

Attachment 1 to Stock Exchange Notice N25/11

DEFINITIONS

ORB liquidity provider in relation to securities designated by the **Exchange** and trading on the Order Book for Retail Bonds, a **member firm** which is registered as an **ORB liquidity provider** and is obliged to quote bid prices in at least the **Exchange** market size

CORE RULES

Systems and trading

Member firm system problems [1500]

G	1500	Where a member firm identifies a system problem it shall inform the Exchange in accordance with notification rules 1050 and follow any subsequent instructions from the Exchange . An authorised employee of a member firm may request the deletion of orders or quotes.
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Guidance to Rule:

ORB liquidity providers:

*In the event of an **ORB liquidity provider** system problem, including a problem arising from an act or omission beyond the **ORB liquidity provider's** control, the **ORB liquidity provider** should notify the **Exchange** that it is unable to update its prices on the **trading system**. If system problems persist on subsequent business days, the **ORB liquidity provider** is required to notify the Market Supervision department on (0044) 20 7797 3666. (STX 33666) prior to the start of the **mandatory period** of each subsequent day.*

*If an **ORB liquidity provider** cannot update or delete its own orders, it may ask the **Exchange** to close its prices until the fault has been repaired.*

*The **ORB liquidity provider** should re-enter its orders as soon as it is able to do so, notifying the **Exchange** beforehand. In all cases an **ORB liquidity provider** shall ensure that the Market Supervision department is kept appropriately informed.*

ORDER BOOK TRADING RULES

ORB liquidity providers in order driven securities

Registration and de-registration [2130 – 2132]

	2130	A member firm that intends to act as an ORB liquidity provider shall register as such with the Exchange .
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Guidance to Rule:

*Registration as an **ORB liquidity provider** shall be effective in a single security unless the **Exchange** considers it appropriate to do otherwise. Provided an application to become an **ORB liquidity provider** is received by the **Exchange** by 17.30 hours on the day prior to the effective date of the registration and all relevant requirements relating to the application are met, registration shall normally become effective at the start of the next day. A request made outside of this requirement should be made to the Market Supervision department on 020 7797 3666. These will be dealt with on an individual basis and registration may not be*

actioned on the requested date.

D	2131	Where the Exchange considers it appropriate it may de-register an ORB liquidity provider from a security.
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Guidance to Rule:

*The **Exchange** may deem it necessary to de-register an **ORB liquidity provider** from one or more securities where that firm is consistently in breach of the obligation rules for **ORB liquidity providers**.*

G	2132	In exceptional circumstances a member firm may request from the Exchange a temporary withdrawal from its ORB liquidity provider obligations.
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Guidance to Rule:

Any request for a withdrawal must be made to the Market Supervision department on 020 7797 3666.

Obligations of ORB liquidity providers [2140 - 2142]

G	2140	An ORB liquidity provider must maintain a bid price in each security in which it is registered. The bid price must be maintained for at least 90% of continuous trading during the mandatory period .
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Guidance to Rule:

*The 90% threshold is measured daily for each security in which an **ORB liquidity provider** is registered. Where an intra-day auction has been triggered in a security due to a price monitoring breach, the time in which the security will have been in **continuous trading** will be reduced. Therefore, **ORB liquidity providers** will be required to maintain a bid price for 90% of the reduced period.*

	2141	The Exchange may, on the request of an ORB liquidity provider , suspend or vary ORB liquidity provider obligations.
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	2142	If an ORB liquidity provider and its customer or counterparty conduct an on Exchange trade away from the trading system , the ORB liquidity provider is obliged to deal at least at its displayed price and size.
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Exceptions to obligations of ORB liquidity providers [2150]

	2150	An ORB liquidity provider has no obligation to maintain its bid prices:
	2150.1	in a security during the opening auction or where an unscheduled intra-day auction has been triggered due to a price monitoring breach; or
	2150.2	in a security during the closing auction.