SIX

SIX Swiss Exchange Ltd

Directive 3: Trading

Content

1 Purpose and principle

This Directive contains implementing provisions for trading on the Exchange and is based on the Rule Book.

I General

2 Trading day and trading period

[1] The Exchange specifies the trading days in the trading calendar and publishes the calendar in a suitable way.

[2] A trading day shall consist of the following trading periods:

a) Pre-opening;
b) Opening;
c) Continuous trading;
d) Close of trade with or without closing auction;
e) Post-trading.

[3] A trading day shall last from 06:00 to 22:00 (CET).

[4] In special situations the Exchange may modify trading days.

3 Clearing day

[1] A clearing day shall last from 08:00 to 18:15 (CET).

[2] In special situations the Exchange may modify clearing days.

4 Trading hours

[1] The trading hours are specified per trading segment.

[2] In special situations the Exchange may modify trading hours.

[3] The details are laid down in the "Trading Parameters" Guideline.

II Definitions

5 Order and quote

5.1 Order

5.1.1 Definition

[1] In accordance with Clause 11.1.2 Rule Book, an order is a binding offer to buy or sell a certain quantity of one security at an unlimited or limited price.

[2] Orders may be entered in or deleted from the order book during set periods. All incoming orders shall be assigned a time stamp and an identification number. Amended orders shall lose their original time priority and be given a new time stamp.

5.1.2 Order types

[1] The Exchange supports the order types Normal order and Iceberg order.

[2] A Normal order may be entered at any time during the trading day and is visible in the order book. Non-executed parts of the order remain in the order book until they have been executed or deleted, or have expired. Other validities and routing instructions remain reserved.

[3] An Iceberg order may be entered at any time during the trading day. The visible quantity of the Iceberg order is published in the order book. After the visible quantity of the Iceberg order has been executed, the next tranche of the total order quantity shall be published in the order book as a new visible quantity, and so on until the total order quantity has been executed or deleted, or has expired. Each tranche shall be given a new time stamp and a new identification number, and thus loses its time priority. During continuous trading and in auctions, subject to the price-time priority principle, the total quantity of the Iceberg order shall remain executable against orders or quotes on the opposite side of the order book.

[4] At the request of the participant, the Exchange may define, on a random basis within a specific limit, the visible quantity of the Iceberg order for each tranche of the total order quantity. Other validities and routing instructions remain reserved.

5.1.3 Order specification

[1] An order must be recorded with the following attributes:
a) Identification of the participant: participant identification (Party ID) and Trader ID;
b) Transaction type: buy or sell;
c) Trading capacity: client transaction (trading in own name but for the account of the client) or nostro transaction (trading in own name and for own account);
d) Identification of the security: ISIN, trading currency and trading venue;
e) Order volume: number of securities or nominal value for percent-listed instruments. In the case of Iceberg orders, the visible quantity in the order book must also be defined. The statement of the minimum execution quantity is not supported.
f) Price limit:
   1. for Normal orders: limited or unlimited;
   2. for Iceberg orders: limited;
   3. for orders with Routing Instruction "SWMB": limited;

g) Validity:

1. Immediate-or-cancel (IOC or Accept): shall be executed immediately, in full or inasmuch as is possible. Non-executed parts of the order shall be deleted without entry in the order book;

2. Fill-or-kill (FOK): shall be executed immediately and in full or not at all. If an immediate, full execution is not possible, the order shall be deleted without entry in the order book;

3. At-the-opening: may be entered only during pre-opening and remains valid up to and including opening. Non-executed parts of the order shall be deleted after opening;

4. At-the-close: may be entered during pre-opening and continuous trading, and remains valid up to and including the closing auction. Non-executed parts of the order shall be deleted after the closing auction; orders with at-the-close validity are not visible in the order book until the start of the closing auction;

5. Good-for-day: valid until the close of trading on the current trading day;

6. Good-till-date: valid until the close of trading on a certain trading day. The maximum term of validity shall be one year;

h) Algorithmic trading: flagging of

1. the order generated by algorithmic trading;

2. the algorithm used;

3. the trader initiating the order;

i) Routing Instruction:

1. "SWX" for the entry into the Central Limit Order Book (CLOB); the Routing Instruction "SWX" is supported for Normal orders with or without price limit; or

2. "SWMX" for the entry into the order book without pre-trade transparency from SwissAtMid and subsequent forwarding of the remaining amount into the Central Limit Order Book (CLOB); the Routing Instruction "SWMX" is supported for Normal orders with or without price limit. If the order book without pre-trade transparency is not activated for a given trading segment, orders with Routing Instruction "SWMX" are forwarded directly to the Central Limit Order Book (CLOB) or to the Quote Driven Market (QDM) order book. If an order with Routing Instruction "SWMX" is entered while the order book is not in the continuous trading period, it will be forwarded directly to the Central Limit Order Book (CLOB) or to the Quote Driven Market (QDM) order book. Orders with Routing Instruction "SWMX" follow the execution provisions of the order book in question in continuous trading; or

3. "SWMB" for the entry into the Central Limit Order Book (CLOB) and simultaneous entry into the order book without pre-trade transparency from SwissAtMid; if the quantity of the order with Routing Instruction "SWMB" in the Central Limit Order Book or the order book without pre-trade transparency for SwissAtMid is executed, the total quantity of the order in the order book in question will be reduced by the quantity that has been executed, until the total order quantity has been executed or deleted, or has expired.

   The Routing Instruction "SWMB" is supported for Normal orders and Iceberg orders with a price limit. The stated price limit applies to executions on SwissAtMid, and as a maximum limit for the Central Limit Order Book (CLOB). For executions in the Central Limit Order Book (CLOB), the Exchange adjusts the price limit for orders with Routing Instruction "SWMB" dynamically to the best bid or ask price. If there is not bid or ask price in the Central Limit Order Book (CLOB), then the order is suspended in both order books and is as such neither executable nor visible in the order book. Suspended orders are reactivated as soon as a corresponding bid or ask price is available in the Central Limit Order Book (CLOB). These orders are thus executable, have a new time stamp and are visible in the order book. If the order book without pre-trade transparency is not activated for a given trading segment, orders with Routing Instruction "SWMB" will be rejected. If the Central Limit Order Book (CLOB) is not in the trading period "Continuous Trading" or if there is a trade suspension, the order with Routing Instruction "SWMB" is suspended in both order books and as such is

neither executable nor visible in the order book. Once the Central Limit Order Book (CLOB) is again in continuous trading, suspended orders are reactivated, have a new time stamp and are visible in the order book. Existing orders with the Routing Instruction "SWMB" are deleted in the closing auction. The Exchange may limit the number of orders with Routing Instruction "SWMB" that are permitted in each order book. Orders with Routing Instruction "SWMB" follow the execution provisions of the order book in question in continuous trading.

[2] Details are laid down by the Exchange in the relevant technical specifications.

5.2 Quote

5.2.1 Definition

Quote specifies the simultaneous entry of one or more limited buy and/or sell orders in a single instruction. It shall remain in the order book until it is executed, overwritten or deleted.

5.2.2 Quote specification

[1] A quote must be recorded with the following attributes:

a) Identification of the participant: participant identification (Party ID) and Trader ID;

b) Transaction type: buy and/or sell;

c) Trading capacity: client transaction (trading in own name but for the account of the client) or nostro transaction (trading in own name and for own account);

d) Identification of the security: ISIN, trading currency and trading venue;

e) Quote volume: number of securities or nominal value for percent-listed instruments for buy and/or sell;

f) Price limit: limited;

g) Validity: good-for-day: valid until the end of trading on the current trading day;

h) Algorithmic trading: flagging of

    1. the order generated by algorithmic trading;

    2. the algorithm used;

    3. the trader initiating the order.

[2] Details are laid down by the Exchange in the relevant technical specifications.

6 Price-time priority

The price-time priority principle means that the order with the better price (highest price limit for buy orders, lowest price limit for sell orders) shall be executed first. Unlimited orders shall enjoy top priority when consolidating orders. For orders with the same price, the order received first shall also be executed first.

7 Auction and principle of highest executable volume

[1] Prior to the auction, the participant may enter new orders in the order book or delete existing ones without executions coming about.

[2] The price of the auction shall be determined taking into account all limited and unlimited orders and quotes in the order book and, in certain cases, by the reference price. Orders and quotes shall be treated equally in the auction.

[3] According to the principle of highest executable volume the largest possible quantity executable shall be executed at a single price specified in the auction. The following rules shall apply here:

a) orders shall be considered in accordance with the price-time priority principle;

b) unlimited orders shall be executed with limited and unlimited orders on the opposite side. If not all unlimited orders can be executed, no executions shall take place and the order book shall remain closed (Non Opening). Valid orders shall remain in the order book;

c) limited orders shall be executed until one side of the book is empty or the best buy price remaining in the order book is lower than the best sell price;

d) if two unlimited orders of the same quantity are executed last, the price of the auction shall correspond to the reference price.
If the reference price is below (above) the best buy order (sell order) remaining in the book, it shall determine the price of the auction;

e) if one unlimited and one limited order are executed last, the price of the auction shall correspond to the remaining limit;

f) if limited orders of different quantities are executed at two price levels last, the price of the auction corresponds to the price level of the bigger order quantity;

g) if limited orders of equal quantities are executed at two price levels last, the price of the auction shall correspond to the arithmetic mean of both price levels, rounded up to the next valid price level.
If the arithmetic mean is below (above) the best buy order (sell order) remaining in the book, it shall determine the price of the auction;

[4] The price for all trades in the auction shall be determined by the last price establishment in accordance with the rules of this Clause.

8 Continuous trading

[1] In continuous trading, transactions are triggered by an incoming order or quote which is executed with the orders or quotes on the opposite side of the order book to the extent the quantity and limit allow it. In contrast to an auction, the price for each transaction shall be determined individually.

[2] The following rules shall apply here:

a) An incoming order shall be checked for feasibility and shall be immediately executed in accordance with the price-time priority with orders or quotes on the opposite side of the order book in one or more steps and prices;

b) if an order is not or is only partially executed, it shall be placed in the order book with any limit and a time stamp. Other order validities remain reserved;

c) if an incoming, unlimited order is executed with an unlimited order on the opposite side of the order book, the execution shall take place at the reference price. If the reference price is below (above) the best buy order (sell order) remaining in the book, it shall determine the price of the execution;

d) if an incoming, unlimited order is executed with an unlimited order on the opposite side of the order book, the execution shall take place at the reference price;

e) if an incoming, limited order is executed with an unlimited order on the opposite side of the order book, the execution shall take place at the reference price. If the reference price is below (above) the best buy order (sell order) remaining in the book on the opposite side, it shall determine the price of the execution;

f) if an incoming, limited order is executed with a limited order on the opposite side of the order book, the execution shall take place at the price of the common limit. If the limit of the buy order is above the limit of the sell order, the limit which is more beneficial from the standpoint of the incoming order shall be used.

[3] In addition to the provisions above, the rules of quote-based pricing apply to the Quote Driven Market.

[4] The Exchange may provide Self Match Prevention during continuous trading in certain trading segments. At the request of the participant, opposite buy and sell orders or quotes under their own participant identification (Party ID) which are flagged as nostro transactions will not be executed in the order book. The Exchange will delete the order or quote with the older time stamp from the order book, irrespective of the order type or quantity.

9 Algorithmic trading

[1] The participant must possess effective arrangements and risk controls for algorithmic trading, to ensure that its systems:

a) are robust and equipped with sufficient capacity to deal with peak volumes of orders and announcements;

b) are subject to appropriate trading thresholds and upper trading limits;

c) do not cause or contribute to any disruptions on the Exchange;

d) are effective for preventing violations of Articles 142 and 143 FMIA; and

e) are subject to appropriate tests of algorithms and control mechanisms, including the precautions to:
   1. limit the proportion of unexecuted trading orders relative to the number of transactions that can be entered into the system by a participant;
   2. slow down the flow of orders if there is a risk of the capacity of the system being reached; and
   3. limit and enforce the minimum tick size that may be executed on the Exchange.

[2] In algorithmic trading, the Exchange may make provision for higher fees for:

a) the placement of orders that are later cancelled;

b) participants placing a high proportion of cancelled orders;

c) participants with:
   1. an infrastructure intended to minimise delays in order transfer;
   2. a system that can decide on order initiation, generation, routing or execution; and
   3. a high intraday number of price offers, orders or cancellations.

[3] The details are laid down in the "List of Trading Charges".

10 Exemptions from pre-trade transparency

[1] Iceberg Orders and orders with at-the-close validity which are executed using an order management facility of the Exchange are exempted from pre-trade transparency regulations according to Art. 27 para. 4 let. c FMIO.

[2] The Exchange may reject an Iceberg order which falls short of the predetermined minimum requirements for an order without pre-trade transparency; in particular if the total value of the Iceberg order falls below the Minimum Order Value set for Iceberg orders.

[3] The Minimum Order Value in Swiss francs for Iceberg orders shall be determined by the Exchange per trading segment.

[4] The details are laid down in the "Trading Parameters" Guideline.

11 Pre-trade controls

[1] The Exchange may reject orders and quotes which exceed predetermined volume and price thresholds (pre-trade controls), in particular where:

a) the price limit of the incoming order or quote reaches or exceeds the upper price range (reference price multiplied by the Price Collar Factor) for the security;

b) the price limit of the incoming order or quote reaches or falls short of the lower price range (reference price divided by the Price Collar Factor) for the security;

c) the value of the incoming order or quote reaches or exceeds the Maximum Order Value (the order volume multiplied by the price limit for the order) for the security; or

d) the volume of the incoming order or quote reaches or exceeds the Maximum Order Volume (maximum order value divided by the reference price) for the security.

[2] The Price Collar Factor used to calculate the price range, as well as the Maximum Order Value in Swiss francs, are determined by the Exchange for each trading segment. The details are laid down in the "Trading Parameters" Guideline.

[3] The reference prices from the previous trading day shall be used for the calculations which form part of the pre-trade controls.

[4] The Exchange shall publish exceptions for individual securities or trading days in a suitable manner.

[5] Market control interventions remain reserved in accordance with the "Market Control" Directive.

12 Trade suspension

[1] In particular, the Exchange may suspend trading if:

a) in the Central Limit Order Book the next price compared to the reference price is outside a range (Stop Trading Range) determined by the Exchange (Stop Trading or Delayed Opening);

b) in the Central Limit Order Book the next price compared to a transaction is within a certain time period (Avalanche Time), outside a range (Stop Trading Range) determined by the Exchange (Avalanche Stop Trading);

c) in the Quote Driven Market model, there is no quote on the opposite side of the order book at the time of a possible execution. Trading shall not be suspended if a limited order with the same price remains in the order book on the same side (buy/sell) of the order book as the quote executed last, provided that the limited order was already in the order book at the time of the execution of the quote; or

d) trading in the underlying is suspended.

[2] The Stop Trading Range and the Stop Trading Duration, as well as the Avalanche Time connected with the Avalanche Stop Trading shall be determined by the Exchange per trading segment. The Exchange shall publish exceptions for individual securities and trading days in a suitable manner.

[3] The participant may enter new orders and quotes during a trade suspension or delete existing ones.

[4] After expiry of a trade suspension, the book shall be reopened with an auction.

[5] Market control interventions remain reserved in accordance with the "Market Control" Directive.

13 Reference price adjustment

[1] The Exchange may adjust the reference price in the following cases, in particular:

a) If there is no trade on the Exchange in the order book during trading hours, despite an open order book. The reference price shall be adjusted as follows after the close of trading:

1. for trading segments of the equity market: For the reference price adjustment the Exchange will consider the bid and ask price at the close of trading. If the previous reference price is lower than the best bid price, the reference price shall be the best bid price. If the previous reference price is higher than the best ask price, the reference price shall be the best ask price. If, at the close of trading, there is no bid price and no ask price in the order book, the reference price shall not be adjusted.
2. for all other trading segments: For the reference price adjustment the Exchange will consider the bid and ask price in the last hour before the close of trading. If the previous reference price is lower than the best bid price, the reference price shall be the best bid price. If the previous reference price is higher than the best ask price, the reference price shall be the best ask price. If, one hour before the close of trading, there is no bid price and no ask price in the order book, the reference price shall not be adjusted.

b) If the trade which resulted in the reference price has been cancelled by the Exchange. The reference price shall be adjusted as follows after the close of trading:
If a valid on-exchange, off-order-book trade has taken place during trading hours, the reference price shall be the last on-exchange price listed in the order book. If there has been no valid on-exchange, on-order-book trade during trading hours, the reference price shall be determined pursuant to Clause 13 para. 1 lit. a.

c) If dividends on a security are paid out in the trading currency. On the ex date, the Exchange shall adjust the reference price by the amount of the dividend prior to the opening of trading.

d) If the price steps for a security are modified. The Exchange shall adjust the reference price prior to the opening of trading if the reference price does not correspond to the newly valid price steps.

[2] Further manual adjustments to the reference price remain reserved.

14 Trading restriction

Remote participants are permitted to trade foreign shares on the Exchange in the following trading segments only if the recognised exchange underlying the secondary listing or the share's admission to trading on SIX Swiss Exchange has its registered office in the European Union (EU) or the European Economic Area (EEA), or is deemed equivalent pursuant to Art. 23 of Regulation (EU) No. 600/2014:

a) Secondary Listing Shares ("Trading Parameters" Guideline, Annex C – Secondary Listing Shares)
b) Sponsored Foreign Shares ("Trading Parameters" Guideline, Annex D – Sponsored Foreign Shares)

III Market models

15 Central Limit Order Book (CLOB)

15.1 Orders and quotes

The Central Limit Order Book market model shall treat orders and quotes equally.

15.2 Liquidity providers

[1] The admitted liquidity provider shall ensure a liquid market by placing orders in the order book of individual securities.

[2] The Exchange may admit one or more liquidity providers per security.

[3] The rights and duties of the liquidity provider shall be defined by the Exchange per trading segment.

[4] The details for liquidity providers are laid down in the "List of Trading Charges".

15.3 Pre-opening

[1] Pre-opening shall be the period between the start of the trading day and the actual opening of trading.

[2] The participant may enter new orders and quotes in the order book or delete existing ones.

[3] The Exchange shall calculate the theoretical opening price (TOP) in the auction procedure and publish it on an ongoing basis.

[4] No transaction and therefore no pricing shall take place.

15.4 Opening

[1] The Exchange shall open continuous trading with an auction.

[2] The Exchange shall extend the auction time once for a defined period if the theoretical opening price is outside the applicable Stop Trading Range compared to the reference price (Delayed Opening).

[3] The Exchange shall not open trading if not all unlimited orders are executed in the auction procedure (Non Opening). In this condition, a theoretical opening price (TOP) can not be calculated.

[4] The Exchange shall not hold an auction as long as continuous trading in the underlying security is interrupted (underlying condition).

15.5 Continuous trading

[1] Incoming orders and quotes shall be executed in one or more parts at equal or different prices in accordance with the price-time priority principle.

[2] If an order cannot or can only be partially executed, the remainder shall remain in the order book. Other validity specifications remain reserved.

[3] The Exchange may in certain instances suspend trading.

[4] The reference price shall be the price paid last. Reference price adjustments remain reserved.

15.6 Close of trade with closing auction

[1] Immediately before close of trade, an auction is conducted in accordance with the principle of highest executable volume. If there is a trade in the auction, this price shall be the closing price and the new reference price. If there is no trade in the auction, the last trade of the day shall be the closing price. If there is no trade during the day, there shall be no new closing price and the existing reference price shall remain unchanged.

[2] The Exchange may adjust the reference price in certain cases.

15.7 Close of trade without closing auction

[1] In the event of close of trade without auction, trading shall close at the end of the continuous trading period.

[2] The closing price and reference price shall correspond to the price last established in continuous trading. If there is no trade during the day, there shall be no new closing price and the existing reference price shall remain unchanged.

[3] The Exchange may adjust the reference price in certain cases.

15.8 Post-trading

[1] After the close of trade, the Exchange shall delete all non-executed orders whose validity ends on the date of the current trading day. Quotes shall expire at the end of the trading day.

[2] Participants may enter new orders and quotes in the order book or delete existing ones. Orders with a validity date of the current trading day shall not be accepted.

[3] The Exchange shall calculate the following day's theoretical opening price (TOP) in the auction procedure and publish it on an ongoing basis.

[4] No transaction and therefore no pricing shall take place.

16 Quote Driven Market (QDM)

16.1 Orders and quotes

The Quote Driven Market (QDM) market model shall treat orders from participants and quotes from licensed market makers and liquidity providers differently.

16.2 Market makers and liquidity providers

[1] The admitted market maker and/or liquidity provider shall ensure a liquid market by placing quotes in the order book of individual securities.

[2] The Exchange may admit one or more market makers and/or liquidity providers per security.

[3] The rights and duties of the market maker and liquidity provider shall be defined by the Exchange per trading segment.

[4] The details are laid down for market makers in the "Trading Parameters" Guideline, and for liquidity providers in the "List of Trading Charges".

16.3 Pre-opening

[1] Pre-opening shall be the period between the start of the trading day and the actual opening of trading.

[2] Participants and market makers may enter new orders and quotes in the order book or delete existing ones.

[3] The Exchange shall calculate the theoretical opening price (TOP) in the auction procedure and publish it on an ongoing basis.

[4] No transaction and therefore no pricing shall take place.

16.4 Opening

[1] The Exchange shall open continuous trading with an auction.

[2] The exchange shall extend the auction time once if two orders can be combined to one trade without a quote being in the order book at the time (Delayed Opening). The Exchange shall open trading during the trade suspension as soon as a quote has been entered but no later than at the expiry of the trade suspension.

[3] The Exchange shall not open trading if not all unlimited orders are executed in the auction procedure (Non Opening). In this condition, a theoretical opening price (TOP) can also not be calculated.

16.5 Continuous trading

[1] Incoming orders and quotes shall be executed in one or more parts at equal or different prices in accordance with the price-time priority principle taking into account the quote-based pricing.

[2] If an order or quote cannot or can only be partially executed, the remainder shall remain in the order book. Other order specifications remain reserved.

[3] An incoming quote shall be executed with an existing order at the quote price (and not at the order price) if the quote quantity is greater than or equal to the order quantity (Quote Domination). If a better limit remains on the opposite side than the incoming quote price, this limit shall determine the price of the transaction.

[4] The Exchange may in certain instances suspend continuous trading.

[5] The reference price shall correspond to the last paid price.

[6] The Exchange may adjust the reference price in certain cases.

16.6 Close of trade with closing auction

[1] Immediately before the close of trade, an auction is conducted in accordance with the principle of highest executable volume. If there is a trade in the auction, this price shall be the closing price and the new reference price. If there is no trade in the auction, the last trade of the day shall be the closing price. If there has been no trade during the day, there shall be no new closing price and the existing reference price shall remain unchanged.

[2] The Exchange may adjust the reference price in certain cases.

16.7 Close of trade without closing auction

[1] Trading shall close on the expiry of the continuous trading period.

[2] The closing price and reference price shall correspond to the price last established in continuous trading. If there is no trade during the day, there shall be no new closing price and the existing reference price shall remain unchanged.

[3] The Exchange may adjust the reference price in certain cases.

16.8 Post-trading

[1] After the close of trade, the Exchange shall delete all non-executed orders whose validity ends on the date of the current trading day.

[2] Participants and market makers may enter new orders and quotes in the order book or delete existing ones. Orders with a validity date of the current trading day shall not be accepted.

[3] The Exchange shall calculate the following day's theoretical opening price (TOP) in the auction procedure and publish it on an ongoing basis.

[4] No transaction and therefore no pricing shall take place.

[5] Quotes shall expire at the end of the trading day.

IV Reporting of trades to the Exchange

17 Trade reports

[1] Transactions outside the order book may be reported to the Exchange in accordance with Clause 12 Rule Book.

[2] The report shall be specified with the following attributes as a minimum:

a) Identification of the participant: participant identification (Party ID) and Trader ID or Reporting agent ID;

b) Transaction type: buy or sell;

c) Identification of the securities concerned: ISIN, currency and trading venue;

d) Trade volume: number of traded securities or nominal value for percent-listed instruments;

e) Price: Trade price;

f) Execution time: trade date and time;

g) Value date: the value date corresponds to the general rule (T+2), under which the transactions are transferred and paid for within two days of the trade;

h) Information on whether the execution was a proprietary or a client transaction;

i) Information identifying the beneficial owner in the case of client transactions to a reporting office of a Swiss trading venue as a Transaction Report;

j) Designation of the counterparty: counterparty (participant, other securities dealer, client);

k) Trading venue: trading venue code;

l) Trade Type: designation which further specifies the Trade Report. A list of all Trade Types can be found in Annex B.

18 Reporting functions

Participants may use the following reporting functions to report trades in accordance with Clause 12.1.3 Rule Book:

18.1 Two-sided Trade Report

[1] The participant shall report trades with another participant to the Exchange as a two-sided Trade Report.

[2] If the report is sent on the same clearing day and the securities concerned are CCP-eligible, the participant may instruct the Exchange as part of the two-sided Trade Report to have the transaction cleared with a central counterparty. If the transaction is not CCP-eligible, the Exchange shall transmit the transaction information to the relevant settlement organisation.

[3] If the trade is not made in accordance with the provisions of the Rule Book, it shall be reported using the "Off Exchange" Trade Type.

18.2 One-sided Trade Report

[1] The participant shall report trades with non-Securities Dealers to the Exchange as an one-sided Trade Report.

[2] A participant may report trades resulting from Transmissions of Orders, in which he acts as principal in his own name towards a non-participant with securities dealer status, to the Exchange as a one-sided Trade Report in the name of the parties involved. These trades must be reported using the Trade Type "Both Parties", and the identification of the counterparty (Party ID) must also be given.

[3] The Exchange does not forward one-sided Trade Reports to a settlement organisation.

[4] If the trade is not made in accordance with the provisions of the Rule Book, it shall be reported using the "Off Exchange" Trade Type.

V Correction, cancellation and countertrade

19 Correction

[1] A participant may correct the information on whether the trade was a nostro or a client transaction.

[2] A trade may only be corrected once.

[3] If the trade is cleared by a central counterparty, the correction must be made on the same clearing day. For trades without a central counterparty, the correction must be made on the following trading day at the latest.

20 Cancellation

20.1 Principle

20.1.1 Irregular on-exchange trades

If trades which violate the provisions of the Rule Book have been made on the Exchange in error, the parties shall apply to the Exchange to have such trades cancelled.

20.1.2 Incorrect Trade Reports to the Exchange

Where a Trade Report contains errors, the parties shall apply to the Exchange to have the report cancelled. This applies particularly in the following cases:

a) A transaction has not taken place because of legal defects, for example;

b) The content of the report contains errors, as per Clause 17;

c) The trade is not subject to the obligation to report.

20.2 Procedure

[1] Both of the parties involved in the trade shall apply to the Exchange to have a trade cancelled. The Exchange shall provide suitable means and determine a suitable procedure for this application.

[2] The application for the cancellation of a trade shall contain the following information:

a) Identification of the participant

b) Identification of the securities concerned (ISIN)

c) Time of execution (trade date and time)

d) Identification of the trade (Trade Match ID)

[3] A trade cannot be cancelled unless the information given by the two parties corresponds.

[4] The application from the parties shall be made no later than the trading day following that on which the trade was made.

[5] As a rule, the Exchange will cancel the trade by the end of the trading day at the latest. Trades in CCP-eligible securities will be cancelled by the end of the clearing day at the latest.

[6] Under exceptional circumstances, the Exchange may extend these periods or refuse to cancel a trade.

20.3 Effect of a cancellation

If the Exchange cancels a trade at the request of the parties, it will publish the cancellation in the market data.

20.4 Costs

[1] The Exchange may charge a fee for entering and cancelling trades on behalf of a participant.

[2] The details are laid down in the "List of Trading Charges".

21 Countertrade

With the consent of both parties, a participant may make a countertrade. When reporting the countertrade, the ID of the original trade shall be indicated, and the report shall be marked with the "Special Price" Trade Type.

VI Short-selling

22 Principle

[1] The short-selling of securities traded on SIX Swiss Exchange is permitted.

[2] The seller must settle the short sale at the latest upon execution of the trade in accordance with Clause 14.1 Rule Book.

23 Special situations

In special situations, the Management Committee of the Exchange may issue regulations on short-selling. In such cases, the Exchange will notify participants in the form of a Notice.

VII Trading segments

24 Classification of markets and trading segments

[1] The Exchange operates markets and trading segments, and allocates individual securities to these individual trading segments.

[2] The Exchange specifies the provisions for the individual trading segments in the annexes to the "Trading Parameters" Guideline.

Resolution of the Participants & Surveillance Committee of the Regulatory Board of 14 September 2018; in effect since 15 October 2018.

Annex A – Separate Trading Lines

1 Purpose

Companies submitting a proposal to buy back own equity securities for the purposes of a capital reduction or a public purchase or exchange proposal may apply with the Exchange for a separate trading line (second trading line).

The procedure to open or close a separate trading line is governed by the Directive regarding the procedure for equity securities (DPES) of the Exchange's listing regulations.

2 Separate line in connection with a buyback of own equity securities for the purpose of a capital reduction

2.1 Trading

Only the participant responsible for the buyback may enter purchase orders on the instruction of the company. According to the rules of the Swiss Takeover Board (UEK), the bid price offered on the separate line may not differ from the bid price on the first line by more than 5%.

If a share buy-back programme is organised via a separate trading line, all transactions under this programme shall be processed via the order book for this separate trading line.

Participants not acting on the instruction of the company buying back may not place any purchase orders on the separate trading line. Orders from such participants are rejected by the Exchange.

2.2 Settlement

The settlement of trades on the separate trading line shall be manual. The participants involved shall be responsible for the correct processing.

3 Separate line in connection with a public tender offer for cash

Every participant may enter purchase or sale orders.

Impermissible shall be:
a) purchase orders on instruction of the provider with a bid price above the public offer price; and
b) sale orders on instruction of the provider.

4 Separate line in connection with a public exchange offer

Every participant may enter purchase or sale orders.

Impermissible shall be:
a) purchase orders on instruction of the provider with a bid price above the equivalent value of the securities offered for exchange; and
b) sale orders on instruction of the provider.

Annex B – Trade Types

Trade Types for Trade Reports:

a) "Special Price" specifies a report whose price differs from the market price at the time of entry (VWAP, portfolio trade, countertrade, Trade Report following an emergency situation, etc.).

b) "Deferred Publication" specifies a report which is to be published by the Exchange after a certain delay.

c) "Off-Exchange" specifies a report of a trade which is not subject to the provisions of the Rule Book.

d) "Both Parties" specifies a one-sided Trade Report which is reported to the Exchange in the name of both of the parties involved in the trade.

Annex C – Delayed Publication

1 Equity market

At the request of the participants, the Exchange shall publish off-order-book trades with a delay. The participant may apply for delayed publication if all of the following provisions are fulfilled:

a) the trade is executed off-order-book;

b) the trade is concluded between a participant trading on its own account (nostro) and a client of this participant; and

c) the required minimum volume of the trade corresponds to the average daily turnover (ADT) in the securities in question.

The following table shows delayed publication as a function of the ADT.

Average daily turnover (ADT) in CHF	Required minimum volume for a trade qualifying for delayed publication	Timing of publication following the transaction
> 100 million	10,000,000	60 minutes
	20,000,000	120 minutes
	35,000,000	At the end of the trading day
50 – 100 million	7,000,000	60 minutes
	15,000,000	120 minutes
	25,000,000	At the end of the trading day
25 – 50 million	5,000,000	60 minutes
	10,000,000	120 minutes
	12,000,000	At the end of the trading day
5 – 25 million	2,500,000	60 minutes
	4,000,000	120 minutes
	5,000,000	At the end of the trading day
1 – 5 million	450,000	60 minutes
	750,000	120 minutes
	1,000,000	At the end of the trading day
500,000 – 1 million	75,000	60 minutes
	150,000	120 minutes
	225,000	At the end of the trading day
100,000 – 500,000	30,000	60 minutes
	80,000	120 minutes
	120,000	At the end of the trading day
50,000 – 100,000	15,000	60 minutes
	30,000	120 minutes
	50,000	At the end of the trading day
< 50,000	7,500	60 minutes
	15,000	120 minutes
	25,000	At the end of the next trading day

The Exchange publishes the authoritative ADT per security, with the static data, on the Exchange website: http://www.six-swiss-exchange.com/statistics/monthly_data/mtc_en.html

2 Bond market

At the request of the participants, the Exchange shall publish off-order-book trades with a delay.

2.1 Illiquid securities

The participant may apply for delayed publication if all of the following provisions are fulfilled:

a) the trade is executed off-order-book; and

b) there is no liquid market for the security.

There is deemed to be no liquid market for a security if one or more of the following criteria is/are not met:

Average nominal value of trades per trading day during a calendar year	< CHF 100,000 or the equivalent amount for securities with a foreign nominal currency.
Average number of trades per trading day during a calendar year	< 15
Average number of trading days on which traded during a calendar year	< 80%
Issue size during a calendar year	a) for government bonds < CHF 1 billion or the equivalent amount for securities with a foreign nominal currency; or b) for other bonds < CHF 500 million or the equivalent amount for securities with a foreign nominal currency.

In the case of newly issued securities for which no data exists for the past three months, there is deemed to be no liquid market if the size of the government bond issue is less than CHF 1 billion and the issue size for other bonds is less than CHF 500 million (or the equivalent amount for securities with a foreign nominal currency).

The Exchange publishes the authoritative liquidity data per security, with the static data.

2.2 Liquid securities

2.2.1 Large in scale trades by a systematic internaliser (SSTI threshold)

The participant may apply for delayed publication if all of the following provisions are fulfilled:

a) the trade is executed off-order-book;

b) there is a liquid market for the security;

c) the trade was executed by a systematic internaliser for its own account ("Principal"); and

d) the required minimum volume of the trade corresponds to the size specific to the instrument (SSTI) threshold of the securities concerned.

The required minimum trade volume for large in scale trades by a systematic internaliser (the SSTI threshold) corresponds to the 80th percentile of trading turnover on the exchange of the liquid securities in question during one calendar year, and is rounded down in each case to the nearest CHF 100,000.

The Exchange publishes the value of large in scale trades by a systematic internaliser (the SSTI threshold) per security with the static data.

2.2.2 Large in scale trades (LIS threshold)

The participant may apply for delayed publication if all of the following provisions are fulfilled:

a) the trade is executed off-order-book;

b) there is a liquid market for the security;

c) the required minimum volume of the trade corresponds to the large in scale (LIS) threshold of the securities concerned.

The required minimum trade volume for large in scale trades (the LIS threshold) corresponds to the 90th percentile of trading turnover on the exchange of the liquid securities in question during one calendar year, and is rounded down in each case to the nearest CHF 100,000.

The Exchange publishes the value of large in scale trades (the LIS threshold) per security with the static data.

Annex D – Price Steps (Tick Size)

The Exchange defines price steps and assigns securities to those individual price steps.

The criteria by which securities are allocated to these price steps, or alternative price steps, are set out in the relevant Annex to the "Trading Parameters" Guideline.

	Liquidity bands Average number of trades (ANT)					
	Band A	Band B	Band C	Band D	Band E	Band F
Price	0 ≤ ANT <10	10 ≤ ANT <80	80 ≤ ANT <600	600 ≤ ANT <2,000	2,000 ≤ ANT <9,000	9,000 ≤ ANT
0 ≤ price < 0.1	0.0005	0.0002	0.0001	0.0001	0.0001	0.0001
0.1 ≤ price < 0.2	0.001	0.0005	0.0002	0.0001	0.0001	0.0001
0.2 ≤ price < 0.5	0.002	0.001	0.0005	0.0002	0.0001	0.0001
0.50 ≤ price < 1	0.005	0.002	0.001	0.0005	0.0002	0.0001
1 ≤ price < 2	0.01	0.005	0.002	0.001	0.0005	0.0002
2 ≤ price < 5	0.02	0.01	0.005	0.002	0.001	0.0005
5 ≤ price < 10	0.05	0.02	0.01	0.005	0.002	0.001
10 ≤ price < 20	0.1	0.05	0.02	0.01	0.005	0.002
20 ≤ price < 50	0.2	0.1	0.05	0.02	0.01	0.005
50 ≤ price < 100	0.5	0.2	0.1	0.05	0.02	0.01
100 ≤ price < 200	1	0.5	0.2	0.1	0.05	0.02
200 ≤ price < 500	2	1	0.5	0.2	0.1	0.05
500 ≤ price < 1,000	5	2	1	0.5	0.2	0.1
1,000 ≤ Price < 2,000	10	5	2	1	0.5	0.2
2,000 ≤ price < 5,000	20	10	5	2	1	0.5
5,000 ≤ price < 10,000	50	20	10	5	2	1
10,000 ≤ price < 20,000	100	50	20	10	5	2
20,000 ≤ Price < 50,000	200	100	50	20	10	5
50,000 ≤ price	500	200	100	50	20	10

The Exchange publishes the price steps allocated per security with the static data.