

IT – INET Nordic – Introduction of new Manual Trade Types (43/18)

Nasdaq Nordic and Nasdaq Baltic will introduce new Trade Types for Manual Trades in Equity Instruments and Warrants and Certificates (Securitized Derivatives) executed in INET Nordic. The new Trade Types are planned to be introduced in September 24, 2018.

At the same time, Nasdaq Nordic and Nasdaq Baltic will introduce a change to how existing Trade Type 'Non-Standard Settlement' updates trading statistics for Equity Instruments and Securitized Derivatives traded in INET Nordic.

Background

New Trade Types are being introduced in order to cater all categories defined by MiFID II for negotiated transactions subject conditions other than current market price in Equity Instruments, in accordance with MiFIR Article 4(1)(b)(iii) and further specified in Commission Delegated Regulation 2017/587 ("RTS 1") Article 6.

In addition, Trade Type 'Derivative Related Transaction' is renamed as 'Exercise Related Transaction'. This Trade Type is offered in accordance with RTS 1 Article 6(c).

Currently, RTS 1 Article 6(c) is offered as Trade Type Derivative Related Transaction, and RTS 1 Articles 6(d)-(f) are offered as Trade Type Exchange Granted via a general authorization given in INET Nordic Market Model.

Details

New Trade Types with definitions (pending Regulatory review), and in case of Manual Trade is below Large in Scale (LIS) threshold in Equity Instruments, the applicable RTS 1 paragraph and MiFID II waiver indicator, are:

Trade Type	Definition (pending Regulatory review)	RTS 1 article	MiFID II waiver indicator
'Exercise Related Transaction'	A Trade resulting in the delivery of financial instruments in the context of the exercise of convertible bonds, options, covered warrants or other similar financial derivative.	Article 6(g)	PRIC
'Linked Component Transaction'	A Trade contingent on the purchase, sale, creation or redemption of a derivative contract or other financial instrument where all the components of the trade are meant to be executed as a single lot.	Article 6(c)	PRIC
'Beneficial Ownership Transfer Transaction'	A Trade executed by a management company as defined in Article 2(1)(b) of Directive 2009/65/EC or an alternative investment fund manager as defined in Article 4(1)(b) of Directive 2011/61/EU which transfers the beneficial ownership of financial instruments from one collective investment undertaking to another and where no investment firm is a party to the transaction.	Article 6(d)	PRIC

'Give-up or Give-in Transaction'	A Trade is a give-up transaction or a give-in transaction.	Article 6(e)	PRIC
'CCP Related Transaction'	A Trade has as its purpose the transferring of Instruments as collateral in bilateral transactions or in the context of a CCP margin or collateral requirements or as part of the default management process of a CCP.	Article 6(f)	PRIC

Manual Trades where the trade size is at or above LIS threshold are executed under Large in Scale pre-trade transparency waiver in accordance with MiFIR Article 4(1)(c) for Equity Instruments and MiFIR Article 9(1)(a) for Securitised Derivatives. For those Manual Trades, no MiFID II waiver indicator is applicable. In Securitised Derivatives, Manual Trades only at or above LIS threshold are allowed.

Nasdaq Iceland

New Manual Trade types are available for trading in Equity Instruments on Nasdaq Iceland. However, negotiated transactions waiver as well as LIS thresholds in Equity Instruments on Nasdaq Iceland follow MiFID I instead of MiFID II.

Protocol specifications

Nasdaq FIX 5.0 On-Exchange Trade Report and Nasdaq Nordic Equity Last Sale (NLS) protocol specifications are updated with new and updated Trade Type values. See History section in respective protocol specification for latest updates.

Current and future versions of INET protocol specifications are available at the [Nasdaq Nordic Technical Information website](#) under INET Nordic Protocol Specifications.

Time schedule

- INET Test (NTF) and GCF TST4 – July 11, 2018
- INET and GCF Production – September 24, 2018

Trading Statistics

Trades reported with above new Trade Types update only Turnover.

Trades reported with Trade Type 'Non-Standard Settlement' update currently only Turnover. As of September 24, 2018, 'Non-Standard Settlement' will update:

- Turnover
- Last price
- Average price
- High/ low price.

Nasdaq Nordic Member Rules

Please note that these changes will be reflected in the Nasdaq Nordic Member Rules, effective September 24, 2018. The change is subject to Regulatory review.

INET Nordic Market Model

Market Model will be updated and will be effective as of September 24, 2018.

Questions and feedback

For further information and feedback concerning this information, please contact:

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Best regards,

Nasdaq Nordic and Nasdaq Baltic

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