

CORRECTION: IT – INET Nordic – Reminder: Reclassification of Danish Investment Funds to Exchange Traded Funds (48/18)

As previously communicated in IT notice [42/18](#), Nasdaq Copenhagen will reclassify the Danish Investment Funds (UCITS Funds and Alternative Investment Funds segments) traded on XCSE to follow the transparency rules set for Exchange Traded Funds (ETF) or Shares. This change is regulatory driven as MiFID II regulation classifies exchange listed Investment funds and Capital associations having a market maker, and hence fulfilling the definition of an ETF from transparency perspective.

In order to comply with the new classification, the Investment Funds having a market maker falls under MiFIR identification “ETFS” instead of “OTHR”, which is applied currently for the affected instruments. Furthermore, part of the Alternative Investment Funds (AIF) will be classified as shares and hence falls under MiFIR identification “SHRS”. Investment Funds and AIFs which do not have a market maker will continue to have MiFIR identification “OTHR”. Investment Funds and AIFs with MiFIR ID “OTHR” are excluded from transparency reporting and regulatory reporting set by the MiFID II regulation. A list of Investment Funds with changed/unchanged MiFIR identification classification is in the attached spreadsheet.

In order to group the reclassified Investment Funds according to new classification, two new Market Segments with new respective turnover lists/list populations will be introduced. Additionally, new trading schedule and a new MiFID compliant tick size table will be introduced for the Investment Funds classified as ETFs. Please find the new identifiers with explanations below.

Identifiers:

Market Segments:

The Danish Investment Funds and Alternative Investment funds will be divided in to following market segments.

Exchange / MIC	Current Market Segment Name	New Market Segment Name	Segment symbol	Seq. no	GCF Prod and GCF TST4 ID	Explanation
XCSE	OMX CPH Investment Funds	CPH Inv Funds UCITS ETF	DKEQ UTC	16	34	Rename the existing Market Segment according to the new ETF classification
XCSE	NEW	CPH Inv Funds UCITS non-MM	DKEQ UTC NMM	219	858	New Market Segment. Contains the Investment Funds without a market maker and hence not classified as ETFs
XCSE	OMX CPH Alternative Investment Funds	CPH AIF Companies and Funds	DKEQ OCIS	104	138	Rename the existing Market Segment. Contains the Alternative Investment Funds and Companies which do have a market maker and hence are classified as ETFs or Shares.
XCSE	NEW	CPH AIF Companies and Funds non-MM	DKEQ AIF NMM	220	860	New Market Segment. Contains the Alternative Investment Funds and companies without a market maker and hence as Other Equity Like Instruments (OTHR)

Turnover lists and list population Ids:

Two additional turnover lists and list populations will be introduced for the Investment Funds and Alternative Investment Funds which does not have a market maker.

Exchange	List Name	List Code	List ID	List GCF ID	List Population Name	ID	GCF ID	Explanation
XCSE	CPH Inv Funds UCITS non-MM	COCINMM	124640	14602	CPH Inv Funds UCITS non-MM	123689	14606	New list for Investment (UCITS) funds not having a market maker

XCSE	CPH AIF Companies and Funds non-MM	COAIFNMM	124641	14604	CPH AIF Companies and Funds non-MM	123690	14608	New list for AIF companies and funds not having a market maker
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Danish Investment funds and Alternative Investment Funds which are to be classified as ETFs will retain the current Turnover lists/List populations.

Trading schedule:

Following Trading Schedules will be applied for Instruments traded on the following Market Segments.

All times CET

Explanation	Market Segment	Pre Open	Uncross	Continuous Trading	Post Trade	Closed
New Trading schedule with closing auction removed	CPH Inv Funds UCITS ETF CPH Inv Funds UCITS non-MM	08:00	09:44:55	09:44:55-16:55	16:55	17:20:00-08:00

Explanation	Market Segment	Pre Open	Uncross	Continuous trading	Pre close	Uncross	Post trade	Closed
Existing trading schedule	CPH AIF Funds and Companies CPH AIF Funds and Companies non-MM	08:00	09:44:55	09:44:55-16:55	16:55	17:00	17:00	17:20-08:00

Tick Size Table(XCSE Inv Funds, AIF Id=237):

Investment Funds, which are reclassified as ETFs shall comply with the minimum tick size rules set in the regulatory technical standards on the tick size regime for shares, depositary receipts and exchange traded funds. Therefore, a new Tick Size table complying with the regulation will be introduced. Initially all Investment Funds and Alternative Investment Funds will use the same Tick Size table. In future, the tick size table for Alternative Investment funds falling under MiFIR identification "SHRS" needs to be reviewed. Please find the new tick size table below. Any changes in tick size tables for Investment Funds and AIFs are automatically sent with the instrument reference data.

Price	Tick Size
0 - 49,99	0,01
50 - 99,98	0,02
100 - 199,95	0,05
200 - 999,90	0,10
1000 - 1999,80	0,2
2000 - 4999,50	0,5
5000 - 9999,00	1
10000 - 19998,00	2
20000 - 49995,00	5
50000 -	10

Market Access

Members having trading access to the existing market segments on Nasdaq Copenhagen will also have trading access to the new segment.

The new segments CPH Inv Funds UCITS non-MM and CPH AIF Companies and Funds non-MM will be added to all FIX drops currently configured to listen to CPH Investment Funds and CPH Alternative Investment Funds data.

INET Nordic Production change procedure and consequences

The Investment Funds and Alternative Investment Funds which do not have a market maker will be moved into a new respective market segment.

As a consequence:

- The affected order books will be flushed during post trade on 24 August, 2018. Good-Till-Cancel (GTC) orders will be deleted, and participants will have to consider re-entering these orders on 27 August, 2018.
- Trades in these instruments where trade publication is deferred until end of trading day or later, will be published post trade on 24 August, 2018

Please find the attached excel spreadsheet containing information on instruments moving to the new market segments.

Time schedule:

INET Test (NTF) and GCF TST4 – in test

INET and GCF Production – August 27, 2018

INET Nordic Market Model

Market Model will be updated and will be effective as of August 27, 2018.

Support

For technical questions, please contact Nasdaq Cash Equity Operations:

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Best regards,

Nasdaq Nordic

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