SIX Swiss Exchange

SWXess Maintenance Release 7.2 (SMR7.2)

Participant Readiness (Version 3.00)

SWISS
EXCHANGE

Table of Content

1 Introduction

1.1 Purpose and Scope

This document provides all business related information for the SWXess Maintenance Release 7.2 (SMR7.2), including functional and technical changes, regulatory changes, the rollout plan as well as migration details and testing activities.

1.2 Changes Since Last Version

Version, Date	Description
1.00, 18.06.2018	First version of the document published with SIX Swiss Exchange message 26/2018
2.00, 10.08.2018	Updated version of the document published with SIX Swiss Exchange message 39/2018: - 2 Summary and Overview - 3 Functional Changes - 4 Technical Changes - 6 Migration - 7 Key Dates
3.00, 19.09.2018	Updated version of the document published with SIX Swiss Exchange message 46/2018: - 3.2.1 Reconciliation Report for Transaction Reports (TXR) - 3.2.2.2 Beneficial Owner - 3.5.1 LPS CLOB for Mid-/Small-Cap Shares - 3.6.3.2 Relaxation of trader concept - 4.1 SWXess Interface Changes (overview) - 5 Regulatory Changes - 7 Key Dates - Appendix

1.3 Definitions and Abbreviations

Term/Abbreviation	Explanation
BRI	Billing Report File Interface
CLOB	Central Limit Order Book – Market Model
EEA	European Economic Area
ESMA	European Securities and Markets Authority
FDC	Sponsored Access – FIX Drop Copy Interface
FIX	Financial Information eXchange Protocol
FMIA	Financial Market Infrastructure Act
FMIO	Financial Market Infrastructure Ordinance
FTPS	FIX Transactions (Orders) per Second (interface: STI)
IMI	ITCH Market Data Interface

Term/Abbreviation	Explanation
LIS	Large in Scale
LEI	Legal Entity Identifier
MDI	Market Data Interface
MIC	Market Identifier Code
MiFIDII	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MMT	Market Model Typology
MPOB	Mid-Point Order Book: non-displayed order book with the mid-point matching rules offered by the SIX Swiss Exchange at midpoint Service (SwissAtMid).
OBM	On Book Matcher
ORR	Order Reconciliation Report
OTI	OUCH Trading Interface
OTPS	OUCH Transactions (Orders) per Second (interface: OTI)
PBBO	Primary Best Bid and Offer in the displayed book of the primary exchange.
QDM	Quote Driven Market
QPS	Quotes per Second (interface: QTI)
QTI	Quote Trading Interface
RfQ	Request for Quote
RDI	Reference Data Interface
SCAP	SIX Swiss Exchange Common Access Portal
SFI	Sponsored Access File Interface
SIX MDDX	SIX MDDX Multi Dimensional Data fluX™ interface
SLS	SIX Swiss Exchange Liquidnet Service
SMP	Self-Match Prevention
SMR	SWXess Maintenance Release
STI	Standard Trading Interface
SwissAtMid	SIX Swiss Exchange at Midpoint
SWXess	Name of the SIX Swiss Exchange trading platform
TRI	Transaction Reporting Interface
TRR	Trade Reconciliation Report
TTR	Trade and Transaction Reporting

Term/Abbreviation	Explanation
TXR	Transaction Reconciliation Report
UTC	Coordinated Universal Time
XSLS	Market Identifier Code for SIX Swiss Exchange AG - SLS
X-stream INET	Name of NASDAQ OMX platform
XBTR	Bilateral Trading Platform for Structured Products
XQMH	Market Identifier Code for SIX Swiss Exchange AG – Structured Products
XSWM	Market Identifier Code for SIX Swiss Exchange AG - SwissAtMid
XSWX	Market Identifier Code for SIX Swiss Exchange AG
XVTX	Market Identifier Code for SIX Swiss Exchange AG – Blue Chip Shares

1.4 References

Document	Link
SIX Swiss Exchange Messages	http://www.six-swiss-exchange.com/news/sse_messages/2018_en.html
Rule Book	http://www.six-swiss-exchange.com/participants/regulation/rules_regs_en.html
Directives	http://www.six-swiss-exchange.com/participants/regulation/directives_en.html
Guidelines	http://www.six-swiss-exchange.com/participants/regulation/guidelines_en.html
Trading Guides	http://www.six-swiss-exchange.com/participants/trading/trading_guides_en.html
Forms	http://www.six-swiss-exchange.com/participants/participation/forms_en.html
SMR Releases	http://www.six-swiss-exchange.com/participants/participation/smr_en.html
MSC Messages	https://secure.six-swiss-exchange.com/member_section/it/messages.html
Interface Specifications, Manuals and Guides	https://secure.six-swiss-exchange.com/member_section/it/manuals.html
Release Documents	https://secure.six-swiss-exchange.com/member_section/it/release_docs.html
IT FAQ	https://secure.six-swiss-exchange.com/member_section/it/faq.html

1.5   Contacts

Market Operations

If you have business related questions, please do not hesitate to contact Market Operations:

Topic	Team	Phone	E-mail
Participant Configuration Reporting Clearing & Settlement Billing	Member & CRM Services	+41 58 399 2473	member.services@six-group.com
Mistrades and Cancellations Emergency Deletions Suspensions	Exchange Operations	+41 58 399 2475	helpdesk.exc@six-group.com
Instrument Reference Data	Static Data Operations	+41 58 399 2490	zulassung@six-group.com

Local Support Centers

If you have technical questions, please do not hesitate to contact your Local Support Center.

Location	Phone	Fax	E-mail
Geneva	+41 58 399 5642	+41 58 499 5643	lsg@six-group.com
London	+44 207 864 4364	+44 207 864 4333	ls@six-group.com
Zurich	+41 58 399 2400	+41 58 499 2400	lsz@six-group.com

Account Management

Please do not hesitate to contact your Account Manager for specific concern and interest:

Location	Name	Phone	E-mail
Continental Europe & Scandinavia	Martin Schönenberger	+41 58 499 2591	martin.schoenenberger@six-group.com
	Paul Tschirky	+41 58 499 4195	paul.tschirky@six-group.com
UK & Ireland	Tony Shaw	+44 207 864 4335	tony.shaw@six-group.com
	Jennifer Hlad	+44 207 864 4338	jennifer.hlad@six-group.com

Find further contact information on the Contact & Support page of the SIX Swiss Exchange website.

2 Summary and Overview

Please be advised that SIX Swiss Exchange will introduce a new maintenance release of its SWXess trading platform. The SWXess Maintenance Release 7.2 (SMR7.2) is optional for SWXess participants.

SMR7.2 will introduce the following optional changes:

– Introduction of Iceberg orders for Bonds CHF, ETFs and ETPs, Sponsored Funds and Sponsored Foreign Shares on OBM partition 2 (Non-Equities)

– Change of behavior for Normal and Iceberg Plus orders (order inactivation during trading halts and auctions)

– Blocking of unauthorized buy orders in Separate Trading Lines

– Introduction of a closing auction in the Fund Market

– Extension of Self-Match Prevention (SMP) for ETFs, ETPs, Sponsored Funds and Sponsored Foreign Shares

– Tick Size Change for Sponsored Foreign Shares that are listed or admitted to trading outside a European Union (EU) trading venue (Price Steps)

– New Reconciliation report for Transaction Reports

– Amendments in the format of certain attributes of Transaction Reports (CH-style)

– SIX Multi-Dimensional Data fluX™ Interface (SIX MDDX) for Trading Participants

– Automation in ETF Market Making process

– Extension of Party ID List by LEI on the Member Section

– Introduction of a time-limited Liquidity Provider Scheme (LPS) fee promotion for Mid-/Small-Cap Shares

– Additional bandwidth option for Access Points and Proximity Service

– Decommissioning of the SIX Swiss Exchange Liquidnet Service (SLS)

– Usability of the XBTR platform as a primary-market subscription tool

– Relaxation of trader concept in the XBTR service

– Extension of trading hours in the XBTR service

– Bug fixing

! Please note that the changes to the interfaces introduced with SMR7.2 are optional. Nevertheless, the changed behaviour of the SWXess platform may have an impact on your trading applications. **It is therefore strongly recommended that you test your applications during the Member Test phase,** even if you do not intend to use the new enhancements and services.

SMR7.2 has been introduced in the Membertest environment on **20 August 2018**. The Production live date is planned for **15 October 2018**. The contingency date for the Production go-live is 12 November 2018.

3 Functional Changes of SMR7.2

3.1 On Order Book Trading and Trading without pre-trade transparency

3.1.1 Introduction of Iceberg orders for Bonds CHF, ETFs and ETPs, Sponsored Funds and Sponsored Foreign Shares on OBM partition 2 (Non-Equities)

Today the usage of Iceberg orders is limited to Trading Segments of On Book Matcher (OBM) partition 1 (Equities). With SMR7.2 participants will be able to insert Iceberg orders in the Trading Segments below on OBM partition 2 (Non-Equities).

The Iceberg order allows participants to enter the total quantity of a large order whilst having only a small tranche of it displayed to the market. This order type generally promotes liquidity in the order book, whilst also benefiting the participant which entered the Iceberg order by not adversely impacting his execution price.

Iceberg orders supported for...	
Interface	Enabled interfaces for Iceberg orders: • Standard Trading Interface (STI) • OUCH Trading Interface (OTI)
Market Model	Currently enabled Market Model for Iceberg orders: • Central Limit Order Book (CLOB) Newly enabled Market Model for Iceberg orders: • Quote-Driven-Market (QDM)
OBM Partition	Currently enabled OBM Partition for Iceberg orders: • OBM – Partition 1 «Equities» Newly enabled OBM Partition for Iceberg orders • OBM – Partition 2 «Non-Equities»
Trading Segments	Currently enabled Trading Segments for Iceberg orders: • Blue Chip Shares (26) • Mid-/Small-Cap Shares (591) • Secondary Listing Shares (592) • Investment Funds (594) Newly enabled Trading Segments for Iceberg orders: • Bonds – CHF (590) • Bonds – CHF – MD (615) • Bonds – CHF Swiss Confederation (589) • Bonds – CHF Swiss Pfandbriefe (617) • ETF (584) • ETF on bonds of the Swiss Confederation (585) • ETP (588) • Sponsored Foreign Shares (613) • Sponsored Funds (612)

Find below an overview describing the Iceberg order:

Order Attribute	Iceberg over STI	Iceberg over OTI
Order Persistency	Yes No deletion of Iceberg order in case of disconnection	No Iceberg order automatically deleted upon disconnection

Order Attribute	Iceberg over STI	Iceberg over OTI
Side	Buy or Sell	Buy or Sell
Total Quantity	The total quantity of the Iceberg order	The total quantity of the Iceberg order
Visible Quantity	The «Visible Quantity» defined upon order entry applies to the entire Iceberg order. If no value for «Visible Quantity» is defined, the order is submitted to the Exchange as «Normal» order.	The «Visible Quantity» defined upon order entry applies to the entire Iceberg order. If «Visible Quantity» is set to 0, the order is submitted to the exchange as «Normal» order.
Price Type	Limit	Limit
Price	Price per unit of quantity. Price must be on a valid Price Step for the respective security.	Price per unit of quantity. Price must be on a valid Price Step for the respective security.
Minimum Order Value	CHF 10'000 or the equivalent amount for securities which are traded in a foreign trading currency	CHF 10'000 or the equivalent amount for securities which are traded in a foreign trading currency
Time in Force	• Good-for-day • Immediate-or-cancel • Fill-or-kill • At-the-opening • At-the-close • Good-till-date	• Good-for-day • Immediate-or-cancel (Immediate) • Fill-or-kill (Immediate) • At-the-opening (Session at the open) • At-the-close (Session at the close)
Order Entry Periods	• Any Trading Period Iceberg order with Time in Force «Immediate or Cancel» or «Fill or Kill» may only be entered during trading period «Continuous Trading».	• Any Trading Period Iceberg order with Time in Force «Immediate» may only be entered during trading period «Continuous Trading».
Trading Capacity	R – Riskless Principal P – Principal	R – Riskless Principal P – Principal

An Iceberg order is entered into the order book with a total quantity and a visible quantity. Only the visible quantity of the order is displayed in the order book and is thus visible for the market. As soon as the visible quantity is executed another tranche of the predefined visible size of the total order quantity is automatically inserted into the order book until the total order quantity is fully executed, expired or deleted by the participant. Each tranche of the visible quantity of an Iceberg order will receive a new time stamp and as a consequence lose its time priority. The remaining quantity of the Iceberg order can be deleted at any time during the business day.

As a general rule the same Matching Rules apply for Iceberg orders as for Normal orders; details are available in clauses 5, 6 and 7 of Directive 3: Trading. As a basic principle the visible quantity of an Iceberg Order is executed before any further hidden quantity of the Iceberg Order can be executed. After the execution of the visible quantity the next new tranche of the Iceberg order is published in the order book with the specified visible size (top-up) with a new time stamp. This tranche is now visible in the order book and has become executable. If other orders are placed in the order book at the same price level, those orders have higher time priority than the new tranche of the Iceberg order.

With SMR7.1 additional functionality for the randomization of the visible size (top-up) for Iceberg orders was introduced. Find further information about the functionality of Iceberg orders in the Participant Readiness brochure for SMR7.1.

During both Continuous Trading and in an Auction the hidden quantity of an Iceberg order may be executable, if on the opposite side of the order book more liquidity is available than the visible quantity of the Iceberg order. As a consequence after execution of the visible quantity and any other potential orders with a higher price-time priority, the entire hidden quantity of the Iceberg order becomes executable. This means that even if the hidden quantity of the Iceberg order becomes executable it will remain hidden from the order book.

Please note that the entire quantity (hidden and visible quantity) of an Iceberg order is executable during an Auction; as a consequence participants can no longer calculate the Theoretical Opening Price (TOP) themselves. SIX Swiss Exchange will calculate the Theoretical Opening Price (TOP) correctly and distribute it over the interfaces.

Iceberg orders on Trading Segments of OBM partition 2 will be offered via Standard Trading Interface (STI) as well as over the OUCH Trading Interface (OTI). Iceberg orders are not supported for Quotes submitted over the Quote Trading Interface (QTI) by Market Makers or Liquidity Providers.

> Standard Trading Interface (STI) Specification - Orders and Executions (valid for SMR7.2)
>
> Direct Trading Interfaces (DTI) Specification (valid for SMR7.2)

3.1.2 Change of behaviour of Limit Plus and Iceberg Plus orders

With SMR7.1 SIX Swiss Exchange introduced Limit Plus and Iceberg Plus orders. By using the Routing Instruction «SWMB» on Normal and Iceberg orders, participants can place orders in both the «Central Limit Order Book» (CLOB) of SIX Swiss Exchange and at the same time in the order book without pre-trade transparency «SwissAtMid» (MPOB).

Further information about the functionality of Limit and Iceberg Plus orders is available in the Participant Readiness brochure for SMR7.1.

In the current implementation Limit Plus and Iceberg Plus orders are deleted if the order book state changes from Continuous Trading into a non-trading status (Stop Trading, Delay Opening, Non-Opening, Suspension, Closing Auction, Break). Order entry of Limit Plus and Iceberg Plus orders during non-trading periods orders are currently rejected. The automatic rejection/deletion of Limit Plus and Iceberg Plus orders which is currently implemented is reducing the amount of executable orders.

To further attract resting liquidity, with SMR7.2 Limit Plus and Iceberg Plus orders will become inactive in non-trading phases and will automatically be reactivated when the order book resumes Continuous Trading again.

3.1.2.1 Inactivation/Reactivation concept

Instead of being deleted from the order book, Limit Plus and Iceberg Plus orders remain valid but become inactive during a non-trading phase and are automatically reactivated again when the order book changes to Continuous Trading.

Inactivation of a Plus order

- Triggers for an inactivation of Plus orders are:
    - the change of the security into a non-trading phase; or
    - if no best bid or offer (BBO) is available in the CLOB on the respective side (removed resting last limit order).
- No message is sent out via OTI/STI.
- An order deletion message is sent out immediately in the market data via IMI/MDI/MDDX.
- An inactive Plus order is neither visible nor executable in the order book and during all auctions with principle of highest executable volume does not count towards any calculations such as Theoretical Opening price (TOP). As for the Closing Auction, Plus orders are not inactivated but expire before the start of the Closing Auction.

Reactivation of a Plus order

- The triggers for a reactivation of Plus orders are:
    - the trading state change into «Continuous Trading». Technically the reactivation is executed just before the state change to «Continuous Trading» (all necessary order inserts have to be completed before «Continuous Trading» can be resumed); or
    - the BBO in the CLOB during Continuous Trading on the respective side of the order book relevant for dynamic adjustment of the order price is available again.
- A Plus order can only be reactivated if on the respective side of the CLOB a resting order is available. If this is not the case the order remains inactive.

- If the Plus order is reactivated a new orderID is allocated with an order priority update change message via STI and OTI.
- An order addition message is sent out immediately in the market data via IMI/MDI/MDDX.
- When the Plus order is reactivated, it loses its price-time priority compared to resting normal orders present in the order book. The price-time priority of Plus orders which have been inactivated in the same process stays the same after being reactivated.

Please find some matching scenario examples for Inactivation/Reactivation in the Annex of this document.

3.1.2.2 Order Entry, Expiry and Deletion

With the introduction of SMR7.1 Limit Plus and Iceberg Plus orders can only be executed when the Central Limit Order Book of the respective security is in the trading period «Continuous Trading».

With SMR7.2 the order entry for Limit Plus and Iceberg Plus orders is changed due to the new inactivation/reactivation concept. Instead of being deleted from the order book, orders become inactive.

Find below the changed overview (compared to SMR7.1) of the Limit Plus and Iceberg Plus order handling in the various trading states, periods and interruptions:

Type	CLOB State	MPOB State	Handling of orders with Routing instruction «SWMB»
Trading Periods	Pre-Opening	Primary Condition	New order entry with Routing Instruction «SWMB» accepted and order becomes inactive until the state changes to Continuous Trading. Reactivation of order is depending on conditions (see section 3.1.2.1). No open orders with Routing Instruction «SWMB» in the books from previous trading day because only validity «Good for Day» is supported.
	Opening		
	Continuous Trading	Continuous Trading	Order entry and maintenance of Routing Instruction «SWMB» possible. Former inactive Plus orders are reactivated and integrated into order book if conditions are met (see section 3.1.2.1). If maximum number of orders with Routing Instruction «SWMB» is reached, new order entry rejected with reason 'R' (order is not allowed at this time).
	End of Trading (with or without Closing Auction)	Post-Trading	New order entry with Routing Instruction «SWMB» rejected with reason 'R' (order is not allowed at this time). Open orders with Routing Instruction «SWMB» are expired with reason 'T' (Timeout. Session/day order got expired).
	Post-Trading	Post-Trading	New order entry with Routing Instruction «SWMB» rejected with reason 'R' (order is not allowed at this time). No open orders with Routing Instruction «SWMB» in the books from trading day because only validity «Good for Day» is supported.
Trading States	Suspension	Primary Condition	New order entry with Routing Instruction «SWMB» accepted and order
	Underlying Condition	Primary Condition	

Type	CLOB State	MPOB State	Handling of orders with Routing instruction «SWMB»
	Break	Primary Condition	becomes inactive until the state changes to Continuous Trading. Reactivation of order is depending on conditions (see section 3.1.2.1). Open orders with Routing Instruction «SWMB» become inactive and are reactivated when state changes to Continuous Trading.
	Active	MPOB Suspension	Order entry and maintenance of Routing Instruction «SWMB» possible. Executions possible only in CLOB.
Trading Interruptions	Stop Trading (Regular and Avalanche)	Primary Condition	New order entry with Routing Instruction «SWMB» accepted and order becomes inactive until the state changes to Continuous Trading. Reactivation of order is depending on conditions (see section 3.1.2.1). Open orders with Routing Instruction «SWMB» become inactive and are reactivated when state changes to Continuous Trading.
	Delay Opening	Primary Condition	
	Non-Opening	Primary Condition	
	Active	MPOB Stop Trading	Order entry and maintenance of Routing Instruction «SWMB» possible. Executions possible only in CLOB.

Whenever an order with Routing Instruction «SWMB» is deleted or expired, the order is removed from both books at the same time. It is not possible to delete or amend Limit Plus and Iceberg Plus orders only in CLOB or MPOB.

Plus orders can be modified and deleted at any time during the business day regardless of whether they are inactive or active.

3.1.2.3 Overview of further topics due to the changed behaviour

Find below a table describing the impact on further topics in combination with the changed behaviour for Limit Plus and Iceberg Plus orders:

Topic	Changed behaviour with SMR7.2	Unchanged behaviour (similar to SMR7.1)
Order Persistency	In the event of an intraday recovery, orders are persisted. STI Plus orders become inactive (no silent deletion of such Plus orders anymore). The processing of OTI Plus orders does not change, they will be deleted.	-
Behaviour in connection with BBO (Best Bid and Offer)	Plus orders with Routing Instruction «SWMB» become inactive from CLOB and MPOB if no BBO is available in the CLOB on the respective side, for dynamic adjustment of the order price. That means, when the last limit order in the CLOB – on either side – is removed from the CLOB or a Plus order is entered and on the respective side of the CLOB no resting order is available, the order with Routing Instruction «SWMB» will become inactive. The order is reactivated if conditions are met (see section 3.1.2.1).	-
Side Limitation	-	The number of orders with Routing Instruction «SWMB» is still limited to 200 per security and side.
Validity	-	Only the validity «Good for Day» is supported. Orders with Routing Instruction

Topic	Changed behaviour with SMR7.2	Unchanged behaviour (similar to SMR7.1)
		«SWMB» with not supported validities are rejected.
Price Type	-	Only the price type «Limit»is supported. Market orders with Routing Incstruction «SWMB» are rejected.
Emergency Deletions	-	In the event of an emergency deletion in either of the two books or in both books, orders with Routing Instruction «SWMB» are always deleted from both books, the CLOB and MPOB. This is also the case for inactive orders.
Dynamic adjustment of price in CLOB	-	Limit Plus and Iceberg Plus support the functionality that SIX Swiss Exchange dynamically adjusts the order price according to the Best Bid Offer (BBO) ensuring that the global limit of the order as defined by the participants is never breached. The price/time priority in the CLOB in the event that the price of a Limit Plus and Iceberg Plus order is dynamically adjusted to the BBO of the CLOB.
Randomization of visible size in Iceberg Plus orders	-	Participants can request SIX Swiss Exchange to randomize the specified visible quantity (top-up size) for their Iceberg Plus orders
Behaviour of Sweep orders entered in Trading Segments which are not enabled for SwissAtMid	-	Limit Plus orders are accepted and will be placed directly in the Central Limit Order Book (CLOB) as Normal orders. Iceberg Plus orders are also accepted and directly placed in CLOB if Iceberg is enabled for corresponding Trading Segment. If not, order is rejected.
Minimum Execution Quantity (MEQ)	-	For Limit Plus orders the MEQ is optional. For Iceberg Plus orders the Secondary Quantity field defines both MinExQ and VisibleQ in one value. Because for Iceberg Plus orders the Visible Quantity is mandatory the MEQ is implicitly also mandatory. Note that the Minimum Execution Quantity (MEQ) will only be applicable for executions in SwissAtMid. In case of Sweep orders, the Minimum Execution Quantity will be ignored in the Central Limit Order Book (CLOB).

Standard Trading Interface (STI) Specification Orders and Executions (valid for SMR7.2)

Direct Trading Interfaces (DTI) Specification (valid for SMR7.2)

3.1.3 Blocking of unauthorized buy orders in Separate Trading Lines

According to Annex A of Directive 3: Trading; the Exchange distinguishes between the following three types of Separate Trading Lines:

Type	Purpose
Buyback of own equity securities	Capital reduction
Public Tender offer for cash	Acquisition of company
Public exchange offer	Replacement offer from company A for shares from company B

From a regulatory point of view buy side orders in buyback Separate Trading Lines may only be entered by the responsible trading participant nominated by the issuer. Up to date, all trading participants have been able to enter buy orders in such buyback securities. With SMR7.2 the regulatory restriction will be technically enforced with an additional validation.

Characteristics of different Separate Trading Lines

Type	Clearing Settlement Segment	Reporting Segment	Buyback orders only allowed for authorized participants
Buyback of own equity securities	Manually (SHMA)	Not allowed	Yes
Public Tender offer for cash	Not cleared (SHNC)	Mandatory On- or Off-Exchange	No
Public exchange offer	Not cleared (SHNC)	Mandatory On- or Off-Exchange	No

Due to the enforced validation there is no behavioural change in regards to the Matching Rules.

> **!** The consequence of the new behaviour for blocking unauthorized buy orders in Separate Trading Lines is that the responsible participant for the buyback can only send their buy side orders via OTI. Buyback of Separate Trading Lines by the responsible participant is not supported via STI anymore.

3.1.4 Introduction of a Closing Auction in the Fund Market

SIX Swiss Exchange will introduce a Closing Auction in the Fund Market in the Trading Segments listed below as a new service. These Trading Segments will also support orders with validity «at-the-close»:

Closing Auction and orders with validity «at the close» introduced for…

OBM Partition	• OBM – Partition 2 «Non-Equities»
Trading Segments	• ETF (584) • ETP (588) • Sponsored Funds (612)
Closing Auction Times	• 17:30 – 17:35 CET (2 Minutes Random Time)

3.1.5 Extension of Self-Match Prevention (SMP) for Exchange Traded Funds (ETFs), Exchange Traded Products (ETPs), Sponsored Funds (SF) and Sponsored Foreign Shares (SFS)

Today Self-Match Prevention (SMP) is limited to Trading Segments of On Book Matcher (OBM) partition 1 (Equities). With SMR7.2 SIX Swiss Exchange extends the service «Self-Match Prevention» for On Exchange – On Order Book trading to the Trading Segments below on OBM partition 2 (Non-Equities).

Self-Match Prevention supported for…

Trading Interface(s)	Currently enabled interfaces for SMP: • Standard Trading Interface (STI)

Self-Match Prevention supported for...	
	• OUCH Trading Interface (OTI) Newly enabled interface for SMP: • Quote Trading Interface (QTI)
Market Model	Currently enabled market model for SMP: • Central Limit Order Book (CLOB) Newly enabled interface for SMP: • Quote-Driven-Market (QDM)
OBM Partition	Currently enabled Partition for SMP: • OBM – Partition 1 «Equities» Newly enabled Partition for SMP: • OBM – Partition 2 «Non-Equities»
Trading Segments	Currently enabled trading segments for SMP: • Blue Chip Shares (26) • Mid-/Small-Cap Shares (591) Newly enabled trading segments for SMP: • ETF (584) • ETF on bonds of the Swiss Confederation (585) • ETP (588) • Sponsored Funds (612) • Sponsored Foreign Shares (613)
Order Types	Currently enabled orders for SMP: • Normal Orders • Iceberg Orders Newly enabled orders for SMP: • Quotes • Limit Plus Orders • Iceberg Plus Orders

Participants who are newly interested in using the «Self-Match Prevention» offering are kindly invited to request the configuration by submitting the PartyID and SenderCompID Configuration Form to Member & CRM Services (member.services@six-group.com).

Further detailed information about the functionality Self-Match Prevention (SMP) may be found in the Participant Readiness brochure for SMR5.1.

> **!** Self-Match Prevention can be defined on Party ID level. Participants who have already enabled Self-Match Prevention for the trading segments of OBM Partition 1 will automatically also be enabled for the additional Trading Segments on OBM Partition 2.

3.1.6 Tick Size Change for Sponsored Foreign Shares that are listed or admitted to trading outside a European Union (EU) trading venue (Price Step)

SIX Swiss Exchange will apply a new tick size regime to Sponsored Foreign Shares that are listed or admitted to trading **outside** a European Union (EU) trading venue.

Currently, equity securities in the Trading Segment «Sponsored Foreign Shares» that are listed or admitted to trading **outside** a European Union (EU) trading venue and are also admitted to trading on SIX Swiss Exchange the price steps of Liquidity Band A of Annex D Directive 3:Trading apply as follows:

Min Unit Price	Max Unit Price	Tick Size Amount
0	0.10	0.0005

Min Unit Price	Max Unit Price	Tick Size Amount
0.10	0.20	0.001
0.20	0.50	0.002
0.50	1	0.005
1	2	0.01
2	5	0.02
5	10	0.05
10	20	0.10
20	50	0.20
50	100	0.50
100	200	1
200	500	2
500	1000	5
1000	2000	10
2000	5000	20
5000	10000	50
10000	20000	100
20000	50000	200
50000	999999999.999999	500

With SMR7.2 for these securities in the Trading Segment «Sponsored Foreing Shares» that are listed or admitted to trading **outside** a European Union (EU) trading venue and are also admitted to trading on SIX Swiss Exchange the following tick sizes will apply (depending on the order price and independently from the trading currency):

Min Unit Price	Max Unit Price	Tick Size Amount
0.00	1.00	0.001
1.00	999999999.999999	0.01

> ! Plese note that the the new tick size regime does not apply to equity securities from the Trading Segment «Secondary Listing Shares».
>
> Equity securities in the Trading Segment «Sponsored Foreing Shares» that **are listed or admitted to trading on a European Union (EU)** trading venue and are also admitted to trading on SIX Swiss Exchange are allocated to price steps on the basis of the average number of trades (ANT), as calculated and published by the European Securities and Markets Authority (ESMA). The tick size tables according to Annex D Directive 3:Trading apply.

The tick size change affects the reference data but does not require any technical or behavioural change in the SWXess platform and its respective interfaces.

📖 Reference Data Interface (RDI) Specification (valid for SMR7.2)

Trading Guide SIX Swiss Exchange (will be updated for SMR7.2)

3.2 Transaction Reporting

3.2.1 Reconciliation Report for Transaction Reports (TXR)

With SMR7.2 a new, optional Transaction Reconciliation Report (TXR) allows participants as well as Reporting Members to reconcile their Transaction Reports in a more convenient fashion.

The aim is the creation of a consolidated view of all types of Transaction Reports independent of their submission origin (CH style, EU style, via Approved Reporting Mechanism) using a single format.

Attribute	Description
File Format	Flat text-file Zipped
File Content	Latest available details of all transactions reports with the status «new», «cancel» or «reverse» for the given date of type EU style and CH style created by or submitted on-behalf of a given legal entity. The list is consolidated on legal entity level. It also includes the automatic produced Transaction Reports by SIX on behalf of securities dealers.
File Download	• Automatically via curl from the Member Section • Manually via the Reporting Application (GUI)
File Size	Up to 200'000 Transactions per file
File availability	Twice a day (Start time of generation 18:15 & 22:15 CET) Last possible download: 23:45 CET

Given its sensitive nature the Beneficial Owner data will not be included in the report.

Due to the introduction of the new Transaction Reconciliation Report (TXR) the GUI functionality to «View Transaction Reports» in the Reporting Tool will be removed.

Participants and Reporting Members interested in using the new Transaction Reconciliation Report (TXR) can configure the access themselves in the Member Section. The respective master user of the Member Section Account can configure the new access right «View transaction reconciliation reports» and grant access to his users.

📖   [Participant Transaction Reconciliation Report Specification](#) (new for SMR7.2)

3.2.2 Amendments in the format of Transaction Reports (CH-style)

With SMR7 the duty to separately submit Transaction Reports to the Reporting Office was introduced. To better suit the data and work flows of our participants, changes in the file format will be made with SMR7.2. In addition the Beneficial Owner Type will be extended with an additional enumerator.

3.2.2.1 Format Change

The following field lengths are going to be enlarged:

Impacted fields	SMR7	SMR7.2
TxReportID	String-32	String-52
TxGroupID	String-35	String-52
EnteringFirmSecondaryClOrdID	String-16	String-52

As SMR7.2 is not a mandatory release, securities dealers not wishing to take advantage of the extended field lengths can still use the shorter values. The format change neither has an impact on EU-style reporting nor on the automatic generated Transaction Reports by SIX Swiss Exchange on behalf of securities dealers.

Page 18
SWXess Maintenance Release 7.2 (SMR7.2)   SSX-SMR7.2-READY-/E
Participant Readiness (Version 3.00)   Version 3.00, 19.09.2018

3.2.2.2 Beneficial Owner

The following additional Beneficial Owner Type will be available with SMR7.2:

Beneficial Owner Type	Description	Validity
M – Mixed group of natural and juridical persons	Groups including at least one example of both juridical and natural persons.	new

> ⚠️ Please note that as of 1 October 2018 the Beneficial Owner Type «I – Incomplete» will not be supported anymore. Therefore the Beneficial Owner information needs to be provided in every new Transaction Report if the EnteringFirmOderCapacity=R.

📖 [Transaction Reporting Interface Specification (TRI – CH Style)](#) (valid for SMR7.2)

3.3 Market Data

3.3.1 SIX Multi-Dimensional Data fluX™ Interface (SIX MDDX) for Trading Participants

With SMR7 SIX Swiss Exchange introduced the new SIX Multi-Dimensional Data fluX™ interface (SIX MDDX) for data vendors only. As a preparation for the migration from the Market Data Interface (MDI) to SIX MDDX in 2019, the SIX MDDX interface will be rolled-out to trading participants. With SMR7.2 all participants who are able to receive market data via MDI will be enabled for SIX MDDX. This means that all participants which are able to receive market data via MDI now will have the possibility to subscribe to the new SIX MDDX multicast channels as well.

Participants wishing to use the SIX MDDX interface with SMR7.2 are requested to contact their Local Support Center.

📖 [SIX MDDX Specification](#) (valid for SMR7.2)

3.4 Reference Data

3.4.1 Automation in ETF market making process

With SMR7.2 the Member Section of SIX Swiss Exchange will be enhanced to facilitate maintenance of the market making process for Exchange Traded Funds (ETFs & ETPs). It will be possible for existing market makers to:

- extend market making to ETFs & ETPs listed on SIX Swiss Exchangeremove ETFs & ETPs from existing market making obligations
- move products among QP users of the same Legal Entity

The current process to add ETFs that are to be listed on SIX Swiss Exchange to the market making obligations as well as to remove products to be delisted is not affected by this change. All participants active in the market making of ETFs & ETPsproduct segments will be provided with more detailed information about the future, voluntary process.

Further information is posted on the following webpage :
https://www.six-swiss-exchange.com/participants/trading/etf_funds/market_making_en.html.

3.4.2 Extension of Party ID List by LEI on the Member Section

With SMR7.2 an additional attribute will be provided on the Party ID List on the Member Section.

Additional attribute on the Party ID List		
Attribute	**Description**	**Format**
LEI	Legal Entity Identifier	String-20

The LEI information will be available under the item «Trading Member IDs» and can also be downloaded via CSV file or shown in Excel. The additional field will be incorporated with the Migration into Production.

3.4.3 Reference Data Interface (RDI)

In relation to all functional changes introduced with SMR7.2., the following changes have been made to the Reference Data Interface (RDI):

- Removal of SLS attributes due to the decommissioning of the SLS service
- Introduction of the new MDDXChannel and TradedInstrumentMDDXChannel for the new MDS Plus market data system

📖   [Reference Data Interface (RDI) Specification](#) (valid for SMR7.2)

3.5   Billing

3.5.1 Introduction of a time-limited Liquidity Provider Scheme (LPS) fee promotion for Mid-/Small-Cap Shares

With SMR7.2 a new time-limited Liquidity Provider Scheme (LPS) trading tariff fee promotion for on order book trades in Mid-/Small-Cap Shares («LPS CLOB for Mid-/Small-Cap») will be introduced. The new fee promotion is optional and allows trading participants to benefit from reduced trading fees provided they comply with specific criteria for improving order book quality in the Central Limit Order Book in Mid-/Small Cap Shares.

The LPS Mid-/Small-Cap Shares promotion will be valid from 1 November 2018 for a six months period until 30 April 2019.

The «LPS CLOB for Mid-/Small-Cap» tariff covers all trades «on exchange – on order book» that were executed during Continuous Trading in eligible and nominated securities of the trading segment Mid-/Small-Cap Shares under a single or multiple nominated participant identification(s) (Party ID) which are labelled as «Principal» or «Riskless Principal».

The prerequisite for the applicability of the «LPS CLOB for Mid-/Small-Cap» tariff is the monthly cumulative achievement of the requirements concerning average presence time, minimum combined order size and minimum spread in the nominated securities by the participant.

Find further information about the scope, requirements and conditions of the «LPS CLOB for Mid-/Small-Cap» fee promotion in the fact sheet published under the following link on the website of SIX Swiss Exchange: https://www.six-group.com/exchanges/participants/regulation/guidelines_en.html

Participants interested in participating in the «LPS CLOB for Mid-/Small-Cap» fee promotion, may request a form from Member & CRM Services (member.services@six-group.com / +41 58 399 2473) and return it signed and completed including the nominated securities list to SIX Swiss Exchange at least three business days prior to the start of the relevant month. Participation in the «LPS CLOB for Mid-/Small-Cap» fee promotion and changing the nominated securities is possible at the beginning of any month during the six months fee promotion period.

Should you have any questions about the new LPS tariff or if you require further information, please contact your contact person in Trading Sales & Management. They will be pleased to advise you.

3.5.2 Additional bandwidth for Access Points and Proximity Service

Today, SCAP connectivity via SIX Managed Proximity Service, London Access Point and Frankfurt Access Point are shaped with a standard bandwidth of 50 Mbps. With SMR7.2, shapers of 50 Mbps and 100 Mbps will be possible. Dependent on participant's need a higher bandwidth of 100 Mbps can be chosen.

Please find below an overview of the new connectivity coffering for Access Points and Proximity Service including the pricing:

Connectivity Option	Bandwidth	Access Fee p.m. (CHF)
Proximity Service	up to 50 Mbps	CHF 2'750
	up to 100 Mbps (new)	CHF 3'050
Access Point abroad	up to 50 Mbps	CHF 2'650
	up to 100 Mbps (new)	CHF 2'950

Participants wishing to increase the bandwidth with SMR7.2 are requested to contact their Local Support Center.

3.6 Other Service Offerings

3.6.1 Sponsored Access

The SIX Swiss Exchange Sponsored Access Service is not affected by SMR7.2. The deactivated Plus orders (see section 3.1.2) will be visible in RiskXposure GUI at entry time. No follow up messages will be sent when these Limit Plus and Iceberg Plus orders change their status (inactiveactive).

3.6.2 SIX Swiss Exchange Liquidnet Service (SLS)

In SIX Swiss Exchange message no 23/2018, SIX Swiss Exchange informed Participants about the decommissioning of the SLS service as of 15 October 2018.

The service will be terminated as of 20 August 2018 in the Membertest environment and subsequently on 15 October 2018 in the Production enviornment.

The termination is divided in two main phases:

Phase Ia	Phase Ib	Phase II
15.10.2018	31.10.2018	Future mandatory release
SLS service termination	SLS service termination	SLS clean up
• Delisting of SLS traded instruments with last trading date 12.10.2018 for all pan-european shares • Member Section: Removal of reference data files and other specific SLS reports • Public website: Update of documents • Changes in regulations such as Rule Book, Directives and Guidelines	• Removal of CSSI's related to the SLS markets • Delisting of remaining SLS traded instruments (Swiss shares) with last trading date 31.10.2018	Decomissioning of SLS specific source code e.g. Removal of LN as routing instruction (including update of SWXess Interface Specifications)

SLS orders can only be submitted with validity «Good-for-day». As a consequence all open SLS orders will expire at enter Post-Trading on the last day of the service. After closure of the SLS service new orders with routing instruction «LN» will be rejected by SIX Swiss Exchange with reason «Destination not available».

The SLS specific Reference Data files will be removed from the Member Section during the respective Membertest and Production migrations.

Due to the termination of the service, the Clearing & Settlement Standing Instructions (CSSIs) related to the SLS Markets will be deleted. SIX Swiss Exchange will remove them automatically and participants do not need to take any further action.

> **!** Independently of the SMR7.2 rollout schedule the decommissioning of the SIX Swiss Exchange Liquidnet Service will take place on 15 October 2018.

3.6.3 Bilateral Trading Platform for Structured Products (XBTR)

3.6.3.1 Usability of the XBTR platform as a primary-market subscription tool

To increase the efficient execution of subscriptions in structured products a new shortened RfQ process will be introduced with SMR7.2 to the XBTR platform. This functionality allows the buy-side participants to place an executable good-till-date subscription request (limit/market) only visible to the receiver/ issuer of the product. At the latest at the end of the subscription period, the issuer will confirm the price and other indicative terms and execute the pending request. The resulting trade is then routed to the exchange's automated post-trade processing.

In order to best leverage the new functionality the issuers are requested to upload indicative termsheets to IBT at the beginning of the subscription period. The indicative terms are then distributed via VDF to the buy-side participants which - in order to set up the products intraday in their systems - shall assure that they consume intraday updates e.g. via the VDF Pulse service of SIX Financial Information. In addition, buy-side participants may benefit from a new free-text attribute indicating a reference of their client to the issuer.

The shortened RfQ process can also be used for secondary market transactions.

3.6.3.2 Relaxation of trader concept

In addition to registered SSX traders, with SMR7.2 any person authorized by the participant (identified by first- and last name) is allowed to trade on XBTR. This applies to both, the «Bilateral Trading GUI» as well as the transactional interface (STI – Bilateral trading). Such a person can be authorized by the participant's master user in the Member Section of the exchange website. This change allows participants to deploy XBTR within their existing processes and organization for OTC trading and post-trade processing.

3.6.3.3 Extension of trading hours

With SMR7.2 SIX Swiss Exchange as operator of the XBTR service will extend the trading hours:

Trading hours XBTR	Old	New
Start of Trading	08:00 CET (CEST)	06:30 CET (CEST)
End of Trading	18:00 CET (CEST)	21:30 CET (CEST)

Therefore trading participants are able to exchange messages and enter valuation prices between 06:30 CET (CEST) and 21:30 CET (CEST). As a consequence the valuation price file over the last 5 business days will be available for download in the Member Section each business day from 22:00 CET (CEST).

4 Technical Changes

4.1 SWXess Interface Changes

The functional changes introduced with SWXess Maintenance Release 7.2 (SMR7.2) are optional for the SWXess interfaces and do not require mandatory adjustments to Participants' own applications, interfaces and processes.

> **!** Please note that the changes to the interfaces introduced with SMR7.2 are optional. Nevertheless, the changed behavior of the SWXess platform may have an impact on your trading applications. **It is therefore strongly recommended that you test your applications during the Member Test phase,** even if the usage of the new functionality is not intended.

Please find below a graphical overview of the technically-affected SWXess interfaces:
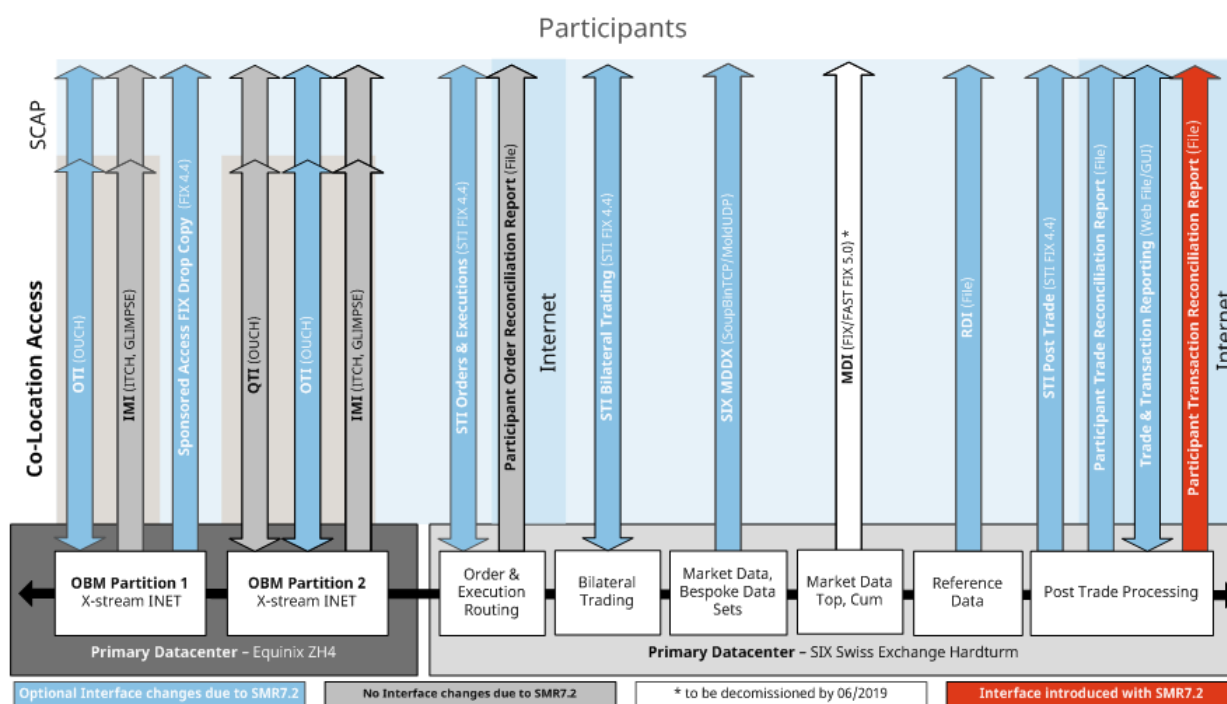
Please find all relevant technical information related to SWXess Maintenance Release 7.2, including required documents and artefacts, configuration changes, migration plan as well as testing activities in the Release Notes for SMR7.2 and on the Member Section of SIX Swiss Exchange.

> 📖 Release Notes for SMR7.2

All relevant SWXess Specifications, Manuals and other artefacts can be downloaded from the Member Section of SIX Swiss Exchange:

Document	Link
MSC Messages	https://secure.six-swiss-exchange.com/member_section/it/messages.html
Release Documents	https://secure.six-swiss-exchange.com/member_section/it/release_docs.html
Manuals	https://secure.six-swiss-exchange.com/member_section/it/manuals.html
Configuration	https://secure.six-swiss-exchange.com/member_section/swxess_public/normal.html

5 Regulatory Changes

5.1 Overview

The functional changes introduced with SMR7.2 also necessitate changes to the rules and regulations. The following Rules, Directives and Guidelines are affected in this respect and have been amended accordingly:

- Rule Book of SIX Swiss Exchange AG
- Directives of SIX Swiss Exchange AG
    - Directive 2: Technical Connectivity
    - Directive 3: Trading
    - Directive 5: Trading without Pre-Trade Transparency
- Guidelines of SIX Swiss Exchange AG
    - Trading Parameters
    - List of Trading Charges
- Guides of SIX Swiss Exchange AG
    - Trading Guides

5.2 Trading Regulations

The amended trading regulations for SMR7.2 enter into force on **15 October 2018** and are now published under the following links on the SIX Swiss Exchange website:

Document	Link
Rules	http://www.six-swiss-exchange.com/participants/regulation/rules_regs_en.html
Directives	http://www.six-swiss-exchange.com/participants/regulation/directives_en.html
Guidelines	http://www.six-swiss-exchange.com/participants/regulation/guidelines_en.html

The following table contains a detailed overview of the amendments to the Rules, Directives and Guidelines as of 15 October 2018:

Document	Type of change	Reference	Title
Rule Book	Change	Clause 11.2 para. 1	On-exchange trading without pre-trade transparency
	Deletion	Clause 14.1 para. 3	Execution of trades
	Deletion	Clause 16 para. 2	Trades involving a central counterparty
	New	Clause 19 para. 17	Revision
Directive 2: Technical Connectivity	Change	Clause 6.2.3 para. 1	SIX MDDX Multi-Dimensional Data fluX™ Interface (SIX MDDX)
Directive 3: Trading	Change	Clause 5.1.3 para. 1 lit. a)	Order specification – Participant identification
	Change	Clause 5.1.3 para. 1 lit. i)	Order specification – Routing Instruction «SWMB»
	Change	Clause 5.2.2 para. 1 lit. a)	Quote specification – Participant identification
	Change	Clause 8 para. 4	Continuous trading

Document	Type of change	Reference	Title
	Change	Clause 17 para. 2 lit. b)	Trade reports
	Change	Clause 18.2 para. 2	One-sided Trade Report
	Change	Annex A – Clause 2.1 para. 3	Separate Trading Lines – Trading
Directive 5: Trading without Pre-Trade Transparency	Change	Clause 1	Purpose and principle
	Deletion	Section I	Common Provisions
	Change	Section II - Clause 10 ff. (sequence and numbering)	SIX Swiss Exchange at Midpoint (SwissAtMid)
	Change	Clause 4.4 para. 3 and 4	Order book without pre-trade transparency
	Change	Clause 4.6 para. 1	Order types
	Change	Clause 4.7 para. 1 lit. a)	Order specification – Participant identification
	Change	Clause 4.7 para. 1 lit. g)	Order specification – Validity
	Deletion	Clause 4.7 para. 1 lit. i)	Order specification – Primary Reference Market
	Change	Clause 4.7 para. 1 lit. i)	Order specification – Routing Instruction «SWMB»
	Deletion	Clause 4.7 para. 1 lit. i)	Order specification – Routing Instruction «LN»
	Deletion	Section III – Clause 10 ff.	SIX Swiss Exchange Liquidnet Service (SLS)
Guideline List of Trading Charges	Change	Clause 7.4.3 para. 4 lit b)	Commitment levels
	Deletion	Annex K – Clause 2	Fees for on-exchange trading without pre-trade transparency - SIX Swiss Exchange Liquidnet Service (SLS)
	Change	Annex L – Clause 2	Access Fee - Direct connection via Proximity Service
	Change	Annex L – Clause 4	Access Fee - Direct connection via an Access Point abroad
Guideline Trading Parameters	Change	Annex D – Clause 2	Sponsored Foreign Shares - Market model and order types
	Change	Annex D – Clause 6.1	Sponsored Foreign Shares - Price steps
	Change	Annex H – Clause 1	Exchange Traded Funds (ETF) - Trading periods and times
	Change	Annex H – Clause 2	Exchange Traded Funds (ETF) - Market model and order types
	Change	Annex J – Clause 1	Sponsored Funds - Trading periods and times
	Change	Annex H – Clause 2	Sponsored Funds - Market model and order types
	Change	Annex K – Clause 2	Bonds – CHF Swiss Confederation - Market model and order types

Document	Type of change	Reference	Title
	Change	Annex L – Clause 2	Bonds – CHF Swiss Pfandbriefe - Market model and order types
	Change	Annex M – Clause 2	Bonds – CHF - Market model and order types
	Change	Annex P – Clause 1	Exchange Traded Products (ETP) - Trading periods and times
	Change	Annex P – Clause 2	Exchange Traded Products (ETP) - Market model and order types

A detailed list of the adjustments to the trading regulations can also be found under the following link on the SIX Swiss Exchange website:

http://www.six-swiss-exchange.com/participants/regulation/revisions/rule_book_en.html

5.3 Trading Guides

The Trading Guides have also been revised in connection with the introduction of SMR7.2. The versions effective 15 October 2018 are now available on the website of SIX Swiss Exchange at the following link:

http://www.six-swiss-exchange.com/participants/regulation/trading_guides_en.html

6 Migration

The upgrade to SWXess Maintenance Release 7.2 (SMR7.2) requires the migration of transactional as well as participant and instrument reference data. In addition the migration to SMR7.2 requires configuration changes. SIX Swiss Exchange will ensure that the technical and business upgrade and migration impact on Participants, ISVs and ASPs is as minimal as possible.

6.1 Business Migration

6.1.1 Transactional Data

6.1.1.1 Orders

All order books will be migrated to SMR7.2 by SIX Swiss Exchange.

Impact of additional validation in Separate Trading Lines on open orders

Due to the additional validation in Separate Trading Lines with type buyback unauthorized good-till-date buy orders are not valid anymore. SIX Swiss Exchange will perform emergency deletions for all unauthorized open Good-Till-date orders starting 18:30 CET on the business day before the migration to SMR7.2. Participants will receive an Execution Report (OrderStatus=Cancelled and Text=1:Emergency) for orders removed by such emergency deletions. Any good-till-date orders entered after 19:00 CET before the migration will not be migrated to SMR7.2 and be silently dropped without an Execution Report.

Impact of tick size change on open orders

In the course of the migration of the instruments to the new tick size, SIX Swiss Exchange will not principally delete all open orders from the order books. Only individual open orders which do not conform to the new tick size of the instrument will be deleted from the order books. An order is deemed not to be conforming if the minimum old tick size cannot be divided by the new minimum tick size (Example: old minimum tick size is 0.0005 / new minimum tick size is 0.001).

On 15 October 2018 (first trading day after SMR7.2 Production migration), at start of business day at 06:00 CEST, all «good-till-date» orders which do not conform with the new tick size table of the respective instrument will be deleted from the order books by SIX Swiss Exchange. No explicit execution report confirming the deletion will be sent via the Standard Trading Interface (STI); the deleted orders will no longer be included in the «morning» order snapshot. Participants are responsible for entering the corresponding orders with a valid tick size into the order books by the start of trading on 15 October 2018.

Impact of SLS decommissioning on open orders

SLS orders can only be submitted with validity «Good-for-day». As a consequence all open SLS orders will expire at enter Post-Trading on the last day of the service. After closure of the SLS service new orders with routing instruction «LN» will be rejected by SIX Swiss Exchange with reason «Destination not available».

6.1.1.2 On- and Off Order Book Trades

The On Order Book and Off Order Book trades will be migrated to SMR7.2 and therefore no post-trade processing restrictions apply. On Monday after the migration it is possible to correct and cancel On- and Off Order Book trades which were executed or reported on Friday before the migration.

Unmatched two-sided trade reports from before the migration will match against two-sided trade report legs entered after the migration. The same behaviour applies to Delivery Reports.

6.1.1.3 Deferred Publication of Off Order Book Trades and Off Exchange Trades

Off Order Book and Off Exchange trades which have been reported before the migration and are subject to delayed publication according to Annex C: Delayed Publication of Directive 3: Trading will be published via Market Data Interfaces as normal after the migration to SMR7.2 if applicable.

6.1.1.4 Transaction Reports

The Transaction Reports will be migrated to SMR7.2 and therefore no post-trade processing restrictions apply.

6.1.2 Instrument and Segment Reference Data

Any configuration changes of security and segment reference data are transparent to the Participants and will be transmitted via Reference Data Interface (RDI).

6.1.2.1 Instrument Reference Data

Price Step Group

The following new Price Step Group will be set up:

Code	Description	Significant Price Decimals
FS	Sponsored Foreign Shares Non-EU	3

Migration of tick sizes

The migration to the new tick sizes in non-EU Sponsored Foreign Shares will only be done during the Production migration and will take place on 12 October 2018 after end of trading and will be effective from 15 October 2018 (first trading day after SMR7.2 Production migration). Participants will receive the final allocation of the instruments to the respective price step group (tick sizes) on 12 October 2018 in the «TradedInstrument.txt» file provided via the Reference Data Interface (RDI). The price step groups (tick sizes tables) are also available via the «PriceStep.txt» file of the Reference Data Interface (RDI).

Decommissioning of SLS service

SLS Traded Instruments will be delisted with last trading date 12.10.2018.

6.1.2.2 Segment Reference Data

Iceberg Order

For the following Trading Segments Iceberg orders will be enabled:

Trading Segment ID	Trading Segment Description	Iceberg supported
584	ETF	TRUE
585	ETF on bonds of the Swiss Confederation	TRUE
588	ETP	TRUE
589	Bonds - CHF Swiss Confederation	TRUE
590	Bonds - CHF	TRUE
612	Sponsored Funds	TRUE
613	Sponsored Foreign Shares	TRUE
615	Bonds – CHF – MD	TRUE
617	Bonds - CHF Swiss Pfandbriefe	TRUE

Self-Match Prevention

The following Trading Segments will be configured to support Self-Match Prevention:

Trading Segment ID	Trading Segment Description	Self-Match Prevention enabled
584	ETF	TRUE
585	ETF on bonds of the Swiss Confederation	TRUE

Trading Segment ID	Trading Segment Description	Self-Match Prevention enabled
588	ETP	TRUE
612	Sponsored Funds	TRUE
613	Sponsored Foreign Shares	TRUE

Closing Auction

The following Closing Auctions will be configured:

Trading Segment ID	Trading Segment Description	Test schedule	Prod schedule	Random Closing time	At-the-Close validity enabled
584	ETF	22:20 – 22:30	17:30 – 17:35	2 min	TRUE
588	ETP	22:20 – 22:30	17:30 – 17:35	2 min	TRUE
612	Sponsored Funds	22:20 – 22:30	17:30 – 17:35	2 min	TRUE

XBTR

The following Trading hours time configuration for the XBTR market will apply:

Changed Trading hours in Membertest			
Start of Trading old	Start of Trading new	End of Trading old	End of Trading new
08:00:00	06:00:00	22:00:00	22:00:00

Changed Trading hours in Production			
Start of Trading old	Start of Trading new	End of Trading old	End of Trading new
08:00:00	06:30:00	18:00:00	21:30:00

The configuration of the changes mentioned in 6.1.2.2 will be done for the respective environment during the Membertest- and Production Migration.

No orders are deleted from the order books as a result from the above mentioned Trading Segment configuration changes.

6.1.3 Participant Reference Data

6.1.3.1 Extension Self-Match Prevention (SMP)

In the context of the additional «Self-Match Prevention» offering in Exchange Traded Funds and Sponsored Funds, during the migration in the Membertest environment, the currently already enabled Party IDs which have «Self-Match Prevention» for trading segments of OBM partition 1configured, will automatically also have SMP enabled for the additional trading segments of OBM partition 2.

Participants who are interested in newly using the «Self-Match Prevention» offering, are kindly invited to request the configuration by submitting the PartyID and SenderCompID Configuration Form to Member & CRM Services (member.services@six-group.com). Member & CRM Services will setup the requested configuration in the Membertest environment in order that Participants can test their new configuration and the new service prior to the Production go-live.

When «Self-Match Prevention» is introduced for Exchange Traded Funds and Sponsored Funds in the

Production environment all Party IDs which have «Self-Match Prevention» configured for the Membertest environment will automatically also have «Self-Match Prevention» enabled for the Production environment.

Please note that any configuration changes to the Participant setup must be requested by 10 October 2018 at the latest in order that SIX Swiss Exchange can guarantee the correct migration to the Production environment.

6.1.3.2 Additional validation in Separate Trading Lines (Type Buyback)

During the Membertest migration and the migration in the Production environment the authorized users will be automatically configured by SIX Swiss Exchange. Therefore no further action from responsible participants is needed.

6.1.3.3 Change to higher bandwidth of 100 Mbps for Proximity Service and Access Points

Participants wishing to increase the bandwidth with SMR7.2 are requested to contact their Local Support Center.

6.1.3.4 Decommissioning of SLS service

Due to the termination of the service, the Clearing & Settlement Standing Instructions (CSSIs) related to the SLS Markets will be deleted. SIX Swiss Exchange will remove them automatically and Members do not have to take any actions in this regard.

6.1.4 Other Migration Aspects

6.1.4.1 New Transaction Reconciliation Report

Participants interested in using the new Transaction Reconciliation Report (TXR) can configure the access themselves in the Member Section. The master user of the Participants' Member Section Account can configure the new access right «View transaction reconciliation reports» and grant access to his users.

6.2 Technical Migration

Please find further details about the technical migration, schedule, activities and configuration of SMR7.2 in MSC Message 29/2018 as well as in the Release Notes for SMR7.2 published in the Member Section of SIX Swiss Exchange.

Page 30

SWXess Maintenance Release 7.2 (SMR7.2)   SSX-SMR7.2-READY-/E
Participant Readiness (Version 3.00)   Version 3.00, 19.09.2018

7 Key Dates

The following table shows the key dates of SMR7.2 as scheduled at this stage.

Date	Mbtst	Prod	Activity
10.08.2018	☑	☑	Publication of updated SMR7.2 Participant Readiness incl. migration
17/18.08.2018	☑		SMR7.2 Membertest Migration weekend
20.08.2018	☑		SMR7.2 Membertest Live date and first trading day Decommissioning of SLS in Membertest
05.09.2018	☑		Intraday Recovery Test – OBM partition 1 down
08.09.2018	☑		Performance Load Test
12.09.2018	☑		Intraday Recovery Test – OBM partitions 1 and 2 down
18.09.2018	☑		SIX MDDX Recovery Test
19.09.2018	☑	☑	Publication of updated Rules, Directives and Guidelines for SMR7.2
19.09.2018	☑		Intraday Recovery Test – OBM partition 2 down
20.09.2018	☑		SIX MDDX Recovery Test
26.09.2018	☑		Intraday Recovery Test – FIX Infrastructure down
02.10.2018	☑		SIX MDDX Recovery Test
03.10.2018	☑		Additional Intraday Recovery Test – OBM partition 1 down
04.10.2018	☑		SIX MDDX Recovery Test
06.10.2018	☑		Performance Load Test
13/14.10.2018		☑	**SMR7.2 Production Migration weekend**
15.10.2018		☑	**SMR7.2 Production Live date and first trading day** SIX MDDX Production will be available via MoldUDP64 Decommissioning of SLS in Production
10/11.11.2018		☑	Contingency Date for SMR7.2 Production Migration weekend
12.11.2018		☑	Contingency Date for SMR7.2 Production Live date and first trading day

Further relevant information for the rollout of SMR7.2 as well as details about the Recovery- and Performance Test scenarios are available in the Release Notes for SMR7.2 published in the Member Section of SIX Swiss Exchange.

8   Testing

Before the introduction of SMR7.2 in the Production environment, Participants and third parties will have the possibility to test the new and changed functionality in the Membertest environment for approximately 8 weeks.

SIX Swiss Exchange recommends that all Trading Participants, Independent Software Vendors (ISVs) and Application Service Providers (ASPs) test their own applications and interfaces as well as business processes and back office workflows during the Membertest phase even if the usage of the new functionality is not intended. The main focus of the Membertest phase is to verify the changes to the configuration and business functionality.

You are kindly invited to contact Member & CRM Services (member.services@six-group.com / +41 58 399 2473) if you require assistance with testing in the Membertest environment. Information about automated testing services provided by SIX Swiss Exchange in the Membertest environment is available on the SWXess Testing Services page in the Member Section.

Please refer to the following links for further information about the Membertest environment availability and trading hours:

Document	Link
Environment Calendar	http://www.six-swiss-exchange.com/participants/participation/environment_calendar_en.html
Trading Hours	http://www.six-swiss-exchange.com/download/participants/participation/calendar/Trading_Hours_Membertest.pdf

Further details about testing activities during the Membertest phase as well as details about the Recovery- and Performance Test scenarios are available in the Release Notes for SMR7.2 published in the Member Section of SIX Swiss Exchange.

Appendix

Scenarios for Inactivation/Reactivation of Plus orders

Scenario	1a	Situation before the trading interruption in the CLOB
Conditions		Reference price = 100.00, Stop Trading Range is 2%, Stop Trading duration is 15 minutes

CLOB

	Bid					Price (GL)	Ask				
Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty			Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
						100.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
						100.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
3 3000 R	Normal Good for Day SWX	O3	-	50		96.25					
8 8000 R	Normal Good for Day SWMB	O9	-	400		96.25 (97.75)					
7 7000 R	Iceberg Good for Day SWMB	O8	500	100		96.25 (97.50)					
4 4000 P	Normal Good for Day SWX	O1	-	250		96.00					

MPOB

	Bid				Price	Ask				
Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty		Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
					100.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
8 8000 R	Normal Good for Day SWMB	O9	-	400	97.75					
7 7000 R	Iceberg Good for Day SWMB	O8	-	600	97.50					
4 4000 P	Normal Good till Date SWM	O6	-	2000 2000	96.00					

Result	The prices of both Plus orders are dynamically adjusted to the best bid offer in the CLOB.
Comment	No execution

Scenario	1b	Stop trading ist triggered due to the submission of an order without a limit
Conditions		Reference price = 100.00, Stop Trading Range is 2%, Stop Trading duration is 15 minutes

CLOB

	Bid					Price (GL)	Ask				
	Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty		Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
						Market	300	-	O10	Normal Good Till Date SWX	6 5000 R
						100.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
						100.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
	3 3000 R	Normal Good for Day SWX	O3	-	50	96.25					
	~~8 8000 R~~	~~Normal Good for Day SWMB~~	~~O9~~	~~-~~	~~400~~	~~96.25 (97.75)~~					
	~~7 7000 R~~	~~Iceberg Good for Day SWMB~~	~~O8~~	~~500~~	~~100~~	~~96.25 (97.50)~~					
	4 4000 P	Normal Good for Day SWX	O1	-	250	96.00					

MPOB

	Bid					Price	Ask				
	Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty		Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
						100.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
	~~8 8000 R~~	~~Normal Good for Day SWMB~~	~~O9~~	~~-~~	~~400~~	~~97.75~~					
	~~7 7000 R~~	~~Iceberg Good for Day SWMB~~	~~O8~~	~~-~~	~~600~~	~~97.50~~					
	4 4000 P	Normal Good till Date SWM	O6	-	2000 2000	96.00					

Result	No execution. The CLOB remains closed for 15 minutes. The MPOB changes into status "Primary Condition". Both Plus orders are inactivated from both order books.
Comment	After 15 minutes the Stop Trading is finished and without any additional changes in the CLOB a total of 300 shares of order O10 are executed at price 96 as follows: - 50 shares are executed against O3 - 250 shares are executed against O1 Both Plus orders remain deactivated during the whole auction period and are also not taken into account for the price finding.

Scenario	1c		Reactivation of the plus orders after change into continous trading								
Conditions			New reference price = 96.00								

CLOB

	Bid					Price (GL)	Ask				
	Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty		Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
						100.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
						100.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
	4 4000 R	Normal Good for Day SWX	O11	-	200	95.50					
	8 8000 R	Normal Good for Day SWMB	O12	-	400	95.50 (97.75)					
	7 7000 R	Iceberg Good for Day SWMB	O13	500	100	95.50 (97.50)					

MPOB

	Bid					Price	Ask				
	Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty		Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
						100.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
	8 8000 R	Normal Good for Day SWMB	O12	-	400	97.75					
	7 7000 R	Iceberg Good for Day SWMB	O13	-	600	97.50					
	4 4000 P	Normal Good till Date SWM	O6	-	2000 2000	96.00					

Result	As soon as the the book changes into continuous trading again both Plus orders get reactivated. Both reactivated orders will get new order IDs (O12 and O13).
Comment	The condition of the reactivation of the two Plus orders is the availability of the Resting order O11 so the prices can be dynamically adjusted. If the condition is not met the orders remain inactive.

Scenario	2a	Situation before the submission of a sell order in the CLOB
Conditions		Reference price = 121.00

CLOB

	Bid					Price (GL)	Ask				
	Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty		Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
						122.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
						122.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
	3 3000 R	Normal Good for Day SWX	O3	-	1	**120.00**					
	7 7000 R	Iceberg Good for Day SWMB	O8	100	10	**120.00 (125.00)**					
	8 8000 R	Normal Good for Day SWMB	O9	-	50	**120.00 (125.00)**					

MPOB

	Bid					Price	Ask				
	Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty		Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
						122.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
	7 7000 R	Iceberg Good for Day SWMB	O8	-	100	**120.00 (125.00)**					
	8 8000 R	Normal Good for Day SWMB	O9	-	50	**120.00 (125.00)**					
	4 4000 P	Normal Good till Date SWM	O6	-	2000 2000	**110.00**					

Result	No execution
Comment	The prices of both Plus orders are dynamically adjusted to the best bid offer in the CLOB.

Scenario	2b		Entry of a sell order with a limit in the CLOB							
Conditions			Reference price = 121.00							

CLOB

Bid					Price (GL)	Ask				
Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty		Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
					122.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
					122.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
3 3000 R	Normal Good for Day SWX	O3	-	1	120.00	31	-	O10	Normal Good Till Date SWX	6 5000 R
7 7000 R	Iceberg Good for Day SWMB	O8	100	10	120.00 (125.00)					
8 8000 R	Normal Good for Day SWMB	O9	-	50	120.00 (125.00)					

MPOB

Bid					Price	Ask				
Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty		Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
					122.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
7 7000 R	Iceberg Good for Day SWMB	O8	-	100	120.00 (125.00)					
8 8000 R	Normal Good for Day SWMB	O9	-	50	120.00 (125.00)					
4 4000 P	Normal Good till Date SWM	O6	-	2000 2000	110.00					

Result	Executions in the CLOB. A total of 31 shares of O10 are executed at the price of 120.00 as follows: - 1 share is executed against O3 - 10 shares are executed against O8 - 20 shares are executed against O9
Comment	The Iceberg Plus order O8 loses its priority against the Normal Plus order O9 because of the execution of the visible size. The new reference price is 120.00.

Scenario	2c	Inactivation of the Plus orders
Conditions		Reference price = 120.00

CLOB

	Bid					Price	Ask				
	Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty	Price (GL)	Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
						122.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
						122.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
	8 8000 R	Normal Good for Day SWMB	O9	-	30	120.00 (125.00)					
	7 7000 R	Iceberg Good for Day SWMB	O8	90	10	120.00 (125.00)					

MPOB

	Bid					Price	Ask				
	Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty	Price	Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
						122.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
	8 8000 R	Normal Good for Day SWMB	O9	-	30	120.00 (125.00)					
	7 7000 R	Iceberg Good for Day SWMB	O8	-	90	120.00 (125.00)					
	4 4000 P	Normal Good till Date SWM	O6	-	2000 2000	110.00					

Result	No execution. The Plus orders are inactivated because there is no resting bid order to dynamically adjust the prices of the Plus orders.
Comment	The Iceberg Plus order O8 has lost its priority against the Normal Plus order O9 in step 2 because of the execution of the visible size.

Scenario	2d	Entry of a buy order with a limit in the CLOB
Conditions		Reference price = 120.00

CLOB

	Bid					Price (GL)	Ask				
Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty		Price (GL)	Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
						122.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
						122.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
3 3000 R	Normal Good for Day SWX	O11	-	10		121.00					
8 8000 R	Normal Good for Day SWMB	O12	-	30		121.00 (125.00)					
7 7000 R	Iceberg Good for Day SWMB	O13	90	10		121.00 (125.00)					

MPOB

	Bid					Price	Ask				
Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty		Price	Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
						122.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
8 8000 R	Normal Good for Day SWMB	O12	-	30		121.00 (125.00)					
7 7000 R	Iceberg Good for Day SWMB	O13	-	90		121.00 (125.00)					
4 4000 P	Normal Good till Date SWM	O6	-	2000 2000		110.00					

Result	No execution
Comment	With the entry of the limited buy order O11 in the CLOB the inactivation of the Plus orders is terminated and both orders are reactivated (dynamical adjustment of the price). Both reactivated orders will get new order IDs (O12 and O13). The priority of the Plus orders is the same as before the inactivation.

Scenario	2e	Entry of a sell order with a limit in the CLOB
Conditions		Reference price = 120.00

CLOB

	Bid Entity Party Capacity	Type Validity Routing	ID	Hidden Qty	Visible Qty	Price (GL)	Visible Qtyy	Hidden Qty	ID	Type Validity Routing	Entity Party Capacity
						122.50	100	-	O2	Normal Good Till Date SWX	5 5000 R
						122.00	50	-	O4	Normal Good Till Date SWX	6 5000 R
	3 3000 R	Normal Good for Day SWX	O11	-	10	**121.00**	40	-	O14	Normal Good Till Date SWX	6 5000 R
	8 8000 R	Normal Good for Day SWMB	O12	-	30	121.00 (125.00)					
	7 7000 R	Iceberg Good for Day SWMB	O13	90	10	121.00 (125.00)					

MPOB

	Bid Entity Party Capacity	Type Validity Routing	ID	MEQ	Quantity Orig Qty	Price	Quantity Orig Qty	MEQ	ID	Type Validity Routing	Entity Party Capacity
						122.00	100 500	100	O7	Normal Good till Date SWM	2 2000 P
	8 8000 R	Normal Good for Day SWMB	O12	-	30	121.00 (125.00)					
	7 7000 R	Iceberg Good for Day SWMB	O13	-	90	121.00 (125.00)					
	4 4000 P	Normal Good till Date SWM	O6	-	2000 2000	110.00					

Result	Executions in the CLOB. A total of 40 shares of O14 are executed at the price of 121.00 as follows: - 10 shares are executed against O11 - 30 shares are executed against O12
Comment	The Iceberg Plus order is inactivated because there is no bid order to dynamically adjust the price of the Plus order. The new reference price is 120.00.

SIX Swiss Exchange Ltd

Pfingstweidstrasse 110

Postfach

8021 Zürich

T +41 58 399 5454
F +41 58 499 5455