



SWX Europe

Directive 4: Orders, Off-order Book Trades
and their Attributes

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1. Order Book Activity

1.1 Order

All orders entered into the order book will be time-stamped and assigned a transaction identification number by the Exchange system. Orders for which not all the mandatory attributes are entered, or for which individual attributes are not entered properly, will be rejected by the Exchange system.

1.2 Order books

SWX Europe will maintain an order book for each security traded on the Exchange. All the orders entered for each traded security will be classified and administered in such order book according to the price and time of entry of the order.

A participant may consent to the disclosure of its identity in the order book upon entry of an order.

1.3 Normal order

A normal order is an order for the purchase or sale of a certain number of securities traded on SWX Europe. It may be entered either without an indication of price (market order) or with an indication of price (limit order).

1.4 Hidden size order

A hidden size order is a large order, the size of which in the order book is only partially visible to other members. It will be clearly marked in the order book for all members.

The hidden size of the order will enjoy the same time priority as the size originally visible.

Effective from 16 June 2008, the hidden size order condition is only available for Swiss securities.

1.5 Accept order

An accept order is an order to accept all orders in the order book which correspond to its attributes.

Such an order is never recorded in the order book but is executed immediately against all orders already in the order book which correspond to its attributes. Any portion of the order which is not executed will be immediately deleted by the Exchange system.

1.6 Fill or kill order

A fill or kill order is an order which is either executed in its entirety or is deleted by the Exchange system. It is never recorded in the order book.

1.7 SWX Swiss Block orders

SWX Swiss Block order types and attributes are as specified in Directive 21.

2. Off-order Book Activity

2.1 Statement of interest

The statement of interest is a functional feature which enables a member to express its interest in trading in a particular security to one, or all members without any commitment.

2.2 Addressed offer

The addressed offer is a functional feature which enables a member to make a firm offer to another member, which may either accept ("take"), ignore or refuse ("reject") the offer. The initiating member can send a quote using the addressed offer function to another member. If the member decides to take one side of the quote, a trade is created.

2.3 Trade confirmation

The trade confirmation is a functional feature which enables a member to confirm trades executed off-order book with another member, and thereby report them to SWX Europe.

Of the two members involved in a transaction that has taken place away from the order book, the selling member is responsible for reporting the transaction in compliance with the rules.

2.4 Reported trade

The reported trade is a functional feature which a member must use to:

- a. report to SWX Europe all trades executed off-order book with a non-member, and
- b. report to SWX Europe trades executed off-order book with a member if such trades have not been confirmed by a trade confirmation due to technical reasons.

Were, during market hours, a member enters into an off-order book transaction under SWX Europe rules, the member shall ensure that a trade report is input to SWX Europe as close to real time as possible and in any case within 3 minutes of the transaction.

Separate provisions apply to transactions after the close of the market, portfolio trades, riskless principal transactions and transactions for which deferred publication is permitted.

Where a member enters into a transaction under SWX Europe rules:

- a. between the close of the market, and 15 minutes prior to the opening of the market on the next market day, a trade report shall be input to SWX Europe up to 15 minutes before the opening of the market and
- b. within 15 minutes prior to the opening of the market, a trade report shall be input to SWX Europe as close to real time as possible and in any case within 3 minutes of the transaction.

2.5 Post-recorded trade

The post-recorded trade is a functional feature which a member must use to report their trades to SWX Europe after the end of an emergency situation. The details of this obligation are set out in Directive 7: Emergency situations.

3. Attributes for Orders

Orders to trade on SWX Europe must be entered with the following attributes. If a required attribute is missing, the order is rejected by the Exchange system.

Attribute	Normal order	Hidden size order	Accept order	Fill-or-kill order
Buy/sell	required	required	required	required
Security Identification	required	required	required	required
Size	required	required <u>Equities:</u> a minimum original order value of at least: EUR 500,000 or CHF 750,000 or GBP 375,000 or DKK 4,000,000 or SEK 4,000,000 or NOK 4,000,000 must be present <u>Exchange Traded Funds:</u> a minimum original value of at least: EUR 500,000 or CHF 750,000 or USD 600,000 or JPY 75 million must be present	required	required
Pricelimit	limit or market order required	limit or market order required	limit or market order required	Limit or market order required
Visible size	n/a	required, must be at least 100 round lots	n/a	n/a
Period of validity	required ¹	required ¹	n/a	n/a
Disclosure Indicator	required ²	required ²	n/a	n/a
Trade Type Code	n/a	n/a	n/a	n/a
Nostro Indicator	required	required	required	required
Bank reference	optional	optional	optional	optional

¹ The following entries are possible for period of validity:

- Opening (= end of the opening period of the market day on which the entry is made);
- Close of trading (= close of trading on the market day on which the entry is made);
- Date (= close of trading of the day in question. If this day is a market holiday, the close of trading of the preceding market day is taken as the period of validity).

Default: valid up to and including the close of trading of the market day on which the entry is made.

² The following entries are possible: a. Indicate originator.

- b. Do not indicate originator.

4. Attributes for Off-order Book Instructions and Trades

Instructions and trades entered into the Exchange system by way of the functional features for off-order book trading must have the following attributes. If a required attribute is missing, the instruction or trade is rejected by the Exchange system.

Attribute	Statement of Interest	Addressed offer	Trade confirmation	Post-recorded trades	Reported trade
Buy/Sell	optional	required	required	required	required
Security Identification	required	required	required	required	required
Size	optional	required	required	required	required
Price	optional	required	required	required	required
Counterpart	n/a	required	required	required	required indication whether customer, another dealer or member
Period of validity	required ¹	required ¹	n/a	n/a	n/a
Trade Type Code	required ²	required ²	required ²	required ²	required ²
Originator	required	required	n/a	n/a	n/a
Trade Date	n/a	n/a	required	required	required
Trade Time	n/a	n/a	required	required	required
Settlement Date	required Default: T + 3	required Default: T + 3	required Default: T + 3	required Default: T + 3	required Default: T + 3
Clearing Flag	n/a	required	required	required	n/a
Trade Reversal Flag	n/a	n/a	required	required	required
Indication of Interest ID	n/a	optional	n/a	n/a	n/a
Trade capacity code	n/a	required	required	required	required
Bank Reference	Optional	optional	optional	optional	optional

¹ Possible period of validity: valid up to and including the time on the same market day.

² The appropriate trade type code(s) must be entered in accordance with the rules where the transaction in question is eligible for use with that trade type code. See section 5 for the available trade type codes and when they should be used.

5. Attributes for Quotes

Quotes in trading on SWX Europe must be entered with the following attributes. If a required attribute is missing, the quote is rejected by the Exchange System

Attribute	
Security Identification	required
Buy Order, consisting of both a price ⁷ and a quantity ⁸	optional – at most one buy order is allowed per quote
Sell Order, consisting of both a price ⁷ and a quantity ⁸	optional – at most one sell order is allowed per quote
Broker Reference	optional

Each new quote for a given security replaces both sides of any existing relevant quote in that security.

Where neither a buy order attribute nor a sell order attribute is supplied, this has the effect of removing any existing quote in that security.

The trading capacity for quotes is “Nostro”.

⁷ The price must conform with the defined price steps for the security in question

⁸ The quantity must be a multiple of the smallest tradable quantity for the security in question

6. Trade Type Codes

Transaction type	Member input	Eligible for deferred publication?	Publication code(s)	Time of publication by SWX Europe	VWAS test applied?
Trade report without special conditions	None	Yes	DP + N	At end of delay period (or before the next market opening in the case of trades outside market hours)	Yes
		No	N	Immediate	Yes
Trade report (without special conditions) which is eligible for deferred publication but the member does not want deferred publication	IP	Yes but member has overridden the publication delay	N	Immediate	Yes
Trade report at a special price (other than Portfolio trades and VWAPs)	D	Yes	DP + D	At end of delay period (or before the next market opening in the case of trades outside market hours)	No
		No	D	Immediate	No
Portfolio trade	PT or D (member's choice)	Yes (with each constituent treated separately)	DP + D	At end of delay period (or before the next market opening in the case of trades outside market hours)	No
		No	D	Immediate	No
VWAP trade	VW or D (member's choice)	Yes	DP + D	At end of delay period (or before the next market opening in the case of trades outside market hours)	No
		No	D	Immediate	
Amendment of trade report	A	As for the original transaction, with either N or D as applicable			
Trade reversal	-	Yes for original transaction	-	No publication if the original transaction has not yet been published	No
			C	Immediate if the original transaction was published	No
		No for original transaction	C	Immediate	No
SWX Swiss Block execution	None (XM & IP entered by SWX Swiss Block)	No	XM	Immediate	No

6.1 Delivery Report Service (DR)

The Delivery Report Service (“DRS”) is available for a member to transfer stock for a client where the member executing the transaction is not the member which holds the client’s stock. A member must register with SWX Europe to use the DRS using the relevant application form and, in applying to use the DRS, a member must undertake not to use the DRS to transfer a client’s stock unless the member is fully satisfied that the client wants the transfer to take place and has given its authorisation for a specific Delivery Report or for Delivery Reports generally. A Delivery Report is not a transaction.

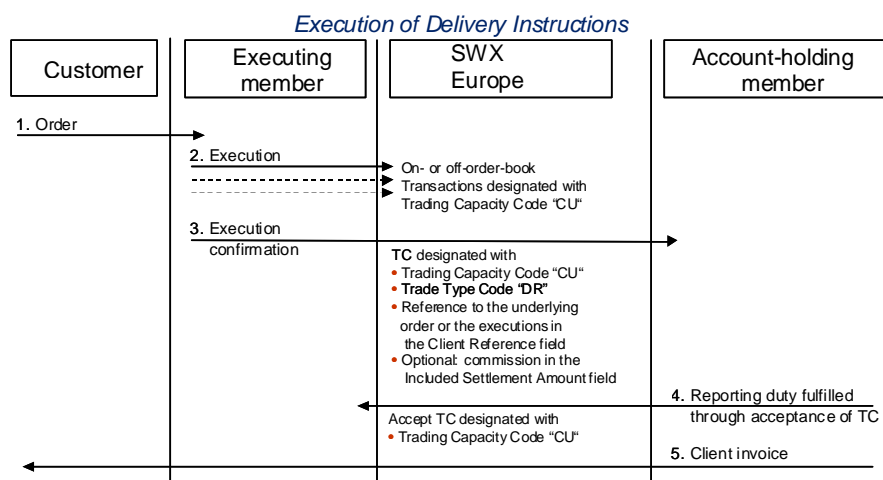
An SSD which *executes* a DR to transfer a client’s stock must input a Trade Confirmation message within the usual reporting deadlines with:

- the Trading Capacity Code “CU” and
- the Trade Type Code “DR” giving the reference for the transaction to which the Delivery Report relates. For delivery pursuant to an order book transaction, the reference to include is the Order ID. For delivery pursuant to an off order book transaction, the reference is the Trader ID or some other clearly attributable ID in the “Client Reference” field. The gross price of the relevant transaction must be included in the Price field. A commission may be entered in the “Included Settlement Amount” field.

The SSD which *receives delivery* of the stock must fulfil its reporting duty by confirming the Trade Confirmation by the end of that trading day by inputting:

- the Trading Capacity Code “CU” .

The following diagram illustrates the process flow:



6.2 Reporting of VWAPS (VW)

A VWAP trade must be reported at latest 30 minutes after the close of trading in the following manner:

- Using the Reported Trade (RT) functional feature;
- With the actual VWAP price excluding commission (i.e. gross);
- With the Trading Capacity Code "PR";
- With the Trade Type Code "VW"; if the member chooses
- With the executed amount (size);
- Stating whether the trade was a purchase or sale;
- Stating the date and time of the priced execution;
- With "CUST" as the counterparty.

