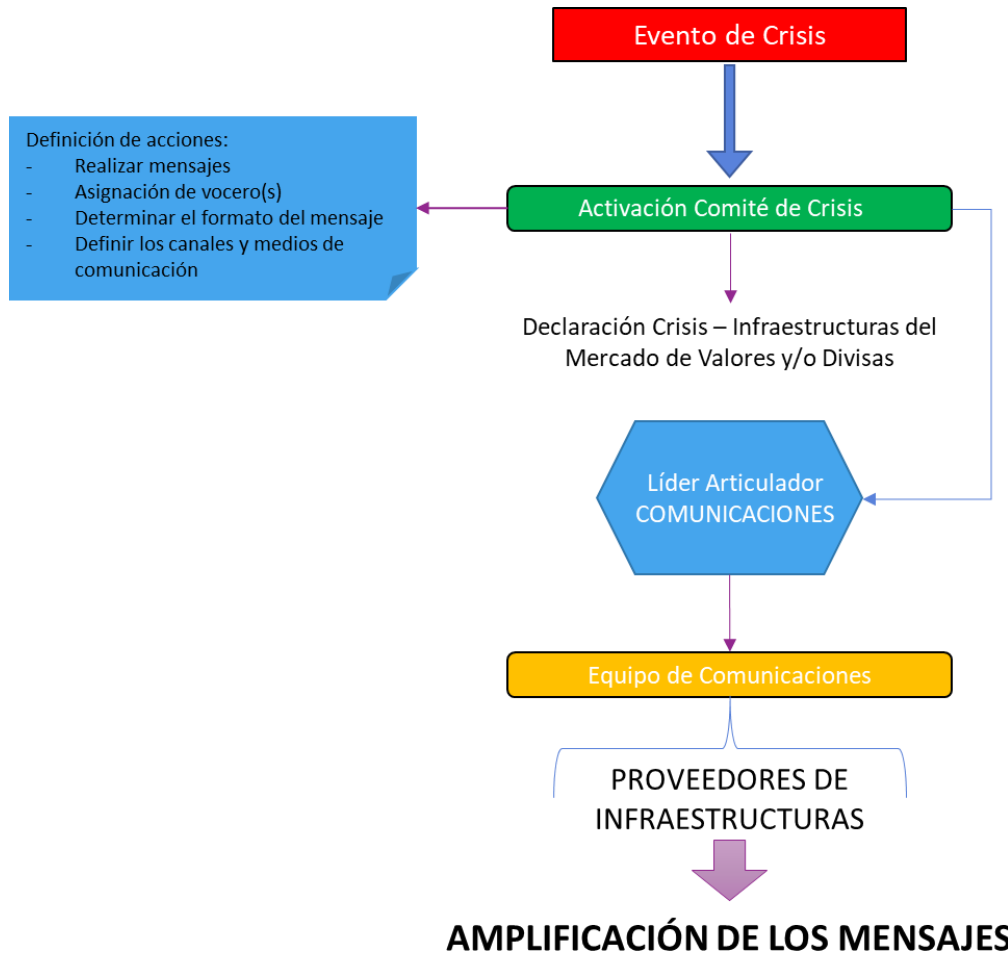


# EXTERNAL OPERATING AND SERVICE CIRCULAR DFV - 135

Date: Dec 20, 2021

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

80. The Communications Team and the Crisis Committee's plan for coordination after a crisis event has been declared:



Crisis Event

Crisis Committee Activation -> Define actions:

- Send messages
- Assign Spokesmen
- Choose message format
- Choose channels and means of communication

Declare Crisis – Securities and Foreign Currency Exchange Market Infrastructure ->

Lead Communicator

Communications Team

**EXTERNAL OPERATING AND SERVICE CIRCULAR  
DFV - 135**Date: **Dec 20, 2021****SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

Infrastructure Providers

MESSAGE AMPLIFICATION

**81. Test Plan:** According to the FSC requirements, infrastructure providers must design and carry out comprehensive tests of the Protocol to ensure its effectiveness. Each year, at least one critical process must be simulated from start to finish in a contingency environment in order to confirm that the entities are prepared to operate in a contingency or crisis situation. The tests should be carried out in the order indicated by the impact analysis regarding the priority for the processes, and all participants in the process should be invited to participate in the tests.

The conditions of the tests (objective, scope, critical process to be tested, participants, date, and duration) must be reported to the FSC at least 30 days prior to being carried out. Likewise, within the 15 days following the aforementioned test, the report with the results obtained and the corresponding plans of action must be sent to the e-mail [riesgooperativo@superfinanciera.gov.co](mailto:riesgooperativo@superfinanciera.gov.co) inbox.

When the tests require the participation of the MAPs, the infrastructures shall give prior notice to these entities while indicating: the type and description of the test, the dates on which they plan to do it, schedules and break times (if applicable), notifications and actions to be taken, along with other aspects.

**82. Posting for Comments:** In accordance with the provisions of External Circular No. 012/2018 of the Office of the Financial Superintendent of Colombia, these rules were published for comments from MAPS and the general public during the period between 19 May 19 and 26 May 2020. They were also shared and distributed to the MAPS prior to their authorization by the Office of the Financial Superintendent of Colombia.

**TITLE IX- APPENDICES**

The appendices contained in this protocol and that serve to develop the contents of this document in a crisis situation are as follows:

Appendix 1. Processes, business impact analysis (BIA), and risk analysis (with Appendices A and B) (Confidential)

Appendix 2. Operating rules during the crisis

Appendix 3. Joint extended settlement strategy Appendix 4. Governance structure – list

Appendix 5. Message Templates (Confidential)

**(AVAILABLE SPACE)**



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV - 135**  
**APPENDIX No. 2**

Page 97 - A2 - 1

Date: **Dec 20, 2021**

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**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**APPENDIX No. 2**  
**OPERATING RULES**

**I. Objective**

The following operating rules are intended to establish the operating framework under which the infrastructure providers for the securities and/or foreign exchange market shall act upon the occurrence of a crisis event as provided for in paragraphs 39 and 40 of these regulations.

**II. GENERAL RULES**

**1. Additional rules:** The Crisis Committee may establish operating rules in addition to those set forth herein to ensure the clearing and settlement of transactions entered into and/or registered in the trading and registry systems.

**2. Rules of interpretation:** The following operating rules are applicable for the Crisis Turnaround Preparation and End of Crisis Phases. The general rules for the end of the crisis are applicable to all markets and types of transactions unless a specific rule is established for a market or type of transaction, in which case, the specific rule shall prevail over the general rule.

**3. Coordination - Crisis Declaration:**

3.1. Upon the occurrence of a crisis event as provided for in Chapter II, numeral 39, number 1, paragraph c. The Crisis Protocol in these regulations, and once the crisis has been declared by the competent authority, the Securities and Exchange Market Infrastructures Crisis Committee ("Committee" or "Crisis Committee") shall act in coordination with the competent authorities and shall follow the instructions given by them. The Operating Rules set forth in this Protocol shall be applicable only when the competent authority declares a catastrophic event pursuant to Act 1523/2012 and orders, along with other measures, the declaration of non-business days for the period between the beginning and the end of the crisis; or when, without the declaration of a catastrophic event as provided for in Act 1523, in the event of a Red Alert situation that may affect the stability of the securities and/or foreign exchange markets, the competent authority declares non-business days.

3.2. In the crisis events foreseen in Chapter II, numeral 39, numeral 1), number 1), paragraphs a) and b). Crisis Protocol in the present regulations, and once the Crisis Committee has declared the beginning of the crisis, the infrastructures may request the suspension of the services of one or more infrastructures and activate the Protocol, subject to prior pronouncement by the FSC. The FSC's lack of objection to the suspension of services shall imply, pursuant the Single Regulatory Decree 2555/2010, Article 2.12.1.1.1.2., the postponement of the periods of the transactions whose maturity and/or settlement occurs during the crisis, until the business day of the turnaround without re-settlement, under the terms provided in these Rules.



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV- 135**  
**APPENDIX No. 3**

Page 97 – A3 - 2

Date: **Dec 16, 2020**

3.3. A crisis may be declared for the stock market, for the foreign exchange market, or for both markets based on the analysis of the Coordinating Team and the recommendation of the Crisis Committee or the determination of the competent authority in the cases in which this applies.

3.4. In any case, pursuant to the provisions of the FSC's Basic Legal Circular, Part III, Title IV, Chapter VIII, paragraph 3.1.9., the Crisis Committee may identify and suggest the mechanisms that *"may be implemented by the authorities to control the crisis or contingency"* in order to respond to a crisis event.

3.5. In the event of any crisis event, the FSC will be responsible for coordinating systemic risk mitigation measures.

**A. Preparation Phase for the Turnaround of the CRISIS: TALLY AND RECONCILIATION OF TRANSACTIONS**

During the Preparation Phase for the crisis turnaround, securities and/or foreign currency exchange market infrastructure providers, depending on the market that has been affected by the crisis declared, shall carry out the following tasks in the order described below:

**1. Interconnection:** Infrastructure providers shall verify the interconnection status with the other systems and with their members, affiliates, and participants (MAPs), their operational capacity, and their availability for the turnaround of the crisis.

**2. Reconciliation and tally:**

2.1. The trading and registration systems must identify the transactions that were brokered and/or registered and the status they have within their systems.

2.2. The clearing and settlement systems, the Central Counterparty Risk Clearinghouses, and the centralized securities depositories must also identify the transactions and transfer orders received for clearing and settlement and the status they have within their systems.

2.3. This information must be reconciled by the infrastructure providers with their MAPs.

2.4. The trading and registry systems will reconcile their information with the clearing and settlement systems, the Central Counterparty Risk Clearinghouses, the centralized securities depositories, and the high value payment system.

2.5. As a result of the reconciliation and tallying described above, the following items should be identified:

2.5.1. Transactions negotiated or entered into that are awaiting registration.

2.5.2. Transactions traded or registered and awaiting submission for clearing and settlement.

2.5.3. Transactions accepted, cleared, and settled or awaiting settlement.

2.5.4. Transfer orders accepted and settled or awaiting settlement.

2.5.5. Transactions to be cancelled.

2.6. Centralized securities depositories shall reconcile their obligations and payment status with securities issuers.



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV- 135**  
**APPENDIX No. 3**

Page 97 – A3 - 3

Date: **Dec 16, 2020**

2.7. When necessary, the anonymity of the blind market will be lifted for the purposes of the reconciliation and tallying.

**3. Prevalence Rules:** When there are differences between the reconciliation and the tally that has been done:

3.1. With respect to the information related to the existence and contractual conditions of the transactions, the information available in the trading and registry systems shall prevail.

3.2. With respect to the information related to the reception, acceptance, clearing, and settlement of transactions, the information available in the first clearing and settlement system and in the Central Counterparty Risk Clearinghouse shall prevail.

**4. Cancellations.**

4.1. Transactions identified in the Preparation Phase for Turnaround may be cancelled based on the following grounds:

- 4.1.1. By mutual agreement of the original counterparties to the transaction;
- 4.1.2. Due to loss of information integrity based on the prevalence rules;
- 4.1.3. Due to the grounds for cancellation established in the infrastructure regulations;
- 4.1.4. As instructed by the FSC.

The above rules shall be applicable as long as the transactions have not been settled.

4.2. For foreign exchange transactions identified as voidable in the Preparation Phase for Turnaround, the fifteen (15) minute time limits for cancellation will not be applicable.

4.3. Cancellations will require prior coordination of the systems with which there is an interconnection agreement and will be reported to the market on the business day of the crisis turnaround.

4.4. Cancellations must be reported to the FSC and to the systems with which there is an interconnection agreement.

**B. END OF THE CRISIS:**

**1. General Rules**

1.1. Sending transactions:

1.1.1. On the business day of the crisis turnaround, the trading and registry systems shall report the following to the clearing and settlement systems, to the Central Counterparty Risk Clearinghouse, to the centralized securities depositories and/or to the high value payment system where appropriate while observing the chronological order:

- a Transactions that were identified as awaiting dispatch.
- b Transactions that were identified as having been sent for clearing and settlement but were not received by the corresponding systems for reasons other than compliance with risk requirements and controls.
- c Transactions identified as sent for clearing and settlement that were not accepted by the corresponding





**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV- 135**  
**APPENDIX No. 3**

Page 97 – A3 - 4

Date: **Dec 16, 2020**

systems for reasons other than compliance with risk requirements and controls.

1.1.2. Transactions and transfer orders may be accepted or rejected by the clearing and settlement systems and the Central Counterparty Risk Clearinghouse in accordance with the provisions in the regulations of each infrastructure.

1.1.3. The clearing and settlement systems and the central counterparty risk clearinghouses, in turn, shall send the transfer orders that were identified as awaiting dispatch or that, being dispatched, were not accepted by such infrastructure providers prior to the crisis, to the central securities depositories and/or the high value payment system.

1.2. Settlement Dates:

1.2.1. Transactions and transfer orders with a compliance date on the same day as the start of the crisis which, having been accepted/cleared/confirmed, could not be settled due to the effect of the start of the crisis, shall be processed for settlement on the business day of the turnaround.

1.2.2. Transactions and transfer orders with a compliance date on one of the days declared to be a non-business day or service suspension days based what is provided for in Chapter II, numbers 39 and 40.

Crisis Protocol in the current regulations shall be settled on the working day of the crisis turnaround.

1.2.3. Transactions and transfer orders dated for completion on the crisis turnaround day shall be settled on the business day of the crisis turnaround.

1.2.4. Transactions and transfer orders dated for completion on the day after the crisis turnaround business day shall retain the settlement date initially agreed upon.

1.2.5. The initial transfer orders for sell/buy-back transactions, repos, and temporary transfer of securities that had not been settled before the beginning of the crisis shall be settled on the business day of the crisis turnaround provided that the underlying security did not expire during the period of non-working days.

1.2.6. If the security has expired, the transaction shall be declared rescinded or cancelled in accordance with the rules described in Section A, paragraph 4 of this document.

1.2.7. Once the initial transactions have been completed, the reverse transaction shall be carried out on the day initially agreed upon. If compliance with the initial transaction and its reversal is left for the crisis turnaround business day, the transaction will be rescinded or cancelled.

1.2.8. The reversals of sell/buy-back transactions, repos and temporary transfer of securities with a compliance date on the starting date of the crisis or during non-business days and which have not been settled, will be settled on the business day of the crisis turnaround.

1.3. Operational adjustments: The infrastructures shall make the adjustments needed to the transactions to reflect the effects resulting from the declaration of non-business days.

The following elements of the transactions shall not be modified:

1.3.1. In shares: the amount and quantity.

1.3.2. In fixed income: the amount in face value, counter value or draft value in Colombian pesos



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV- 135**  
**APPENDIX No. 3**

Page 97 – A3 - 5

Date: **Dec 16, 2020**

and the dirty price.

1.3.3. In repo, sell/buy-backs, and TTS: the rate on the contracted funds, the period of the repayment of the transaction (in business days), the dirty price, and the value of the wire or the counter-value in Colombian pesos.

1.3.4. In foreign currency exchange operations: the exchange rate and amount agreed upon by the original counterparties.

1.3.5. Original counterparties, except when these are facilitating agents in the trading and registration systems.

1.4. Obligations of issuers: The calculation of dividends, coupons, capital, interest or any other equity right that should have been reported on the beginning day of the crisis or during the days declared as non-business days or days of service suspension in accordance with the provisions of Chapter II, paragraphs 39 and 40. Crisis Protocol of these regulations shall be carried out or continue on the business day of the crisis turnaround given the availability of resources by the issuer under the terms of the regulations of the centralized securities depositories.

In those cases in which the issuer has transferred the money for the payment of the obligations to the centralized securities depositories, and these have not made the distribution due to the beginning of the crisis, the payment will be distributed on the day of the crisis turnaround.

1.5. Valuation Prices: the prices and/or supplies for valuation shall be the latest prices published and available on the platforms of each official price provider on the day of the valuation, except in the following events:

1.5.1. Fixed income cash transactions: If the official price providers do not publish or have fair exchange prices available for negotiable or available-for-sale debt securities on the valuation day, the valuation must be done in accordance with the provisions of the Basic Accounting and Financial Circular, Chapter 1, numeral 6.1.1, paragraph b and/or the rules that amend, substitute for, or add to it.

1.5.2. International variable income, MILA and Colombian Global Market: If the official price supplier does not provide prices or supplies for the valuation of equity securities listed only on foreign stock exchanges, the valuation must be done in accordance with the provisions of the Basic Accounting and Financial Circular, Chapter I - 1, numeral 6.2.3, paragraph b and/or the rules that amend, substitute for, or add to it.

1.5.3. Structured Notes: If the price supplier cannot provide the price for these products, the valuation shall be carried out in accordance with the provisions of the Basic Accounting and Financial Circular, Chapter 18, numeral 7.2.4 and/or the rules that amend, substitute for, or add to it.

1.6. Collateral Management: On the business day of the crisis turnaround, the establishment of pending collateral will be perfected, and requests for release of pending collateral will be reprocessed.

1.7. Payment of coupons and principal: coupons and principal occurring during the crisis period will be paid on the day of the crisis turnaround.

1.8. Additional measures: The clearing and settlement systems and the central counterparty risk clearinghouses for foreign currency exchange may, when appropriate, take additional measures such as:



Date: Dec 16, 2020

netting transactions or transfer order, dispute settlement, fractioning partial settlement of transactions (in the applicable systems), postponement of the transaction maturity date (in the applicable systems), additional settlement cycles, advances, late compliance, modification or extension of settlement schedules that exceed the business day of the crisis turnaround in order to mitigate liquidity pressures.

## 2 Specific Rules:

### 2.1. Special Stock Market Transactions:

The so-called special transactions carried out in the Bolsa de Valores de Colombia S.A., on fixed income debt securities other than TES and on variable income securities, shall be governed by the following rules:

2.1.1. In the event that the transactions are at the stage of receipt of purchase or sale orders at the time the declaration of the beginning of the crisis is made, the MAPs and/or the issuer, as the case may be, may:

2.1.1.1. Withdraw the special transaction provided that no acceptances have been received.

2.1.1.2. If acceptances have been received, withdraw the orders and on the business day of the crisis turnaround, restart the receiving period and reschedule the assignment and settlement dates. These conditions shall be established in the operating instructions of the respective transaction.

2.1.2. In the event that the transactions have been awarded at the time the declaration of the beginning of the crisis is made, these shall be settled on the business day of the crisis turnaround.

2.1.3. The transactions mentioned in this section 2.1. shall be subject to the general rules not provided for in this section.

### 2.2. Standardized Derivatives:

2.2.1. Standardized derivatives accepted and not settled by the central counterparty risk clearinghouse before the beginning of the crisis but that matured during the crisis period, will be settled on the business day of the crisis turnaround.

2.2.2. Standardized derivatives not accepted by the central counterparty risk clearinghouse prior to the beginning of the crisis that did not mature during the crisis period may be sent back to the central counterparty risk clearinghouse. Acceptance by the clearinghouse shall be subject to the risk controls established by the clearinghouse for this purpose.

2.2.3. The standardized derivatives not accepted by the central counterparty risk clearinghouse before the beginning of the crisis that expired during the crisis period will be rejected by that central counterparty risk clearinghouse. Therefore, they will have to be settled by the original counterparties.

### 2.3. Non-Standardized Derivatives:

2.3.1. The non-standardized derivatives that had been accepted but not settled by the central counterparty risk clearinghouse before the crisis started and which matured during the crisis period shall be settled on the business day of the turnaround of the crisis.

2.3.2. Non-standardized derivatives entered into and registered in the trading and registration systems prior to the beginning of the crisis, but which had not been sent to the Central Counterparty Risk



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV- 135**  
**APPENDIX No. 3**

Page 97 – A3 - 7

Date: **Dec 16, 2020**

Clearinghouse or which, having been sent, had not been accepted for clearing and settlement at the decision of the MAP, will be sent again to the Central Counterparty Risk Clearinghouse subject to the risk controls established by the Clearinghouse and will be fulfilled within the term initially agreed upon between the parties. In the event that the transactions are not accepted, they will be settled by the original counterparties.

2.4. Fixed Income: Recognition of coupons, principal, and interest in sell/buy-backs transactions, repo, (without immobilization of securities) or TTS (security subject to loan):

2.4.1. If the maturity of a security coupon subject to such transactions occurs during the crisis period, the clearing and settlement system and the centralized securities depositories will pay it to the holder of the security on the day of the crisis turnaround.

2.4.2. In the event that: (i) the maturity date of the reversion or return flow was initially agreed upon by the original counterparties to be fulfilled in advance of the date scheduled for the payment of a coupon for the security that is the object of the transaction; (ii) that it could not be liquidated on said date due to the effect of the crisis period; and (iii) that, since the originator will not receive payment of the respective coupon, the recipient will be responsible for the payment of an indemnity in the amount equivalent to the coupon in favor of the originator.

In this event, on the business day of the crisis turnaround, the clearing and settlement system and/or the Central Counterparty Risk Clearinghouse shall settle the transaction together with the obligation to pay the amount equivalent to the coupon.

2.4.3. If the maturity of the principal of a security subject to such transactions occurs during the crisis period, the reversion or return flow will be settled by default on the business day of the crisis turnaround. For the above, the clearing and settlement system and/or the central counterparty risk clearinghouse shall order the transfer of the settlement by default (net value between an amount equivalent to the payment of principal and interest and the value of the reversal or return flow) in favor of the counterparty with the positive net balance.

### **III. INCORPORATION IN REGULATIONS:**

These rules were studied, agreed upon, and accepted by the financial market infrastructures, are part of the Crisis Protocol and will be incorporated as appropriate in each of their regulations, subject to the approval of the Office of the Financial Superintendent of Colombia.

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**APPENDIX No. 3**

**JOINT EXTENDED SETTLEMENT STRATEGY**

**1. OBJECTIVE.**

Establish the guidelines to be followed by the securities market infrastructures for continuous provision of services in the event of individual contingency, joint contingency or on the business day of the crisis turnaround.

For Individual or Joint Contingency situations under orange alert, the provision of services may continue at acceptable levels after an interruption or degradation of the service caused by technical or operational problems that alter the normal course of activity and do not allow the settlement of transactions to be completed within the established working hours/day.

For crisis or Red Alert situations, these guidelines apply when the problems have not been overcome during the Preparation phase and the crisis is declared over.

**2. ACTIVATION.**

This strategy may be activated when, during any of the above events including the declaration of an Orange or Red Alert, the system administrator determines that it can operate, while anticipating the need to extend the system's closing hours or allow transactions dated from the previous day to be settled on the following day.

For purposes of the foregoing, the regulations of the infrastructures that send transactions to the clearing and settlement systems to be settled must consider the possibility that such transactions may be received and processed during extended hours (on the same day or the following day) in the event of an Individual or Joint Contingency that could not be overcome within normal operating hours in order to settle the transaction on the agreed date.

This same strategy may be implemented by the infrastructure providers on the business day of the crisis turnaround if the administrator thinks that an extension of the schedule is necessary for the settlement of the transactions as established in the Operating Rules (Appendix No. 2 of the Crisis Protocol), to be carried out on that turnaround day.

**3. ALTERNATIVES.**

In the case of Individual Contingency or Joint Contingency, the system administrator may apply any of the following alternatives, based on their technological and operational possibilities in order to continue providing the service. If a crisis has been declared by the FSC, the activation of this alternative shall be approved in advance by the Crisis Committee:

- a. The system administrator may extend the closing hours of operation on day T+0 by a few hours on business day T+1 (up to a maximum of 6 a.m.) in order to receive and process transfer orders from the different infrastructures with which it is interconnected, or directly from the MAPs. The administrator shall determine the closing time of the previous day and the opening time of the following day, allowing sufficient time to complete the new day's operation (T+1).
- b. Infrastructures operating on extended hours (up to 6 a.m.) should avoid affecting the T+1 day



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV- 135**  
**APPENDIX No. 3**

Page 97 – A3 - 9

Date: **Dec 16, 2020**

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transactions of the other infrastructures.

- c. When the extended settlement contingency is applied, in no case will T+0 transactions that are settled in extended hours and registered in the databases during T+0 be considered late, untimely, or non-compliant.
- d. This strategy must be provided for in the regulations of the infrastructures that wish to implement it.

**4. ACTIVATING THE STRATEGY**

- a. The infrastructure manager shall notify the MAPs and the interconnected infrastructures by e-mail that a generalized failure that prevented the processing of transfer orders occurred and was overcome, that an Orange Alert of the present protocol was declared, and that a Joint extended settlement strategy has been activated, and shall announce the times up to which the sending and processing of transactions will be allowed.
- b. The MAPs and infrastructures must send the transfer orders within the schedules established by the administrator.
- c. Once all required transactions have been processed, the administrator will terminate the extended hours.

If it is not possible to implement the strategy described above, the Crisis Committee shall evaluate and determine whether or not it is necessary to declare an infrastructure crisis and apply the provisions of the Operating Rules (Appendix No. 2).

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**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV - 135**  
**APPENDIX No. 4**

Date: **Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

**APPENDIX No. 4**  
**GOVERNANCE STRUCTURE**  
**CRISIS COMMITTEE OF THE SECURITIES AND FOREIGN EXCHANGE MARKET**  
**INFRASTRUCTURE**

<b>Entity</b>	<b>Main Representative</b>	<b>Alternate Representative</b>
<i>Banco de la República</i>	Assistant Manager of Payment Systems and Banking Operations	Director of the Fiduciary and Securities Department Director of the Payment Systems Department
<b>Colombian Stock Exchange S.A.</b>	President	Legal Vice President
<b>Foreign Exchange Clearinghouse of Colombia S.A.</b>	General Director	Operations Manager
<b>Central Counterparty Clearinghouse of Colombia S.A.</b>	Manager	Assistant Manager for Risk and Operations
<b>Deceval S.A.</b>	Vice President of Operations	Legal Vice President
<b>Derivex S.A.</b>	General Director	Alternate legal representative
<b>GFI Exchange Colombia S.A.</b>	General Director	Acting General Manager in the capacity of Assistant Manager
<b>GFI Securities Colombia S.A.</b>	General Director	Assistant Manager
<b>PIP COLOMBIA S.A.</b>	General Director	Valuation Director
<b>Precia S.A.</b>	General Director	Senior Director of Valuation
<b>SET-ICAP FX S.A.</b>	President	Financial and Administrative Manager
<b>SET-ICAP Securities S.A.</b>	Legal Representative	Alternate Legal Representative
<b>Tradition Colombia S.A.</b>	General Director	Alternate Director



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV - 135**  
**APPENDIX No. 4**

**Date: Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

<b>Tradition Securities Colombia S.A.</b>	General Director	Alternate Director
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\*All the positions indicated herein are legal representatives and have been registered as such with the FSC and in the Chamber of Commerce and, in all cases, the principal and alternate are registered as legal representatives with the Office of the Financial Superintendent of Colombia.

**CRISIS COORDINATING TEAM**

<b>Entity</b>	<b>Main Representative</b>	<b>Alternate Representative</b>
<b>Banco de la República</b>	Assistant Manager for Risk	Director of the Risk and Process Management Department
<b>Colombian Stock Exchange S.A.</b>	Risk and Process Manager	Risk, Crisis, and Business Continuity Management Analyst
<b>Foreign Exchange Clearinghouse of Colombia S.A.</b>	Technology Coordinator	Operations Manager
<b>Central Counterparty Clearinghouse of Colombia S.A.</b>	Director of Non-Financial Risks	Assistant Manager of Technology





**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV - 135**  
**APPENDIX No. 4**

Date: **Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

<b>Entity</b>	<b>Main Representative</b>	<b>Alternate Representative</b>
<b>Deceval S.A.</b>	Risk and Process Manager	Risk, Crisis, and Business Continuity Management Analyst
<b>Derivex S.A.</b>	Administrative and Financial Coordinator	Administrative Coordinator
<b>GFI Exchange Colombia S.A.</b>	Risk Coordinator	Director of Operations
<b>GFI Securities Colombia S.A.</b>	Risk Coordinator	Director of Operations
<b>PIP COLOMBIA S.A.</b>	Operations Manager	Valuation Director
<b>Precia S.A.</b>	Risk and Process Coordinator	Senior Director of Valuation
<b>SET-ICAP FX S.A.</b>	Risk and Process Manager	Risk and Process Coordinator
<b>SET-ICAP Securities S.A.</b>	Risk and Process Manager SET-ICAP FX	Process and Organization Manager SET-ICAP FX
<b>Tradition Colombia S.A.</b>	Risk Director	Financial Manager
<b>Tradition Securities Colombia S.A.</b>	Risk Director	Financial Manager

**LEGAL TEAM**

<b>Entity</b>	<b>Main Representative</b>
<i>Banco de la República</i>	Counsel - Secretary of the Board of Directors
<b>Colombian Stock Exchange S.A.</b>	Legal Manager
<b>Foreign Exchange Clearinghouse of Colombia S.A.</b>	General Secretary
<b>Central Counterparty Clearinghouse of Colombia S.A.</b>	General Secretary
<b>Deceval S.A.</b>	Legal Director



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV - 135**  
**APPENDIX No. 4**

Date: **Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

<b>Derivex S.A.</b>	Legal Adviser
<b>GFI Exchange Colombia S.A.</b>	Legal Adviser
<b>GFI Securities Colombia S.A.</b>	Legal Adviser
<b>PIP Colombia S.A.</b>	General Secretary
<b>Precia S.A.</b>	General Secretary
<b>SET-ICAP FX S.A.</b>	Legal Director
<b>SET-ICAP Securities S.A.</b>	Legal Director SET-ICAP FX
<b>Tradition Colombia S.A.</b>	Legal Adviser
<b>Tradition Securities Colombia S.A.</b>	Legal Adviser

**COMMUNICATION TEAM**

<b>Entity</b>	<b>Main Representative</b>
<b><i>Banco de la República</i></b>	Director of the Communications and Economic Education Department
<b>Colombian Stock Exchange S.A.</b>	Director of Corporate Reputation Management
<b>Foreign Exchange Clearinghouse of Colombia S.A.</b>	Operations Manager
<b>Central Counterparty Clearinghouse of Colombia S.A.</b>	Commercial Director



**EXTERNAL OPERATING AND SERVICE CIRCULAR**  
**DFV - 135**  
**APPENDIX No. 4**

Date: **Dec 20, 2021**

**SUBJECT 97: ELECTRONIC TRADING SYSTEM - SEN**

<b>Entity</b>	<b>Main Representative</b>
<b>Deceval S.A.</b>	Director of Corporate Reputation Management
<b>Derivex S.A.</b>	General Director
<b>GFI Exchange Colombia S.A.</b>	General Director
<b>GFI Securities Colombia S.A.</b>	General Director
<b>PIP Colombia S.A.</b>	Business Manager
<b>Precia S.A.</b>	Business Coordinator
<b>SET-ICAP FX S.A.</b>	Business Manager
<b>SET-ICAP Securities S.A.</b>	Business Manager SET-ICAP FX
<b>Tradition Colombia S.A.</b>	Administrative Management
<b>Tradition Securities Colombia S.A.</b>	Administrative Management

In the event of the simultaneous absence of the designated members, each entity shall be free to appoint the proper people to assume this role and subsequently notify the other infrastructures.

**OFFICE OF THE FINANCIAL SUPERINTENDENT OF COLOMBIA**

Communication between Infrastructure Providers and the Office of the Financial Superintendent will be carried out through the following delegations:

- Delegation for Securities Intermediaries and Other Agents
- Office of Infrastructure Providers
- Delegation for Operational Risk and Cybersecurity
- Office of Operational Risk and Cybersecurity 2

**(AVAILABLE SPACE)**