

Exchange Notice

2014-06-19

IT 71/14

IT – INET Nordic – Sold-Out Buy-Back for Warrants, Certificates and Exchange Traded Notes

NASDAQ OMX Nordic intends to launch Sold-Out Buy-Back (SOBB) functionality for Warrants, Certificates and Exchange Traded Notes (ETN). The functionality will be available on NASDAQ OMX Copenhagen, Helsinki and Stockholm. Sold-Out Buy-Back will be used in production from September 22, 2014 and it will be available for testing in INET OTF and GCF4 as of August 18, 2014.

The functionality is optional for issuers and can be used in exceptional circumstances where the Market Maker has run out of issued volume. However, as the Sold-Out Buy-Back will impact other participants' ability to send in orders, all participants active in the Warrants, Certificates and Exchange Traded Notes segments should evaluate the impact on their systems.

To make use of the SOBB, the Market Maker will contact NASDAQ OMX Nordic and request for the order book impacted to be placed in Sold-Out Buy-Back. NASDAQ OMX Nordic will initiate the Sold-Out Buy-Back with the sending of a Note Code and will flush the order book.

After the Note Code is applied, the Market Maker will only be able to send in buy orders. Under the Sold-Out Buy-Back, other participants will only be allowed to send in sell orders until the SOBB is terminated. During the SOBB, irrespective of the Time-In-Force, all sell orders are treated as Immediate-or-cancel (IOC). Any buy orders that are not sent in by the Market Maker during the Sold-Out Buy-Back will be rejected.

Once the Market Maker is satisfied with its inventory, they will contact NASDAQ OMX Nordic. The Note Code will be removed from the order book and the order book will be flushed. After the SOBB is lifted, trading will resume normally and according to the trading phase ongoing at that time.

The start of the Sold-Out Buy-Back is indicated by the dissemination of the note code for the impacted order book through the "Order Book Directory" message in ITCH.

The end of the Sold-Out Buy-Back and the removal of the Note Code leads to ITCH relaying an "Order Book Directory" message with an updated Note Code field for the order book.

INET identifiers:

Market segments impacted by the Sold-Out Buy-Back

Exchange / MIC	Segment name	Segment symbol	Currency	Seq. no	GCF ID
XCPH	OMX CPH Warrants	DKWA WAR	DKK	167	308
XCPH	OMX CPH Certificates	DKWA CERT	DKK	168	310
XCPH	OMX CPH Exchange Traded Notes	DKEQ COM	DKK	357	458
XSTO	OMX STO Warrants	SEEQ WAR	SEK	4	21
XSTO	OMX STO Certificates	SEEQ CERT	SEK	160	256
XSTO	OMX STO Exchange Traded Notes	SEEQ COM	SEK	158	264

XHEL	OMX HEL Covered Warrants	FIEQ WAR	HEL	64	93
XHEL	OMX HEL Certificates	FIEQ CERT	HEL	159	258
XHEL	OMX HEL Exchange Traded Notes	FIEQ COM	HEL	157	456

Protocol changes

OUCH:

A new value is added to the Reason field of the Rejected Order Message (section 2.2.6):

- Reason = "I" - Invalid Side

The new reject Reason will be used during Sold-Out Buy-Back when:

- A client sends a buy order and;
- A market maker sends a sell order.

TotalView-ITCH:

A new value is added to the Note Codes field of the Order Book Directory message (section 4.3.1):

- 2 097 152 = "SO" - Sold-Out Buy-Back

The new Note Code will be used to indicate that a symbol is subject to Sold-Out Buy-Back rules.

GCF TIP:

In TIP, the note code is relayed through the Basic Data Tradable message BDT or intraday in the real-time Notification message NOT.

Protocol specifications

Next versions of INET protocol specifications are available at the NASDAQ OMX Technical Information website, under [INET Nordic Future Protocol Specifications](#).

Time plan

The Sold-Out Buy-Back functionality is planned for launch: in INET

- INET Test (OTF), GCF 4 – August 18, 2014
- INET Production – September 15, 2014
- Please note that although the new node code will be implemented on September 15, it will start to be used from September 22, 2014

INET Nordic Market Model

The changes will be reflected in the [Market Model](#) valid from September 22, 2014.

If you have any questions regarding this notice, please contact NASDAQ OMX Tech Support at: +46 8 405 6410, operator@nasdaqomx.com.

Best regards,
NASDAQ OMX – Global Data Products