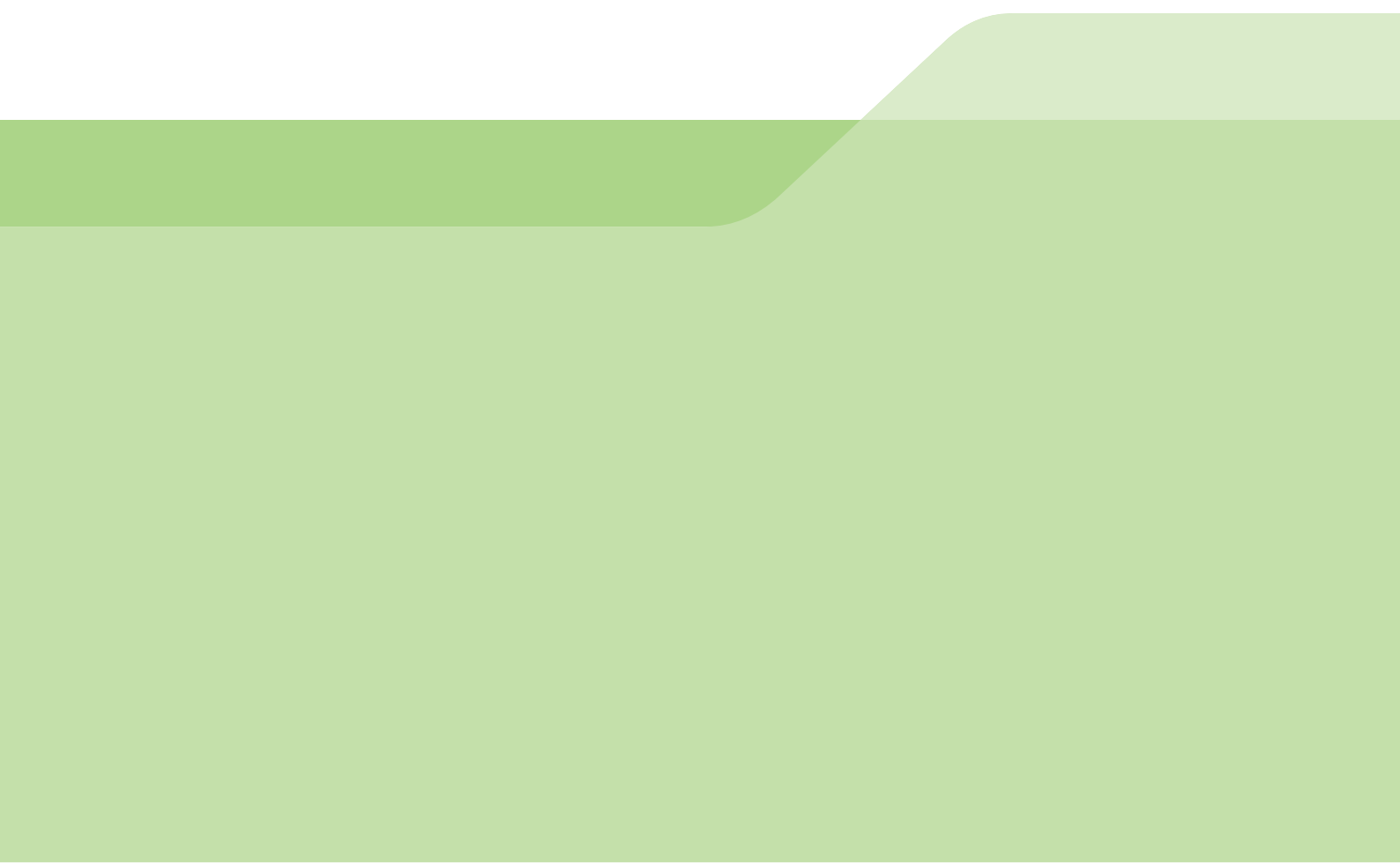# SWXess Maintenance Release 5 (SMR5) – Participant Readiness

of 26 March 2014

Table of Content

1. Introduction

1.1. Purpose and Scope

This document provides all business relevant information for SWXess Maintenance Release 5 (SMR5).

1.2. Definitions and Abbreviations

Term / Abbreviation	Definition
CTI	Capacity Trading Interface (decommissioned as of 31 July 2014)
FIX	Financial Information eXchange Protocol
GUI	Graphical User Interface
IMI	ITCH Market Data Interface
MDI	Market Data Interface
MMT	Market Model Typology
OBM	On Book Matcher
OTI	OUCH Trading Interface
PTP	Post Trade Processing
RDI	Reference Data Interface
SCAP	SWXess Common Access Portal
SLS	SIX Swiss Exchange Liquidnet Service (non-displayed liquidity service)
SMR5	SWXess Maintenance Release 5
SSP-X	SIX Structured Products Exchange
SSX	SIX Swiss Exchange
STI	Standard Trading Interface
SWXess	Name of the SIX Swiss Exchange trading platform
TRI	Transaction Report Interface
TRR	Trade Reconciliation Report
X-stream INET	Name of NASDAQ OMX trading system

1.3. References

Document	Link	
SIX Swiss Exchange messages	http://www.six-swiss-exchange.com/news/sse_messages/2014_en.html	
Rule Book and Directives	SSX	http://www.six-swiss-exchange.com/participants/regulation_en.html
	SSP-X	http://www.six-structured-products.com/en/about-us/exchange-trading/trading-rules
Trading and Reporting Guides	http://www.six-swiss-exchange.com/participants/regulation/trading_guides_en.html	
Forms	http://www.six-swiss-exchange.com/participants/participation/forms_en.html	
MSC Messages	https://www.six-swiss-exchange.com/member_section/it/messages.html	
Interface Specifications, Manuals and Guides	https://www.six-swiss-exchange.com/member_section/it/manuals.html	
Release Notes	https://www.six-swiss-exchange.com/member_section/it/release_docs.html	

1.4. Contacts

For business related questions, please contact Market Operations:

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

Please contact your Local Support Center for technical questions:

Location	Phone	Fax	E-Mail
Zurich	+41 58 399 2400	+41 58 499 2400	lsz@six-group.com
Geneva	+41 58 399 5642	+41 58 499 5643	lsg@six-group.com
London	+41 20 7864 4364	+41 20 7864 4333	lsl@six-group.com

Please do not hesitate to contact your Account Manager for specific concerns and interests:

Location	Name	Phone	E-Mail
CH, Continental Europe and Scandinavia	Diana D'Amelio	+41 58 399 2974	diana.damelio@six-group.com
	Paul Tschirky	+41 58 399 4195	paul.tschirky@six-group.com
UK & Ireland	Tony Shaw	+44 20 7864 4335	tony.shaw@six-group.com
	David Briody	+44 20 7864 4336	david.briody@six-group.com

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

2. Summary and Overview

SIX Swiss Exchange is introducing a further significant upgrade of its SWXess trading platform as part of its ongoing improvement efforts. SWXess Maintenance Release 5 (SMR5) is a mandatory upgrade and will mainly introduce a new STI FIX Infrastructure, new On Order Book functionality as well as enhancements in the Trade Reporting and Post-Trade Processing.

This section gives an overview of the SWXess functional changes and provides a graphical overview of the SWXess trading platform with SMR5.

Area	Change	Type of Change
STI FIX Infrastructure	New STI FIX Infrastructure replacing the current legacy «Request Coordinator» (RC)	Mandatory
	Decommissioning of STI Equity-only offering	Mandatory for Participants currently using this service
On Order Book Trading	New order type «Iceberg» available via STI and OTI	Optional
	New order duration «At-the-Close» available via STI and OTI	Optional
	STI attribute «Routing Instruction» becomes mandatory	Mandatory
	Decommissioning of Capacity Trading Interface (CTI)	Mandatory for Participants using CTI
Trade and Transaction Reporting	Delivery Report flag for Transaction Reporting	Optional
	Extension of timeframe for matching and deletion of unmatched Two-sided Trade Reports	Mandatory
	Trade Reporting of Off Exchange trades via STI over a Reporting Member ID for unregistered traders of a Participant	Optional
	Trade Reporting scenario for order transmissions resulting from Participants' own book	Optional
Post-Trade Processing	Delivery Reports extension to support instruction of settlement	Optional
	Instruction of Cancellation requests for Off Order Book trades over STI and Reporting GUI	Optional
	Harmonisation of handling Counterparty Anonymity	Mandatory
Market and Reference Data	New market data channels with Market Model Typology (MMT) extension	Optional
	Change of uniqueness of security business key	Mandatory

Further details about technical changes with SMR5 are included in the Release Notes for SMR5 published in the Member Section of SIX Swiss Exchange.

2.1. Overview SWXess interfaces with SMR5
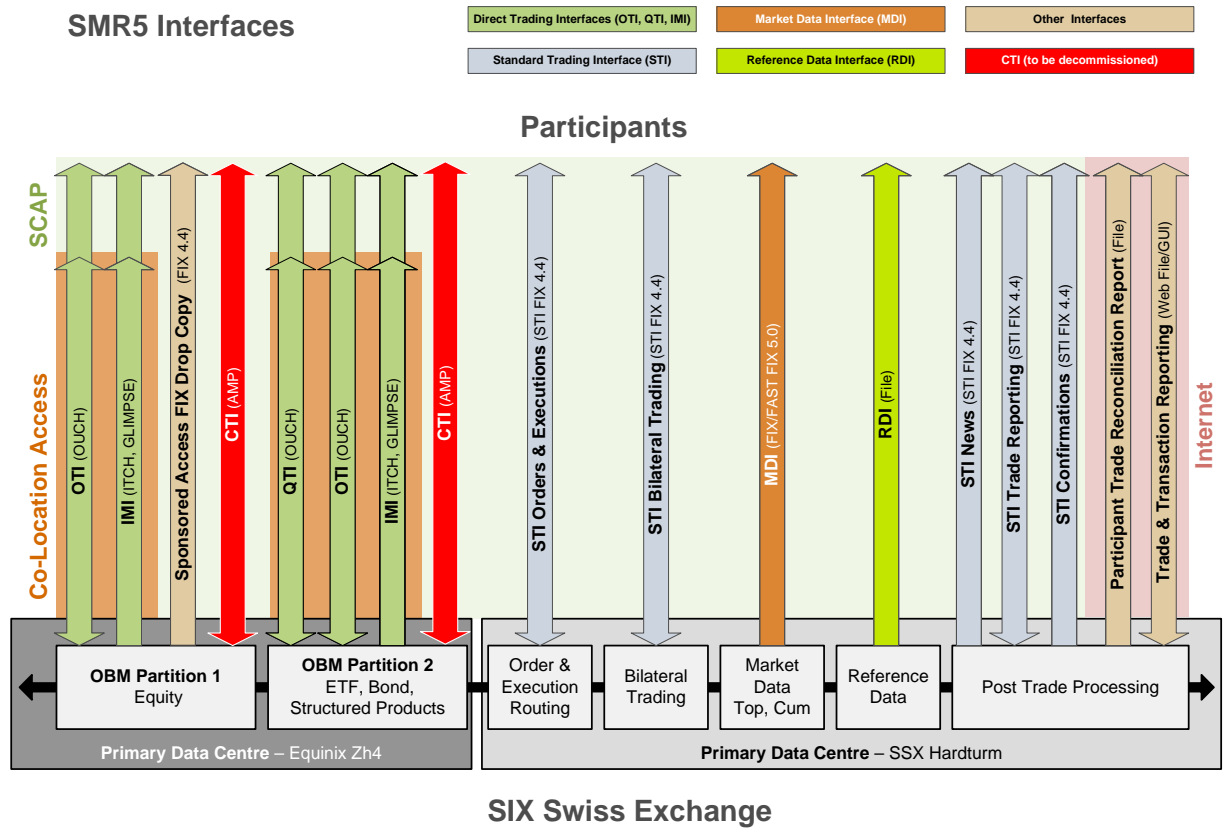
3. Functional Changes

3.1. STI FIX Infrastructure

3.1.1. STI FIX Infrastructure

The current «Request Coordinator» (RC) which manages, authenticates and authorizes FIX Connections as well as routes FIX messages between Participants, SIX Swiss Exchange, SIX Structured Products Exchange and other venues, will be replaced by a new Standard Trading Interface (STI) FIX Infrastructure. The new STI FIX Infrastructure delivers higher throughput and lower latency for trading over the STI and will enable richer functionality in the future. In addition the recovery and error handling will be much improved.

The graphic below illustrates the new STI FIX Infrastructure:
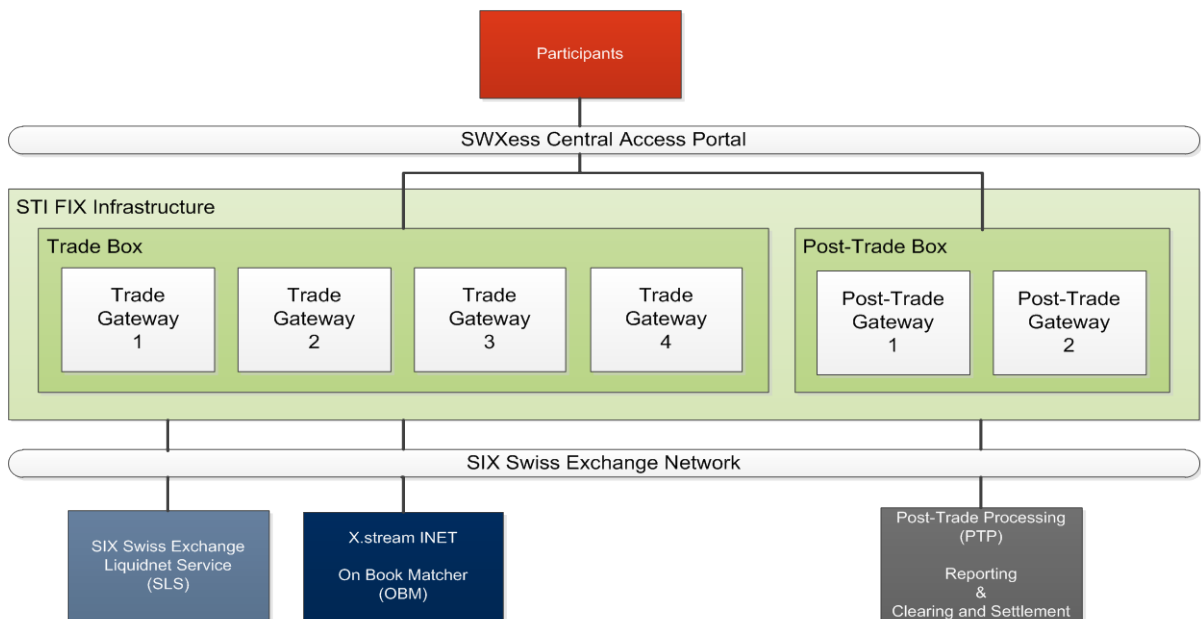
Each Participant connects to STI via a FIX Connection. Each FIX Connection is allocated to a Trade- or Post-Trade Gateway depending on the configured STI Services. The FIX Connections are distributed across all FIX Gateways within the Trade Box or the Post-Trade Box respectively to ensure optimal load balancing. The same FIX Connection may be allocated to different FIX Gateways in the Membertest- and Production environment.

STI Service	Supported by Trade Box	Supported by Post-Trade Box
STI Orders and Executions	Yes	No
STI Bilateral Trading	Yes	Yes
STI Trade Reporting	Yes	Yes
STI News	Yes	Yes
STI Confirmations	Yes	Yes

As soon as a FIX Connection has the STI Service «Orders and Executions» configured, the FIX Connection will be allocated to a Trade Box, independently of any other STI Services configured.

In the event that a FIX Connection needs to be allocated to a different FIX Gateway due to load re-balancing or change of configured STI Services, SIX Swiss Exchange will contact the affected Participant duly in advance of the change. Participants should ensure that their internal applications can handle such changes and have the ability to connect to any of the possible Trade Gateways. Please find further details in the Release Notes for SMR5 published in the Member Section of SIX Swiss Exchange.

3.1.2. STI Services

The STI FIX Infrastructure offers granularity and flexibility in the configuration of the services offered via Standard Trading Interface (STI). The STI offering has been split into the following STI services which can be configured over a number of FIX Connections in order to meet Participants requirements:

STI Service	Description
STI Orders and Executions	On Order Book trading on SIX Swiss Exchange and SIX Structured Products Exchange as well as for routing to the non-displayed liquidity service SLS.
STI Bilateral Trading	OTC-Trading on the Bilateral Trading platform (XBTR) for securitized derivatives
STI Trade Reporting	Reporting On- and Off Exchange trades, performing corrections and countertrades as well as instructing Cancellations
STI News	Receiving trading relevant news messages
STI Confirmations	Receiving post-trade Confirmation messages

A Participant wishing to separate trading from back office activities may request that STI Confirmations are sent to a dedicated FIX Connection separately from the FIX Connection used for trading. Likewise, Participants may request to separate On Order Book Trading from Trade Reporting and Bilateral Trading over two different FIX Connections.

The diagram below shows an example of a possible configuration of STI Services for a Participant:
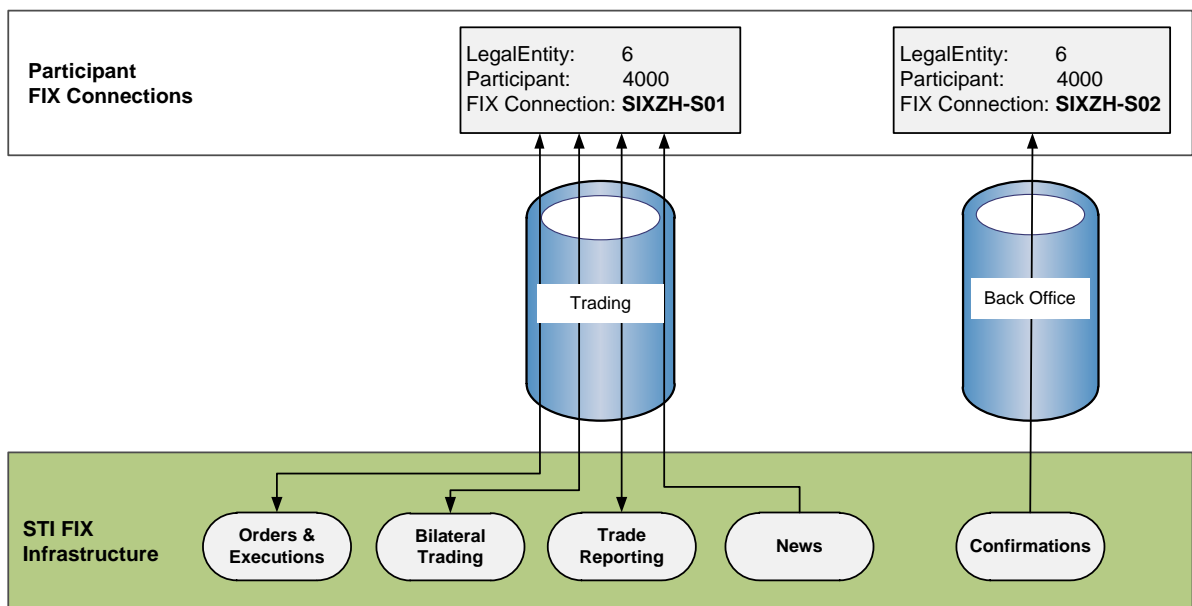
SIX Swiss Exchange supports the configuration of FIX Connections (SenderCompId) and STI Services for a Participant (PartyId) as follows:

- A Participant may have one or multiple FIX Connections.

- The STI Services «Orders & Executions», «Bilateral Trading» and «Trade Reporting» can only be subscribed to via one FIX Connection for a specific Party ID.

- The STI Services «News» and «Confirmation» can be subscribed to via multiple FIX Connections for a specific Party ID.

Find below some examples of configurations:

Configuration supported ?	Participant (PartyId)	FIX Connection (SenderCompId)	STI Service
Yes Default configuration of a Participant where all STI Services are subscribed once over a single FIX Connection for a PartyID.	4000	SIXZH-S01	• Orders & Executions • Trade Reporting • Bilateral Trading • News • Confirmations
Yes Configuration where Participant separates the STI Services over multiple FIX Connections for a Party ID.	4000	SIXZH-S01	• Orders & Executions • Trade Reporting • Bilateral Trading
		SIXZH-S02	• News • Confirmations
Yes Configuration where a Participant subscribes to all STI Services over a FIX Connection and additionally subscribes to the publishing STI Services News and Confirmations via a separate FIX Connection.	4000	SIXZH-S01	• Orders & Executions • Trade Reporting • Bilateral Trading • News • Confirmations
		SIXZH-S02	• News • Confirmations
Yes Configuration where a Participant subscribes to all STI Services over a FIX Connection and additionally subscribes to a Confirmation Drop Copy of another Party ID over the same FIX Connection.	4000	SIXZH-S01	• Orders & Executions • Trade Reporting • Bilateral Trading • News • Confirmations
	4001		• Confirmations
No The same STI Service may not be configured twice for the same Participant and FIX Connection.	4000	SIXZH-S01	• Orders & Executions • Trade Reporting • Bilateral Trading • News • News • Confirmations • Confirmations

Participants interested in changing the configuration of their FIX Connection and STI Services are kindly requested to submit the PartyID and SenderCompID Configuration Form to Member Services (member.services@six-group.com). The default setup of the FIX Connection and STI Services after the migration to SMR5 is to have all STI services delivered over one FIX Connection. Further details are available in section 6.1.3 of this document.

Further information about the pricing of FIX Connections is available in Annex K of Directive 7: Fees and Costs.

3.1.3. STI Confirmations Drop Copy

In addition to the flexible STI Service configuration, Participants can request a Drop Copy of their STI Confirmation messages. The STI Confirmations Drop Copy can only be configured to be sent to a different Trading Participant (PartyId) of the same Legal Entity or to the General Clearing Member. The STI Confirmations Drop Copy is free of charge.

Configuration	Participant (PartyId)	FIX Connection (SenderCompId)	STI Service
Configuration where a Participant subscribes to all STI Services over a FIX Connection and additionally subscribes to a Confirmation Drop Copy of another Party ID over the same FIX Connection.	4000	SIXZH-S01	• Orders & Executions • Trade Reporting • Bilateral Trading • News • Confirmations
	4001		• Confirmations
Configuration where a Participant subscribes to all STI Services over a FIX Connection and additionally subscribes to a Confirmation Drop Copy of another Party ID over a separate FIX Connection.	4000	SIXZH-S01	• Orders & Executions • Trade Reporting • Bilateral Trading • News • Confirmations
	4001	SIXZH-S02	• Confirmations

Participants interested in the configuration of a STI Confirmation Drop Copy are kindly requested to submit the PartyID and SenderCompID Configuration Form to Member Services (member.services@six-group.com).

3.1.4. Decommissioning «STI Equity»-only offering

The service offering «STI Equity» with dedicated high capacity FIX Connections for trading equity securities on On Book Matcher (OBM) - Partition 1 «Equity», according Annex K of Directive 7: Fees and Costs, will be decommissioned with SMR5.

All Participants currently using the STI Equity-only offering will have to migrate their order flow to a regular Standard Trading Interface (STI) connection or to the low latency OUCH Trading Interface (OTI) with unlimited capacity and connections for the Equity Market. Detailed information about the connection, capacity and pricing of STI and OTI is available in Annex K of Directive 7: Fees and Costs.

Information about the migration of STI Equity-only offering is available in section 6.1.3 of this document. Configuration changes related to the STI Equity-only decommissioning may be requested by submitting the PartyID and SenderCompID Configuration Form for STI or Application for SWXess User Configurations for OTI to Member Services (member.services@six-group.com).

Please contact your Account Manager in case of questions concerning the decommissioning of the STI Equity-only service offering or if assistance is required to find an appropriate solution for the migration of the order flow.

3.2. On Order Book Trading

3.2.1. Order Type - Iceberg

SIX Swiss Exchange will introduce the new order type «Iceberg» with SMR5. This order type 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.

Find below an overview describing the Iceberg order type:

Iceberg supported for…

Interface	• Standard Trading Interface (STI) • OUCH Trading Interface (OTI)
Market Model	• Central Limit Order Book (CLOB)
OBM Partition	• OBM - Partition 1 «Equity»
Trading Segments	• Blue Chip Shares • Mid-/Small-Cap Shares • Secondary Listing Shares • Investment Funds

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
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 «Minimum Quantity» is set to 0, the order is submitted to the exchange as «Normal» order.
Price Type	Market or Limit	Market or 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.
Time in Force	• Day • At the Opening • At the Close • Good Till Date	• Day • At the Opening (Session at the open) • At the Close (Session at the close)
Order Entry Periods	• Any Trading Period	• Any Trading Period
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 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 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.

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. Furthermore, we would like to bring to your attention that Iceberg orders are not flagged (e.g. >) and can thus not be distinguished from Normal orders in the order book.

The scenarios below provide some examples of how Iceberg orders are matched. Note that in the matching scenarios below the aggressor order is formatted *italic*.

Scenario 1		**Normal order hitting visible size of Iceberg order**						
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB Trading Period Trading Reference Price 88					*Market*	*100*	-	*Normal*
		Iceberg	1'000	100	87			
Result		**Execution of Quantity 100 @ Price 87**						
Order Book after Execution		Iceberg	900	100	87			
Comment		**New tranche of visible quantity 100 receives a new time stamp**						

Scenario 2		**Normal order hitting visible size of Iceberg order and partial size of other order**						
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB Trading Period Trading Reference Price 88					*Market*	*200*	-	*Normal*
		Iceberg	1'000	100	87			
		Normal	-	200	87			
Result		**Execution of Quantity 100 @ Price 87 (Iceberg Order)** **Execution of Quantity 100 @ Price 87 (Normal Order)**						
Order Book after Execution		Normal	-	100	87			
		Iceberg	900	100	87			
Comment		**New tranche of visible quantity 100 receives a new time stamp and can only be executed after the Normal order with the higher time priority has been executed.**						

Scenario 3		Normal order hitting visible and hidden size of Iceberg order							
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB		Iceberg	1'000	100	*87*	*500*	-	*Normal*
Trading Period Trading Reference Price 88		Normal	-	200	86			
Result		**Execution of Quantity 100 @ Price 87 (Iceberg Order)** **Execution of Quantity 400 @ Price 87 (Iceberg Order)**						
Order Book after Execution		Iceberg	500	100	87			
		Normal	-	200	86			
Comment		**Iceberg Order is best bid order and can therefore execute more than the visible size.**						

Scenario 4		Visible and hidden size of Iceberg order hitting Normal order							
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB		*Iceberg*	*1'000*	*100*	*87*	500	-	Normal
Trading Period Trading Reference Price 88		Normal	-	200	86			
Result		**Execution of Quantity 500 @ Price 87 (Iceberg Order)**						
Order Book after Execution		Iceberg	500	100	87			
		Normal	-	200	86			
Comment		**Iceberg Order is best bid order and can therefore execute more than the visible size.**						

Scenario 5		Iceberg order hitting Iceberg order							
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB		*Iceberg*	*1'000*	*100*	*87*	200	2'000	Iceberg
Trading Period Trading Reference Price 88		Normal	-	200	86			
Result		**Execution of Quantity 200 @ Price 87** **Execution of Quantity 900 @ Price 87**						
Order Book after Execution					87	200	900	Iceberg
		Normal	-	200	86			
Comment		**Iceberg order on bid side is fully executed against Iceberg order on ask size.** **Before the hidden quantity of the Iceberg order is executed the visible sizes must be matched.**						

Scenario 6		Full execution of Iceberg order in Auction						
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB					Market	500	-	Normal
Trading Period Auction		Iceberg	1'000	100	87			
Reference Price 88		Normal	-	200	86	700	-	Normal
Result		**Executions @ Price 86**						
Order Book after Execution								
		Normal	-	100	86			
Comment		**The full size of the Iceberg order is executed in the Auction.**						

Scenario 7		Partial execution of Iceberg order in Auction						
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB					Market	500	-	Normal
Trading Period Auction		Normal	-	200	87			
Reference Price 88		Iceberg	1'000	100	86	100	-	Normal
Result		**Executions @ Price 86**						
Order Book after Execution								
		Iceberg	600	100	86			
Comment		**A partial part of the Iceberg order is executed during the Auction.**						

Scenario 8		Partial execution of Iceberg order in Auction without time priority for hidden size						
		Bid Type	**Bid Hidden Quantity**	**Bid Visible Quantity**	**Price**	**Ask Visible Quantity**	**Ask Hidden Quantity**	**Ask Type**
Market Model CLOB					Market	1'200	-	Normal
Trading Period Auction		Iceberg	1'000	100	87			
Reference Price 88		Normal	-	200	87			
Result		**Execution of Quantity 100 @ Price 87** **Execution of Quantity 200 @ Price 87** **Execution of Quantity 900 @ Price 87**						
Order Book after Execution								
		Iceberg	-	100	87			
Comment		**The visible part of the Iceberg order and the Normal order are executed before the hidden part of the Iceberg is executed.**						

The On Exchange – On Order Book trading fees for Iceberg orders are the same as Normal orders and consist of a Transaction fee and an Ad valorem fee according to Directive 7: Fees and Costs. For executions of hidden quantities of an resting iceberg order during continuous trading the Aggressor Ad valorem fee is always applied.

Note that in the event of an Emergency Deletion performed by SIX Swiss Exchange the total quantity of the Iceberg order will be deleted from the order book.

3.2.2. Order Validity - At-the-Close

SIX Swiss Exchange will introduce the new order validity «At-the-Close» with SMR5. This order validity allows Participants to transmit an order to the Exchange during business hours which will only become active at the start of the closing auction.

SIX Swiss Exchange will manage the order before the Closing Auction whilst the order with validity At-the-Close is inactive. The time stamp which determines the time priority for orders with validity At-the-Close is set by the Exchange at the time of the order entry. During the business day when the order with validity At-the-Close is inactive, the order is not visible in the order book. At the start of the Closing Auction the order with validity At-the-Close will be automatically released into the order book by the Exchange and will become visible in the order book. Any residual order quantity which could not be executed at the Run Auction and Close (End of Closing Auction) will expire automatically and thus be deleted from the order book.

The orders with validity At-the-Close can be modified and deleted at any time during the business day regardless of whether they are inactive during the trading day or active in the Closing Auction. Note that upon replacing/modifying an order, the Time in Force from and to At-the-Close cannot be changed.

Please find below an overview describing the validity At-the-Close:

Validity At-the-Close supported for…

Interface	• Standard Trading Interface (STI) • OUCH Trading Interface (OTI)
Market Model	• Central Limit Order Book (CLOB)
OBM Partition	• OBM - Partition 1 «Equity»
Trading Segments	• Blue Chip Shares • Mid-/Small-Cap Shares • Secondary Listing Shares • Separate Trading Lines • Investment Funds

Order Attribute	At-the-Close over STI	At-the-Close over OTI
Order Persistency	Yes No deletion of order in case of disconnection	No Order automatically deleted upon disconnection
Side	Buy or Sell	Buy or Sell
Quantity	Quantity of the order No minimum quantity restrictions apply	Quantity of the order No minimum quantity restrictions apply
Price Type	Market or Limit	Market or 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.
Order Types	• Normal • Iceberg	• Normal • Iceberg

Order Attribute	At-the-Close over STI	At-the-Close over OTI
Order Entry Periods	• Pre-Opening • Continuous Trading (incl. Trading Halts) • Closing Auction	• Pre-Opening • Continuous Trading (incl. Trading Halts) • Closing Auction
Trading Capacity	R – Riskless Principal P – Principal	R – Riskless Principal P – Principal

The On Exchange – On Order Book trading fees for orders with validity At-the-Close can be found in Directive 7: Fees and Costs; no additional or specific fee is applied for orders with validity At-the-Close.

Note that in the event of an Emergency Deletion performed by SIX Swiss Exchange orders with validity At-the-Close will be deleted independently from whether they are inactive (not placed in the order book) or active (placed in the order book during the Closing Auction).

3.2.3. STI Routing Instruction

When orders are submitted to SIX Swiss Exchange via Standard Trading Interface (STI) the attribute «Routing Instruction» (FIX-Tag 9487) may currently be defined. This order attribute determines whether an order is entered into the SIX Swiss Exchange order book or routed to be executed in the dark book SIX Swiss Exchange Liquidnet Service (SLS). With SMR4, the attribute «Routing Instruction» was optional and by default routed to the SIX Swiss Exchange order book if no value was defined by the Participant.

This behaviour will change with SMR5; the attribute «Routing Instruction» becomes mandatory for the Participant and will no longer be completed with a default setting. As a consequence upon each order entry the Participants must choose to which order book they wish the order to be routed (Routing Instruction SWX or LN).

Further details about «Routing Instruction» are available in the Standard Trading Interface (STI) Specification – Orders and Executions published in the Member Section of SIX Swiss Exchange.

3.2.4. Decommissioning Capacity Trading Interface (CTI)

The legacy Capacity Trading Interface (CTI) will be decommissioned for both On Book Matcher (OBM) Partitions **by 31 July 2014** instead of May 2014 as previously announced in the context of SWXess Maintenance Release 4 (SMR4).

The OUCH protocol based industry standard OUCH Trading Interface (OTI) and Quote Trading Interface (QTI) will replace CTI for proprietary trading on OBM – Partition 1 «Equity» and market making on OBM - Partition 2 «Non-Equity».

OBM Partition	Products	Decomissioning	New Interface
Partition 1	Equities	CTI for Proprietary Trading	OUCH Trading Interface (OTI)
Partition 2	ETFs / ETSFs / ETPs Sponsored Funds Bonds SIX Structured Products	-	OUCH Trading Interface (OTI) - new
		CTI for Market Making	Quote Trading Interface (QTI)

Please find further information about the decommissioning of CTI and the migration to the new interface in SIX Swiss Exchange message 47/2013 and in the Release Notes for SMR4 published in the Member Section of SIX Swiss Exchange.

3.3. Trade- and Transaction Reporting

3.3.1. Delivery Reports for Transaction Reporting

The existing functionality «Delivery Report» available for Trading Participants will be extended to facilitate the fulfilment of the Transaction Reporting duty.

Trading Participants of SIX Swiss Exchange using the existing Delivery Report functionality to confirm commissions with their counterparty will be able to flag Delivery Reports with the new Trade Type «Transaction Report» on their respective trading side. From a regulatory perspective, Delivery Reports marked as Transaction Reports are deemed to be reported under the Reporting Office Rules for the Fulfilment of the Legal Reporting Requirements for Securities Dealers. As a result, Participants using Delivery Reports flagged with Trade Type «Transaction Report» no longer have to submit a separate Transaction Report via Reporting GUI or Transaction File Interface (TFI).

Delivery Report functionality is available for Trading Participants only and is provided over Standard Trading Interface (STI) and Reporting GUI. The new «Transaction Report» flag will be included in the Trade Reconciliation Report available over the Reporting GUI but not on the Confirmation message delivered over Standard Trading Interface (STI).

Delivery Reports are subject to the following fees:

- Off Exchange Trade Reporting fee (Transaction and Ad valorem) for both involved parties
- Delivery Report Usage fee of CHF 0.50 for both involved parties
- Transaction Report fee for the party flagging the Delivery Report as Transaction Report

Find further information about Delivery Reports in the Standard Trading Interface (STI) Specifications published in the Member Section of SIX Swiss Exchange.

3.3.2. Unmatched Two-sided Trade Reports

The handling of unmatched (alleged) Two-sided Trade Reports on the business day following the transaction date (T+1) will be changed.

It will be possible for unmatched legs of Two-sided Trade Reports to be deleted by the entering Participant both on the transaction date (T) as well as on the following business day (T+1). Deleted Two-sided Trade Reports on T+1 will be distributed in the market data as deletions but will not lead to a correction of volume and price data in the Value Added Channel of the Market Data Interface (MDI).

Transaction Date (T)	Next Business Day (T+1)
First leg of Two-sided Trade Report **submitted** First leg of Two-sided Trade Report **deleted**	-
First leg of Two-sided Trade Report **submitted**	First leg of Two-sided Trade Report **deleted**

Unmatched legs of Two-sided Trade Reports can match on the transaction date (T) and on the following business day (T+1) and would thus be instructed for settlement.

Transaction Date (T)	Next Business Day (T+1)
First leg of Two-sided Trade Report **submitted** Second leg of Two-sided Trade Report is **submitted** Two-sided Trade Report is **matched**	-
First leg of Two-sided Trade Report **submitted**	Second leg of Two-sided Trade Report is **submitted** Two-sided Trade Report is **matched**

Unmatched Two-sided Trade Reports after T+1 remain valid and are regarded as correctly reported trades by the entering party from a regulatory perspective. According to clause 17.1.2 of Directive 3: Trading

In the event of a two-sided trade report in a delisted security the first and second leg as well as the match of the legs must be completed on the business day following the last listed date (T+1) of the security.

Scenario supported	Security Last Trading Date (T)	Next Business Day (T+1)	>T+1
Yes	First leg **submitted** Second leg **submitted** Two-sided Trade Report is **matched**	-	-
Yes		First leg **submitted** Second leg **submitted** Two-sided Trade Report is **matched**	
Yes	First leg **submitted**	Second leg **submitted** Two-sided Trade Report is **matched**	-
No		First leg **submitted**	Second leg **submitted** Two-sided Trade Report is **matched**

Participants are responsible for deleting erroneous unmatched Two-sided Trade Reports or for requesting the Cancellation of erroneous matched Two-sided Trade Reports from SIX Swiss Exchange by T+1. Note that SIX Swiss Exchange cannot delete unmatched Two-sided Trade Reports on behalf of Participants and can only cancel matched Two-sided Trade Reports up until T+1 from when the first leg of this Two-sided Trade Report was submitted.

Find below an overview of Cancellation scenarios:

Scenario supported	Transaction Date (T)	Next Business Day (T+1)	>T+1
Yes	First leg **submitted** Second leg **submitted** Two-sided Trade Report is **matched** **Cancellation** by SIX Swiss Exchange	-	-
Yes	First leg **submitted** Second leg **submitted** Two-sided Trade Report is **matched**	**Cancellation** by SIX Swiss Exchange	-
Yes	First leg **submitted**	Second leg **submitted** Two-sided Trade Report is **matched** **Cancellation** by SIX Swiss Exchange	-
No	First leg **submitted**	Second leg **submitted** Two-sided Trade Report is **matched**	**Cancellation** by SIX Swiss Exchange

For Cancellations of trades later than the next business day (T+1) Participants should consider to report a Countertrade according to clause 18 of Directive 3: Trading after prior consultation with SIX Exchange Regulation.

3.3.3. Reporting Service for Trading Participants

SIX Swiss Exchange will introduce a new Reporting Service for Trading Participants. This new Trade Reporting setup allows unregistered personnel of Trading Participants to submit Off Exchange Trade Reports to the Reporting Office over Standard Trading Interface (STI) or Reporting GUI.

The overview below provides further information about the new Reporting Service setup:

	Supported	NOT Supported
Technical Interface over which Trade Reports can be submitted	• Standard Trading Interface (STI) • Reporting GUI (web based)	-
Transaction Types which can be submitted under new Reporting Service	• Off Exchange • Delivery Report	• On Exchange
Transaction Subtypes which can be submitted under new Reporting Service	• Two-sided Trade Report • One-sided Trade Report • Transaction Reports over GUI	• Transaction Reports over STI

Trade Reports submitted to the Reporting Office under the Reporting Service for Trading Participants are eligible for clearing and settlement instruction by SIX Swiss Exchange if requested by the Participant.

Trading Participants will receive a new dedicated Reporting Member (Party ID) as well as a Reporting Group Trader Identification (Trader ID) under their existing membership for reporting Off Exchange trades under this new Reporting Service. The new Reporting Member setup will be configured with a FIX Connection and the STI Trade Reporting and STI Confirmations Services. The Clearing and Settlement configuration is optional for the new Reporting Service for Trading Participants. Please note that the Reporting Member ID and Group Reporting Trader ID are not allowed to be used for On Exchange trading and reporting. Personnel without the SIX Swiss Exchange Trader Exam (unregistered) are allowed to submit Trade Reports with the Group Trader ID to the Reporting Office under the Reporting Office Rules for the Fulfilment of the Legal Reporting Requirements for Securities Dealers but not under the Rule Book of the Exchange.

Participants interested in using the new Reporting Service offering for Trading Participants, are kindly invited to request the configuration by submitting the Trade Reporting Service for Trading Members form to Member Services (member.services@six-group.com). SIX Swiss Exchange will charge a non-recurring fee of CHF 1'000 for the initial configuration of the Reporting Member service offering.

3.3.4. Order Transmission with executions from Participants own book (Nostro)

The reporting scenarios for Order Transmissions executed on the Exchange in the order book or Off Order Book differ significantly from the handling of Order Transmissions executed by the Participant from his own book (Nostro). With SMR5 SIX Swiss Exchange will provide Participants an additional harmonized reporting scenario for Order Transmissions.

Under the current reporting regime, Participants report On- and Off Order Book trades resulting from Order Transmissions to the Exchange (On Exchange) or the Reporting Office (Off Exchange), while Securities Dealers subject to reporting obligations will report a Transaction Report to the Reporting Office for traceability of the transaction chain. On the other hand, in cases of executions of Order Transmissions from the Participants' own book (Nostro), both involved parties have to report the trade to the Exchange (On Exchange) or Reporting Office (Off Exchange) by means of a Two-sided Trade Report.

The diagram below illustrates the current reporting scenario for Order Transmissions from Participants' own book:
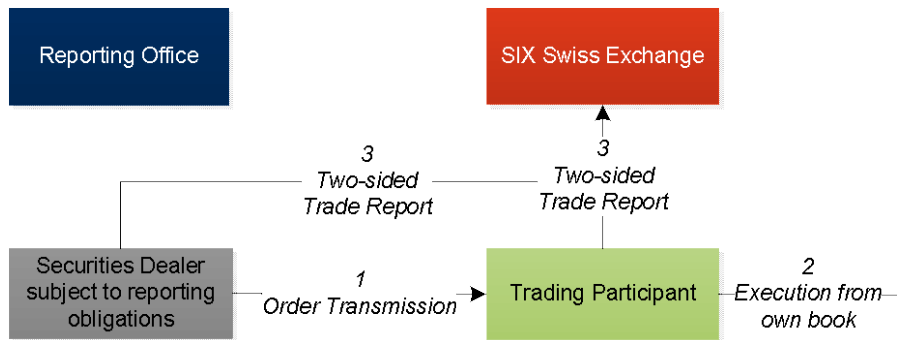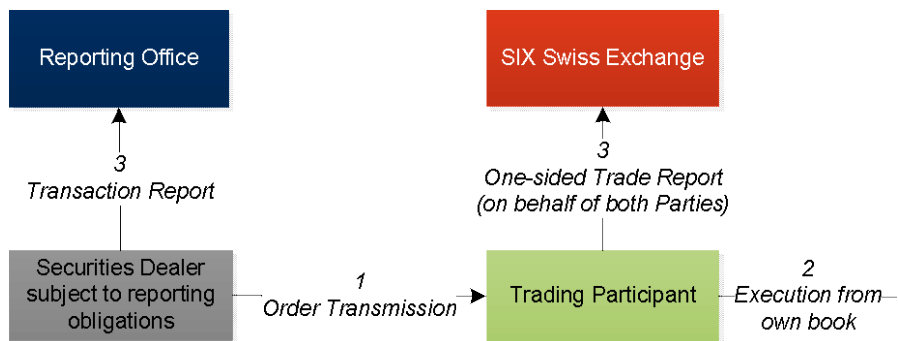

Note that if the trade was Off Exchange, the Two-sided Trade Report would be reported to the Reporting Office

SIX Swiss Exchange understands that this different reporting scenarios for order transmissions executed from Participants' own books may cause issues for Participants in terms of their processes and technical implementations. Therefore, SIX Swiss Exchange will introduce an additional reporting scenario for Order Transmissions from Participants' own book (Nostro). The new scenario allows participants to have a harmonized way of reporting Order Transmissions, regardless of whether the execution was done on a trading venue or from the Participants' own book (Nostro).

In this new reporting scenario the Participant can fulfil the Trade Reporting duty on behalf of both parties by submitting a One-sided Trade Report to the Exchange (On Exchange) or Reporting Office (Off Exchange) while the securities dealer subject to reporting obligations will submit a Transaction Report to the Reporting Office.

The diagram below illustrates the new additional reporting scenario for Order Transmissions from Participants' own book:

Note that if the trade was Off Exchange, the One-sided Trade Report would be reported to the Reporting Office.

If the involved parties choose to use the new reporting scenario for Order Transmissions with executions from Participants' own book (Nostro), the Trade- and Transaction Reports have to be flagged in a special manner as described below:

	Participants	Securities Dealer subject to reporting obligations
Transaction Type	One-sided Trade Report	Transaction Report
Trade Subtype	On Exchange to the Exchange; or Off Exchange to the Reporting Office	-

	Participants	Securities Dealer subject to reporting obligations
Counterparty Type	FIX-Tag 803 - PartySubIDType 4007 = Member	ContraFirmType MEMB
Counterparty ID	FIX-Tag 448 - PartyID of Contra Firm Party Party ID	ContraFirmPartyID Party ID
Trade Type	FIX-Tag 6577 – Tariff BothParties = Trade Reporting both Parties	-

The reporting obligation is only fulfilled for both parties if the Trade Type «BothParties» is set and the identification of the counterparty is defined for transparency reasons.

Regardless of which scenario Participants choose for reporting order transmissions from their own book (Nostro), the reporting fees remain generally unchanged. The table below provides an overview:

Scenario	Participants	Securities Dealer subject to reporting obligations
Two-sided Trade Report	Reporting fee charged	Reporting fee charged
One-sided Trade Report	Reporting fee charged for both involved Parties	Transaction Report fee charged

The updated Reporting Guide including this new reporting scenario is available under the following link to the SIX Swiss Exchange website

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

3.4. Post-Trade Processing

3.4.1. Delivery Reports eligible for Settlement

The existing functionality «Delivery Report» available for Trading Participants will be extended to support the instruction of settlement by SIX Swiss Exchange.

Trading Participants may request Bilateral Settlement for Delivery Reports. SIX Swiss Exchange will instruct settlement for Delivery Reports for which the trade date and settlement date are within the settlement cycle (T+3) of the security. If participants request a settlement date for Delivery Reports which is not supported, the Settlement Type of the trade will be downgraded to manual settlement.

Already today, Participants can define a Commission for Delivery Reports. The Commission may be defined as an absolute value or in percent of the turnover of the transaction. The Commission is only supported in the same currency as the trading currency of the affected security. The Commission can be defined to be paid to either of the involved parties and is a matching criterion for the Delivery Report (the Commission side and amount must be identical on both legs of the Delivery Report).

Scenario	Buy Side	Sell Side
Commission to be paid to buy side	Defines Commission on **Entering Side** of the Delivery Report leg	Defines Commission on **Contra Side** of the Delivery report leg
Commission to be paid to sell side	Defines Commission on **Contra Side** of the Delivery report leg	Defines Commission on **Entering Side** of the Delivery Report leg

If a Delivery Report is instructed for settlement, the involved Participants will receive a Confirmation message via Standard Trading Interface (STI). The Confirmation message for Delivery Reports includes the new attribute «Calculated Included Settlement Currency Amount» (CalcInclSettlCurrAmt = FIX-Tag 6559) which is the absolute amount of any Commission agreed for a Delivery Report and included in the Settlement Amount (SettlCurrAmt = FIX-Tag 119).

The Commission details will also be included in the Trade Reconciliation Report available over the Reporting GUI:

Attribute	Impact SMR5	Buy Side
Commission	Changed	The value of the Commission agreed for the Delivery Report
Commission Type	No Change	The type of Commission «Absolute» or «Percentage»
Commission Side	New	Identifies to which side the of the trade «Buy» or «Sell» the Commission is paid to
Commission Currency	Decommissioned	Since Commission is only supported in the same trading currency of the security this attribute is decommissioned.
Calculated Settlement Currency Amount	New	The effective amount of commission for a Delivery Report expressed in the trading currency. It is either positive or negative according to whether the value was added or subtracted from the Settlement Currency Amount.

Please find further information about Delivery Reports in the Standard Trading Interface (STI) Specifications published in the Member Section of SIX Swiss Exchange.

3.4.2. Cancellations

SIX Swiss Exchange will introduce the functionality to request Cancellations of Off Order Book trades via Standard Trading Interface (STI) and Reporting GUI. This functionality will not allow Participants to cancel Trade Reports themselves but it will allow Participants to trigger the request for a Cancellation over the technical interface.

The new functionality to request Cancellations over these technical interfaces will be provided in addition to the current solution via Cancellation Form in the Member Section of SIX Swiss Exchange.

The overview below provides further information about the new technical Cancellation request:

		Supported	NOT Supported
Post Trade Processing Type which can be requested over technical interface		• Cancellations on-behalf	• Mistrade Cancellations
Technical Interface over which Cancellation requests can be submitted		• Standard Trading Interface (STI) • Reporting GUI (web based)	• OUCH Trading Interface (OTI) • Capacity Trading Interface (CTI)
Transaction Types which can be requested over technical interface		• On Exchange - Off Order Book • Off Exchange • Delivery Report	• On Exchange – On Order Book • Transaction Reports
Transaction Subtypes which can be requested over technical interface		• Two-sided Trade Report • One-sided Trade Report	• Orders • Volatile Orders • Quotes
Time Frame for Cancellation requests over technical interface	Bilateral Trades	• Transaction Date (T) • Next Business Day (T+1)	• > T+1
	Cleared Trades	• Transaction Date (T) until 18:15 CET	• >T after 18:15 CET

For Cancellation requests which are not supported over the new technical interface, the existing Cancellation Form in the Member Section of SIX Swiss Exchange shall be used. For Mistrade investigations Exchange Operations (+41 58 399 2475) has to be contacted by telephone.

Cancellations of Transaction Reports can be executed by the Participants themselves over the Reporting GUI or the Transaction File Interface (TFI). Note that SIX Swiss Exchange cannot perform Cancellations of Transaction Reports on behalf of the Participants.

SIX Swiss Exchange will perform the Cancellation upon receiving the request from the involved parties in the trade either via Cancellation Form or the technical interface. The trade details in the Cancellation request must be complete and include the correct references to the original trade that shall be cancelled. As a general rule, SIX Swiss Exchange will cancel trades until the end of the current business day (Transaction Date); in case of cleared trades the cancellation will be executed up until the end of the Clearing Day (18:15 CET) on a best effort basis. If the timeframe to request and perform Cancellations has passed, Participants shall consider to perform Countertrades according to clause 18 of Directive 3: Trading or request SIX Swiss Exchange to perform a Countertrade on behalf of the involved parties. Requests for Countertrades on behalf of the Participants can only be submitted via Cancellation Form in the Member Section.

The fees for Cancellations and countertrades on behalf of the involved parties remains unchanged at CHF 50 per transaction, regardless of whether the request is submitted via Cancellation Form or the technical interface. Participants have to indicate which side shall be charged the fee or whether the fee shall be split between the parties in the Cancellation form or in the attribute «Tariff» (FIX-Tag 6557) over the technical interface.

Further business related information about Cancellations is available in Directive 3: Trading. Technical information about Cancellation requests over the technical interface are available in the Standard Trading Interface (STI) Specification – Trade Reporting published in the Member Section.

3.4.3. Harmonisation Counterparty Anonymity

The behaviour regarding counterparty anonymity will be harmonized across all SWXess trading interfaces.

SIX Swiss Exchange will no longer display the Masking Central Counterparty (MCCP) identification 4500 for On Exchange – On Order Book trades in securities with counterparty anonymity. Instead, the counterparty attribute will either be empty for Standard Trading Interface (STI) or show 0 for OUCH Trading Interface (OTI).

Interface	Message	Current Behaviour (SMR4 and earlier)	New Behaviour (SMR5)
STI	Execution Report (8)	If security has CCP Anonymity then Masking CCP 4500 is displayed.	If security has CCP Anonymity then ContraFirm Party Group is not provided at all.
	Confirmation (AK)	If security has CCP Anonymity then the field is empty.	
OTI	Executed Order Message [E]	If security has CCP Anonymity then 0 is displayed.	If security has CCP Anonymity then 0 is displayed.
CTI	AmpTradeRep	If security has CCP Anonymity then Masking CCP 4500 is displayed.	If security has CCP Anonymity then Masking CCP 4500 is displayed.

Interface	Message	Current Behaviour (SMR4 and earlier)	New Behaviour (SMR5)
RDI	Party.txt	Participant ID 4500 included in Party.txt file	Participant 4500 no longer available in Party.txt file

Please note that in the context of the announced decommissioning of the legacy Capacity Trading Interface (CTI) on 31 July 2014, the behaviour of the counterparty anonymity will remain unchanged in this interface.

As a consequence of the harmonization of the counterparty anonymity handling, the following Participants (PartyIDs) and corresponding Legal Entity will be deactivated and thus no longer available in the Reference Data Interface (RDI).

partyId	partyName	partyNameAbbrev	PartyType	legalEntityId	legalEntityName	securityExchange
4500	Main CCP	MCCP	CCP	450	Main CCP	XSWX
4500	Main CCP	MCCP	CCP	450	Main CCP	XVTX

Information about the handling of Counterparty Anonymity is available in the respective SWXess Trading Interface specifications published in the Member Section.

3.5. Market- & Reference data

3.5.1. Market Model Typology

A broad spectrum of the industry (Exchanges, MTFs, Data Vendors) have been working to achieve a practical common solution for standards on post-trade equity market data called «Market Model Typology» (MMT) in order to improve the consistency and comparability of data from different sources. The key benefits of the MMT is that it enables investors to accurately monitor market events by standardising how these events are identified across a fragmented market and allows for the swift adoption of standardised trade data through a comprehensive translation facilitated by market data vendors on behalf of their users. Further information on the topic of Market Model Typology is available on the website of the Federation of European Securities Exchanges (FESE).

SIX Swiss Exchange understands the rationale for participating in an industry standard solution and would like to support the benefits in the harmonisation of market data distribution. For these reasons SIX Swiss Exchange will implement the following three MMT trade channels in the Market Data Interface (MDI):

Type	Channel ID	Channel Name
On- and Off Book Post Trade Channels	ONBTRD-016	On Book Trades Equities MMT
	ONBTRD-017	On Book Trades Non-Equities MMT
	ONBTRD-026	Off Book Trades MMT

Please note that using the new MMT market data channels is optional. The following currently available MDI channels will remain available and unchanged with SMR5:

Type	Channel ID	Channel Name
On- and Off Book Post Trade Channels	ONBTRD-011	On Book Trades Equities
	ONBTRD-012	On Book Trades Non-Equities
	ONBTRD-021	Off Book Trades

The new MMT market data channels include the following changes:

Attribute	Current MDI Channel	New MMT Channel
MD Origin Type	Book Off-Book	Book Quote Driven Market Off Book Dark Order Book
Trading Session (On Order Book only)	First Auction Trading Last Auction Auction	Opening or Opening Auction (Continuous) Trading Closing or Closing Auction Intraday Auction
Match Type (Off Order Book only)	-	One Party Trade Report (Off Exchange) Confirmed Trade Report (On Exchange)
Trade Type	Special Price	Regular Trade Special Price Dark Trade
Trade Publish Indicator (new for On Order Book)	Published Immediately Deferred Publication	Published Immediately Deferred Publication

A list of the Trading Segments and their respective Origin Type is available in section 6.1.2 of this document.

Further details about the MMT market data channels are available in the Market Data Interface (MDI) Specification published in the Member Section of SIX Swiss Exchange.

3.5.2. Unique Security Key

SIX Swiss Exchange will change the unique business key of a security in the Reference Data Interface (RDI) as follows:

Current Unique Business Key	New Unique Business Key
• ISIN • Trading Currency • Security Exchange	• ISIN • Trading Currency • Security Exchange • First Listed Date • Last Listed Date

The First- and Last Listed Date of the security must be taken into account in order to achieve a unique business key for a security because RDI publishes a security on the business day following the Last Listed Date (T+1) for the purpose of post trade processes (e.g. Corrections, Cancellations and Countertrades) executed on the business day after the Transaction Date (T+1).

Therefore, multiple instances of a security with the same old business key «ISIN, Trading Currency, Security Exchange» might be available in the RDI files on a given business day, if a seamless de- and re-listing of security is done. A de- and immediate re-listing of a security on the next business day might be required in the event of erroneous static data, a Trading Segment or Currency change. The new business key «ISIN, Trading Currency, Security Exchange, First Listed Date and Last Listed Date» of the security will ensure uniqueness of a security on any given business day.

The following table provides an example of a seamless de- and re-listing and data in RDI files:

Security		Area	07.01.2014	08.01.2014	09.01.2014
DELISTED ISIN CH00000000000 Currency CHF Exchange SWX First Listed Date 03.01.2012 Last Listed Date 07.01.2014		Static Data	Last Listed Date	LLD+1	-
		Security in RDI	Yes	Yes	No
		Trading	Yes	No	No
		Post Processing	Yes	Yes	No
NEW ISIN CH00000000000 Currency CHF Exchange SWX First Listed Date 08.01.2014 Last Listed Date 31.12.9999		Static Data	-	Accept Orders Date First Listed Date	Listed
		Security in RDI	No	Yes	Yes
		Trading	No	Yes	Yes
		Post Processing	No	Yes	Yes

Further information about the unique business key is available in the Reference Data Interface (RDI) Specification published in the Member Section of SIX Swiss Exchange.

3.6. Other Service Offerings

3.6.1. SIX Swiss Exchange Liquidnet Service (SLS)

No functional changes apply to the SIX Swiss Exchange Liquidnet Service (SLS) with SMR5.

The attribute «Routing Instruction» (FIX-Tag 9487) which determines whether an order is entered into the SIX Swiss Exchange order book or whether the order is routed to be executed in the dark book SIX Swiss Exchange Liquidnet Service (SLS) becomes a mandatory attribute. Details about this change are available in section 3.2.3 of this document and in the Standard Trading Interface (STI) Specification – Orders and Executions published in the Member Section of SIX Swiss Exchange.

The new order type «Iceberg» and order validity «At-the-Close» are not supported for trading over SLS.

Further information about the non-displayed liquidity platform are available on the SLS page.

3.6.2. Sponsored Access (SA)

Sponsoring Participants and their Sponsored Users also benefit from functional changes introduced with SMR5.

Sponsored Users may use the new order type «Iceberg» as well as the new order validity «At the Close» for trading over OUCH Trading Interface (OTI) over the Sponsored Access arrangement (SA). Information about the new order type and validity are available in section 3.2 of this document.

Sponsoring Participants will be able to identify Iceberg orders and orders with validity «At the Close» over the Sponsored Access FIX Drop Copy Interface as follows:

Type	Attribute and Value in FDC
Order Type «Iceberg»	DisplayQty (FIX-Tag 1138)
Oder Validity «At the Close»	TimeInForce (FIX-Tag 59) is 7 = At the Close

Sponsoring Participants will be able to additionally identify the Iceberg orders submitted by their Sponsored Users via the new attribute «Visible Quantity» in the Sponsored User Detail - Open Orders Tab of the RiskXposure Graphical User Interface (RX GUI).

Please note that the total quantity of Iceberg orders is counted towards the Risk Management Controls (RMCs). Orders with validity At-the-Close are already counted towards the Risk Management Controls (RMCs) upon order entry when they are still inactive and not only when the order has been sent to the order book at the start of the Closing Auction.

The new order type and order validity are mandatory changes for all Sponsored User in OTI and Sponsoring Participants in FDC. Detailed information about the interface changes are available in the Specifications published in the Member Section of SIX Swiss Exchange.

In addition to the functional changes resulting from SMR5, SIX Swiss Exchange will also introduce the following changes and optimizations in the RiskXposure GUI:

- Sponsored User Details

  o The column «Exposure» has been renamed to «Net Traded» to reflect the actual value shown in this column

- Search Trades

  o The column headings in the trades filtering drop down have been changed as follows:

Column Heading old	Column Heading new
Orderbook	Security
Execution Value	Value

  o The content of the following columns has been changed:

Column Heading	Change
Execution ID	This column will be changed to display the SIX Trade Match ID of the transaction.
Execution Time	The format has been changed to display DD.MM.YY – HH:MM:SS:XXX
Received Time	The format has been changed to display DD.MM.YY – HH:MM:SS:XXX
Price	Currency Code has been removed from this column because the information is already available in the Currency column.
Venue	Venue will display the official Market Code of the Venue (XSWX or XVTX)
Value	This column is new and will display the value of the transaction (Size x Price)

  o The default sequence of the trade attributes in this window has been changed

- Audit Log

  o Upon launching the Audit log in the RX GUI, the column width will be automatically Auto Resized in order that the data in the table is better visible.
  o The Audit Log has been generally improved to ensure that for every modification via RiskXposure GUI an Audit Event is created.

- Show Limits

  o If the limits are shown (Button «Show Limits», the Sequence and Currency of the Limits is aligned with the Edit Limits window.

The updated versions of the Sponsored Access - Service Description and RiskXposure - User Guide will be available for the go-live date of SMR5.

Further information about the non-displayed liquidity platform are available on the Sponsored Access page.

3.6.3. Bilateral Trading Platform (XBTR)

No functional changes apply to Bilateral Trading with SMR5.

Minor technical changes to XBTR are described in the Release Notes for SMR5 published in the Member Section of the platform operator.

In case of questions do not hesitate to contact the platform operator.

4. Technical Changes

The functional changes introduced with SWXess Maintenance Release 5 (SMR5) are not transparent for SWXess interfaces and require mandatory adjustments to Participant's own applications, interfaces and processes.

4.1. Release Notes

Please find all relevant technical information related to SWXess Maintenance Release 5 (SMR5), including required documents and artefacts, configuration changes, migration plan as well as testing activities in the Release Notes for SMR5 published in the Member Section of SIX Swiss Exchange.

4.2. Manuals and Specifications

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

Document	Link
MSC Messages	https://www.six-swiss-exchange.com/member_section/it/messages.html
Release Documents	https://www.six-swiss-exchange.com/member_section/it/release_docs.html
Manuals & Specifications	https://www.six-swiss-exchange.com/member_section/it/manuals.html

5. Regulatory Changes

The functional and technical changes introduced with SMR5 also necessitate changes to the rules and regulations. The following Rules, Directives and Guides are affected in this respect and have been amended accordingly:

- **Rule Book** of SIX Swiss Exchange and SIX Structured Products Exchange

- **Reporting Office Rules** for the Fulfilment of the Legal Reporting Requirements for Securities Dealers

- **Directives** of SIX Swiss Exchange and SIX Structured Products Exchange
  - Directive 1: Admission of Participants
  - Directive 3: Trading
  - Directive 7: Fees and Costs
  - Directive 8: Sponsored Access (SIX Swiss Exchange only)

- **Trading Guide** and **Reporting Guide**

The following functional changes have resulted in amendments to the regulations:

- Admission of trading participants as reporting member
- Order type «Iceberg»
- Order validity «At-the-Close»
- New Trade Types
- Delivery Reports
- Reporting scenario for order transmissions
- Decommissioning STI Equity-only

The updated versions of Rules and Directives are available on the internet sites of the respective Exchange:

Document	Link	
SIX Swiss Exchange	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
SIX Structured Products Exchange	http://www.six-structured-products.com/en/about-us/exchange-trading/trading-rules	

The following table contains a detailed overview of the amendments to the Rules and Directives:

Regulatory Document	Type of change	SIX Swiss Exchange Reference	SIX Structured Products Exchange Reference	Title
Rule Book	Deleted	Clause 11 para. 3	Clause 11 para. 3	On-exchange, off-order-book trades
	New	Clause 11.1 para. 2	Clause 11.1 para. 2	Reporting of trades to the Exchange
	New	Clause 13.2 para. 2	Clause 13.2 para. 2	Clearing and settlement instructions
	New	Clause 27 para. 7	Clause 26 para. 5	Revision
Reporting Office Rules for the Fulfilment of the Legal Reporting Requirements for Securities Dealers	Changed	Clause 5 lit. d, g & h	-	Contents of the report
	New	Clause 6.3.1 para. 2	-	Two-sided Trade Report
	New	Clause 7.1 para. 2	-	Transmission of Order
	New	Clause 8.3	-	Fees for Trade Type "Both Parties"
	New	Clause 8.5	-	Reimbursement of fees
	New	Clause 11.5.2 para. 3	-	Revision
	Changed	Annex B	-	Reporting Fees

Regulatory Document	Type of change	SIX Swiss Exchange Reference	SIX Structured Products Exchange Reference	Title
Directive 1: Admission of Participants	New	Clause 5	Clause 5	Admission of a participant as a reporting member
Directive 3: Trading	Changed	Clause 5.1	Clause 5.1	Order
	New	Clause 5.1.2	Clause 5.1.2	Order types
	Changed	Clause 5.1.3 lit. c, e & g	Clause 5.1.3 lit. c & g	Order specification
	Changed	Clause 5.2	Clause 5.2	Quote
	New	Clause 5.2.2	Clause 5.2.2	Quote specification
	Changed	Clause 14 para. 2 lit. g	Clause 12 para. 2 lit. g	Trade Reports
	New	Clause 15.1.2 para. 2	Clause 13.1.2 para. 2	Trades with non-participants with Securities Dealer status
	Changed	Clause 17.2 para. 1	Clause 15.2 para. 1	Cancellation Procedure
	New	Annexes A to Q Clause 2 para. 2	Annex A Clause 2 para. 2	Market model and order types
	Changed	Annex E	-	Sponsored Foreign Shares
	New	Annexes G and I Clause 6.2 para. 2 lit. b	-	Products whose underlyings are primarily fixed income instruments
	New	Annex S lit. d & e	Annex B lit. c & d	Trade Types
Directive 7: Fees and Costs	Changed	Clause 1.2	Clause 1.3	List of fees
	Changed	Clause 2	Clause 2	Definitions - Delivery Report
	New	Clause 3.3	-	Admission fee participant as a reporting member
	Changed	Clause 3.4 para. 2	-	Participant annual fee
	Changed	Clause 3.6 para. 1	-	Sponsored Access fee
	New	Clause 4 para. 3	-	Access fee
	Changed	Clause 5	Clause 6	Extraordinary fees
	New	Clause 8.4	Clause 4.4	Delivery Report usage fee
	New	Clause 8.5	Clause 4.5	Fee for Trade Type "Both Parties»"
	Changed	-	Clause 5	Capacity fees
	Changed	Annex D	-	Sponsored Foreign Shares
	Changed	Annexes H and I Clause 3.1	-	QPS capacity fee
	Deleted	Annex K Clause 6.2	-	Standard Trading Interface for equity markets (STI-Equity)
Directive 8: Sponsored Access	Changed	Clause 8 para. 1	-	Risk management controls

A list of the revisions made to the Rules and Directives of SIX Swiss Exchange, including information on changes to content, affected clauses and effective dates, can be found at:
http://www.six-swiss-exchange.com/participants/regulation/revisions/rule_book_en.html

The Trading and Reporting guides have also been revised in connection with the introduction of SMR5 and are now available at:
http://www.six-swiss-exchange.com/participants/regulation/trading_guides_en.html

6. Migration and Rollout

6.1. Business Migration

The upgrade to SWXess Maintenance Release 5 (SMR5) requires the migration of transactional and reference data as well as various configuration changes. SIX Swiss Exchange will ensure that the migration footprint on Participants is as minimal as possible.

Further details about the migration and the required technical configuration may be found in the Release Notes for SMR5 published in the Member Section of SIX Swiss Exchange.

6.1.1. Transactional Data

6.1.1.1. Orders

All SIX Swiss Exchange and SIX Structured Products Exchange order books will be migrated to SMR5 by SIX Swiss Exchange. No active orders will be deleted from the order books and Participants do not have to take any actions in this regard. Participants will receive Execution Reports in the Morning Snapshot on the Monday after the migration over the new FIX Connection for all their active orders.

Since the STI Equity-only service offering will be decommissioned on the first trading day of SMR5, any orders entered over dedicated STI Equity-only FIX Connections will not be migrated to SMR5. Participants who are currently using STI Equity-only, are kindly requested to delete all open orders entered over their STI Equity FIX Connection after End of Trading before the SMR5 upgrade. SIX Swiss Exchange will perform emergency deletions for all open Good-Till-date orders entered over STI Equity FIX Connections starting 18:30 CET on the business day before the migration to SMR5. 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 over STI Equity FIX Connections after 19:00 CET before the migration will not be migrated to SMR5 and be silently dropped without an Execution Report.

6.1.1.2. On and Off Exchange Trades

The On Exchange and Off Exchange trades will not be upgraded to SMR5. As a consequence on Monday after the migration the following behaviour applies:

- On Order Book trades executed before the Migration (SMR4) cannot be corrected nor cancelled after the migration (SMR5)

- Off Order Book- and Off Exchange trades reported before the migration (SMR4) will not be able to be corrected nor cancelled after the migration (SMR5)

- Unmatched Two-sided Trade Reports from before the migration (SMR4) cannot match against Two-sided Trade Report legs entered after the migration (SMR5). The same behaviour applies to Delivery Reports.

- Unmatched Two-sided Trade Reports entered before the migration (SMR4) cannot be deleted after the migration (SMR5). The same behaviour applies to Delivery Reports.

Participants will need report Countertrades according to clause 18 of Directive 3: Trading in the event that trade Cancellations are required. If affected Participants cannot report Countertrades themselves, a Countertrade may be requested with SIX Swiss Exchange by submitting the Trade Cancellation / Countertrade form in the Member Section.

6.1.1.3. Transaction Reports

The Transaction Reports will be migrated to SMR5; therefore transactions which were reported before the migration can be cancelled by the Participants themselves via the web based Reporting Tool or via Transaction File Interface (TFI) after the migration (SMR5).

6.1.1.4. Publication of Off Order Book 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 T: Delayed Publication of Directive 3: Trading will be published via Market Data Interface (MDI) as normal after the migration to SMR5 if applicable.

6.1.2. Security and Segment Reference Data

6.1.2.1. Security Reference Data

No SMR5 related security reference data modification will take during the migration.

6.1.2.2. Segment Configuration Data

In the context of the introduction of the Iceberg order type and the new Market Model Typology (MMT) market data channels, the trading segments will be initially configured as follows:

Trading Segment ID	Trading Segment Description	MMT Type	Iceberg Supported
26	Blue Chip Shares	Order Driven Market	Yes
32	OTE - SLS - CH (XVTX)	Dark Order Book	No
580	SIX Structured Products	Quote Driven Market	No
581	International Bonds	Quote Driven Market	No
582	International Bonds Min Denom	Quote Driven Market	No
583	International Bonds Convertible	Quote Driven Market	No
584	ETF	Quote Driven Market	No
585	ETF on Swiss Confederation Bonds	Quote Driven Market	No
586	ETSF	Quote Driven Market	No
588	ETP	Quote Driven Market	No
589	Swiss Confederation Bonds CHF	Quote Driven Market	No
590	Bonds CHF	Quote Driven Market	No
591	Mid-/Small-Cap Shares	Order Driven Market	Yes
592	Secondary Listing Shares	Order Driven Market	Yes
594	Investment Funds	Order Driven Market	Yes
595	Derivatives non-quoted	Order Driven Market	No
596	Convertible and Warrant Bonds CHF	Quote Driven Market	No
597	Separate Trading Lines	Order Driven Market	No
598	Rights	Order Driven Market	No
599	OTE - SLS - CH (XSWX)	Dark Order Book	No
600	OTE - SLS - DE	Dark Order Book	No
601	OTE - SLS - FR	Dark Order Book	No
602	OTE - SLS - NL	Dark Order Book	No
603	OTE - SLS - UK	Dark Order Book	No
604	OTE - SLS - AT	Dark Order Book	No

Trading Segment ID	Trading Segment Description	MMT Type	Iceberg Supported
605	OTE - SLS - BE	Dark Order Book	No
606	OTE - SLS - DK	Dark Order Book	No
607	OTE - SLS - FI	Dark Order Book	No
608	OTE - SLS - IT	Dark Order Book	No
609	OTE - SLS - NO	Dark Order Book	No
610	OTE - SLS - PT	Dark Order Book	No
611	OTE - SLS - SE	Dark Order Book	No
612	Sponsored Funds	Quote Driven Market	No
613	Sponsored Foreign Shares	Quote Driven Market	No
614	Bilateral Trading Structured Products	Dark Order Book	No
615	CHF Bonds Min Denom	Quote Driven Market	No

6.1.2.3. General Data

The following Masking Central Counterparty (MCCP) Party IDs, which were displayed in the event of an On Order Book trade in a security with post-trade counterparty anonymity, will no longer be available in the Party.txt as of the first trading day with SMR5:

partyId	partyName	partyNameAbbrev	PartyType	legalEntityId	legalEntityName	securityExchange
4500	Main CCP	MCCP	CCP	450	Main CCP	XSWX
4500	Main CCP	MCCP	CCP	450	Main CCP	XVTX

6.1.3. Participant Reference Data

6.1.3.1. FIX Connections / STI Services

In the context of the new STI FIX Infrastructure, the current Request Coordinator (RC) FIX Connections (SMR4) will be replaced by the new STI FIX Infrastructure FIX Connections (SMR5), which must be initially configured. The migration approach for FIX Connections and STI Services is different for the Membertest- and Production environments.

During the migration in the Membertest environment SIX Swiss Exchange will automatically create a new FIX Connection (SenderCompId) with all STI Services for every Participant (Party ID) by default. This migration approach ensures that all Participants will have the same FIX Connection configuration for STI Services in Membertest under SMR5 as they currently do in Production under SMR4. However, please note that the naming convention of the FIX Connection (SenderCompId) will change as follows:

SMR4	SMR5
Legal Entity Abbreviation – Continuous Number *Example* *SIXZH-01*	Legal Entity Abbreviation – Interface Abbreviation and Continuous Number *Example* *SIXZH-S01*

This means that existing STI FIX Connections will be decommissioned during the SMR5 migration and Participants must connect on the Monday following migration with the newly configured SMR5 FIX Connections.

SIX Swiss Exchange will publish the new FIX Connection (SenderCompId) details for every Participant in the Private Configuration section of the Member Section before the first trading day with SMR5.

Participant who are interested in using a dedicated setup of the FIX Connections (SenderCompId) and STI Service per Participant (Party), are kindly invited to request the configuration by submitting the PartyID and SenderCompID Configuration Form to Member Services (member.services@six-group.com). Member Services will setup the requested configuration in the Membertest environment in order that Participants can test their new configuration prior to the Production go-live. During the Membertest phase the Production configuration will remain unchanged.

During the migration to the Production environment SIX Swiss Exchange will take the FIX Connection and STI Services configured for the respective Participant in the Membertest environment and apply it to Production.

Please note that any configuration changes to the FIX Connection and STI Services setup per Participant in the Membertest environment must be requested by 31 March 2014 at the latest in order that SIX Swiss Exchange can guarantee the correct migration to the production environment.

6.1.3.2. STI Equity-only

Since the STI Equity-only offering will no longer be supported with SMR5, the FIX Connections (SenderCompIds) connecting to the dedicated STI Equity infrastructure will not be migrated. As a consequence the Participants (Party IDs) with a STI Equity FIX Connection will not be able to connect to and trade over STI after the migration to SMR5 anymore. Participants trading over CTI or OTI with STI Equity Party IDs will no longer receive Confirmation messages of those trades.

The affected Participants are kindly invited to contact Member Services (member.services@six-group.com) to deactivate the STI Equity Party ID or to configure the existing Party ID with a new FIX Connection and STI Services.

Member Services will deactivate the STI Equity Party IDs belonging to Participants which no longer trade via their STI Equity Party ID and no longer use the connection to receive Confirmation messages without further notification on 18 April 2014. If you wish to keep the STI Equity Party ID, please contact Member Services (member.services@six-group.com).

Please note that during the Membertest phase of SMR5, Participants currently using the STI Equity service offering will be able to use STI Equity in the Production environment until the launch of SMR5 in Production.

6.1.3.3. Confirmation Drop Copy

With SMR5 SIX Swiss Exchange offers STI Confirmations Drop Copies. During the migration in the Membertest environment, no Confirmation Drop Copies will be configured for Participants by default.

Participants interested in using the new Confirmation Drop Copy service offering, are kindly invited to request the configuration by submitting the PartyID and SenderCompID Configuration Form to Member Services (member.services@six-group.com). Member Services will setup the requested configuration in the Membertest environment in order that Participants can test their new configuration prior to Production go-live. During the Membertest phase the Production configuration will remain unchanged.

During the migration to the Production environment SIX Swiss Exchange will apply the Confirmation Drop Copy configuration of the Membertest environment to the Production environment.

Please note that any configuration changes to the Confirmation Drop Copy in the Membertest environment must be requested by 31 March 2014 at the latest in order that SIX Swiss Exchange can guarantee the correct migration to the production environment.

6.1.3.4. Reporting Service for Trading Participants

With SMR5 SIX Swiss Exchange offers a new Reporting Service for Trading Participants for the reporting of Off Exchange trades by unregistered personnel. During the migration in the Membertest environment, no Reporting Members for Trading Participants will be configured by default.

Participants interested in using the new Reporting Service for Trading Participants offering, are kindly invited to request the configuration by submitting the Trade Reporting Service for Trading Members form to Member Services (member.services@six-group.com). Member Services will setup the requested Reporting Member in the Membertest environment in order that Participants can test their new configuration prior to Production go-live.

During the migration in the Production environment SIX Swiss Exchange will apply the Reporting Member of Trading Participant setup from the Membertest environment to the Production environment.

Please note that any configuration new Reporting Members of Trading Participants in the Membertest environment must be requested by 31 March 2014 at the latest in order that SIX Swiss Exchange can guarantee the correct migration to the production environment.

6.2. Technical Migration

Please find further details about the technical migration, schedule, activities and configuration of SMR5 in the in the Release Notes for SMR5 published in the Member Section of SIX Swiss Exchange.

6.3. Rollout

The following table shows the key dates of the SMR5 introduction:

Date	Activity
Fri 10.01.2014 and Sat 11.01.2014	Migration to SMR5 in Membertest environment
Mon 13.01.2014	**First trading day with SMR5 in Membertest environment**
Mon 03.03.2014	Communication and Publication of updated Rule Book, Directives and Guides for SMR5
Sat 05.04.2014 and Sun 06.04.2014	Migration to SMR5 in Production environment
Mon 07.04.2014	**First trading day with SMR5 in Production environment**
Sat 03.05.2014 and Sun 04.05.2014	Contingency Date - Migration to SMR5 in Production environment
Mon 05.05.2014	Contingency Date - First trading day with SMR5 in Production environment
Thu 31.07.2014	Decommissioning Capacity Trading Interface (CTI)

Further key dates for the SMR5 Membertest phase are available in the Release Notes for SMR5 published in the Member Section of SIX Swiss Exchange.

7. Testing

Before the introduction of SWXess Maintenance Release 5 (SMR5) in the Production environment, Participants will be able to test the new and changed functionality in the Membertest environment.

SIX Swiss Exchange strongly recommends that all Trading Participants, Application Service Providers (ASP) and Independent Software Vendors (ISV) test their own applications and interfaces as well as business processes and back office workflows during the Membertest phase. The main focus of the Membertest phase is to verify the changes to the connectivity and business functionality especially in regards to the following areas:

- Connection to the new STI FIX Infrastructure;
- Verification of STI error handling in your system;
- On Order Book trading;
- Trade and Transaction Reporting;
- Clearing and Settlement; and
- Participant Configuration

You are kindly invited to contact Member Services (member.services@six-group.com) if you require assistance with testing in the Membertest environment. Information about automated testing services provided by SIX Swiss Exchange in the Membertest environment are 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/member_section/download/public/Trading_Hours_Membertest.pdf

Further details about testing activities during the Membertest phase such as Performance- and Background Load tests, Recovery- and Failover tests as well as Morning Snapshot Behaviour tests are available in the Release Notes for SMR5 published in the Member Section of SIX Swiss Exchange.

7.1. Readiness Declaration

All Participants are kindly requested to fill in and submit the «Readiness Declaration» form by **2 April 2014 at the latest** to confirm that the required tests have been successfully executed and that they are ready for the migration to SMR5 in the production environment.

8. Document History

Issue	Date	Description
1.00	13 January 2014	First version of the document published with <u>SIX Swiss Exchange message no. 01/2014</u>
2.00	3 March 2014	Updated version of the document published with <u>SIX Swiss Exchange message no. 06/2014</u> - 3.1.2 Configuration of FIX Connections and STI Services for a Participant - 3.1.3 Configuration of STI Confirmation Drop Copy - 3.2.1 Iceberg - Calculation of TOP and Emergency Deletions Iceberg not supported with order validity Accept and Fill or Kill - 3.2.2 At-the-Close – Modification of Time in Force and Emergency Deletions - 3.2.4 Decommissioning of CTI - new date 31 July 2014 - 5 List of Regulatory Changes
3.00	26 March 2014	Updated version of the document published with <u>SIX Swiss Exchange message no. 10/2014</u> - 3.1.3 Additional Example for STI Confirmation Drop Copy - 3.3.2 Unmatched two-sided trade reports in delisted security - 3.6.1 Iceberg and At-the-Close not supported for SLS - 6.1.3 Changes of Participant Configuration for go-live until 31 March 2014 - 6.1.3.2 Deletion of unused STI Equity Party IDs by 18 April 2014 - 6.3 Rollout Schedule - 7.1 Return Readiness Declaration by 2 April 2014

Notes

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