

IT - INET Nordic – Introduction of a new Trading Phase – Trading at Closing Price (03/19)

Nasdaq Nordic is planning to introduce a new trading phase called Trading at Closing Price (T@CP). Trading at Closing Price is a 10 minute trading phase after the Lit Order book closing auction, where Members may optionally continue to trade. Orders sent to this trading phase match continuously at the Closing auction price. The new functionality will be introduced for shares traded on the Nasdaq Copenhagen and First North Denmark markets. The effective date for this change in production is **May 6, 2019**, pending regulatory approval. The new functionality will be available for testing in the INET NTF environment as of **February 4, 2019**.

For more detailed information regarding the T@CP functionality, please find a guide to the Trading at Closing price phase in the attached PDF document.

Introduction of the Trading at Closing Price functionality

The T@CP phase lasts for 10 minutes, and ends in Post Trade phase. The optional trading state is part of the normal Trading hours defined in Nasdaq Nordic Member Rules for those Members utilizing the service.

The T@CP trading phase starts after the Closing auction. The phase is associated to the corresponding Order book and the Market Segment it belongs to. T@CP will be applicable for Shares having a Closing auction and traded on the following markets:

- Nasdaq Copenhagen;
- First North Denmark

Trading Schedule

The T@CP phase starts right after the Lit Order book uncross and ends exactly:

- Nasdaq Copenhagen and First North Denmark - **17:10:00 CET**

T@CP is a new optional state, which means that orders not opting in to this trading session will not be affected; hence it will work as today in the Post trade (after Closing Auction uncross CET 16:59:30-17:00 and up to 17:20 in Nasdaq Copenhagen).

T@CP Matching Model

During the T@CP trading phase continuous auction order book trading system matches Orders that are priced at or more generous than the Closing auction price at the Closing auction. Such Orders will participate to this trading phase at the Closing auction price.

Orders with Limit prices less generous than the Closing auction price will be rejected and will not take part to this trading phase.

In order for matching to commence the Closing auction must have generated a closing price.

Member participation

It is possible to opt in T@CP for all Orders over a specific MPID and User ID combination and in such case the T@CP Condition will be activated automatically for all eligible Orders. Furthermore, there is a possibility to configure Member and User ID combination so that orders are not transferred by default, but new orders entered during the T@CP phase will be accepted without using the separate order condition.

In addition to the above, there is an alternative to opt out from the T@CP phase in the Member/User level configuration and in such case no order transfer or new order entries to T@CP will be accepted by the trading system.

Members can choose the following configuration alternatives on Member/User level, defining the level of participation in the T@CP phase:

T@CP participation table

Configuration/Condition Matrix	MPID/USER T@CP configuration		
T@CP Order condition	Y	S	N (default)
Y	YES	YES	NO
N	NO	NO	NO
"Not present"	YES*	YES**	NO

- *) With MPID/User setting Y, the "not present" T@CP order condition at order entry shall transfer resting orders to T@CP phase and accept the orders to T@CP when entered during the T@CP phase.
- ***) With MPID/User setting S, the resting orders shall not be transferred to T@CP, while order entry during T@CP is accepted.

Protocol specifications

There are updates to INET Nordic protocol specifications due to the introduction of Trading at Closing Price.

Until the protocol specifications are available, a “Trading at Closing Price – Protocol Changes” document is available at the [Nasdaq Nordic Technical Information, INET Nordic Protocol Specifications](#) web page.

Application Conformance testing

Due to introduction of the new trading at closing price order condition field on order entry protocols, customer applications supporting T@CP shall perform a re-certification of their application in Member Portal prior to production use. Conformance test cases are available at the [Nasdaq Nordic Technical Information website](#).

INET Nordic Market Model

The changes will be reflected in the INET Nordic Market Model, effective on May 6, 2019 and published on [Rules and Regulations for the Nordic Markets](#).

Nasdaq Nordic Member Rules

The Trading at Closing price phase will be reflected in the Nasdaq Nordic Member Rules, effective May 6, 2019 and published on [Rules and Regulations for the Nordic Markets](#).

Time schedule

- INET Test (NTF) and GCF4 – **February 4, 2019**
- INET and GCF Production – **May 6, 2019**

Support

For technical questions regarding this IT Notice, please contact Nasdaq Cash Equity Operations:

Tel: +46 8 405 6410

E-mail: operator@nasdaq.com

Best Regards,

Nasdaq Nordic

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