

OFF ORDER BOOK TRADING RULES

Required content of trade reports [3040]

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Guidance to Rule:

Counterparty identification

Where the **customer** or **counterparty** is an **introducing firm**, the **member ID** for the **introducing firm** must be used and not the **member ID** of the **model B firm** that represents it.

Where the **customer** or **counterparty** is a **dealing agent**, the **member ID** for the **dealing agent** must be used and not the **member ID** for the **member firm** it represents.

Where the **customer** or **counterparty** is a **member firm** that employs a **settlement agent**, the **member ID** for the **member firm** must be used and not the **member ID** of the **settlement agent**.

Date and time of trades

The time of execution of a 'give up', which should be shown as the trade time on the **trade report** for the 'give up', is the time at which the 'give up' is agreed between the two **member firms** involved.

Member firms shall submit the exact date and time of when a trade is agreed to the nearest second. Therefore, the trade time submitted on a **trade report** should not automatically default to 00 seconds or any other automatic default of time traded.

Purchase or sale

The reporting party must state whether they are the buyer or the seller.

Quantity

The number of shares or amount of stock traded. Any splitting of transactions for settlement purposes shall be done within the settlement system and shall not have an impact on the **trade report**.

Trade type indicators

Each **trade report** can only have one trade type indicator. A **member firm** should ensure the correct trade type indicator is used when reporting the trade.

- The **negotiated trade** type indicator (NT) is only available for trades conducted in securities that have been admitted to trading on an **EU regulated market** and should also only be used where the trade qualifies as a **negotiated trade**. So, where the reporting **member firm** is a **market maker** in the security and has provided pre-trade transparency, the trade should be reported as an ordinary trade, including an **agency cross**. Alternatively, where the reporting **member firm** is not a **market maker** in the security and has not provided pre-trade transparency for the trade, the trade should be reported as a **negotiated trade**, including an **agency cross**. (Where a **negotiated trade** is subject to conditions other than the current market price of the share, a **member firm** must include the "SP" trade reporting condition on the **trade report** – see Reporting condition section below).
- Where a **trade report** is not to be published, in accordance with rule 3011, it should be reported as a non-publishing trade report.
- Where a **member firm** conducts a **large trade** it can be entered as an ordinary trade.

Attachment 2 to Stock Exchange Notice N06/16

In the event that the reporting of a trade is delegated subject to rule 3013, the same trade type indicator should be used (i.e.: ordinary trade or negotiated trade).

Trade price

All **trade reports** must be the gross price (excluding any commission).

Dealing capacity

The dealing capacity must be either "A" for **agent** or "P" for **principal**. **Member firms** must ensure that their dealing capacity is entered correctly on every **trade report** they submit to the **Exchange**. Doing so may prove important, for instance, in the event of a **member firm** (either the firm reporting the trade or another firm) being declared a **defaulter** on the **Exchange**.

Converted currency trades

All trade reports must be reported in the trading currency as defined by the **trading system** for that security. Where this is not the currency in which the trade was originally agreed, a **member firm** must indicate that it is a converted currency trade. This can be done by

- populating the settlement currency field and, optionally, a member firm may choose also to populate the price field on the trade report, thereby publishing to the market price details of the trade in the original execution currency.

Reporting condition

Where a trade is subject to conditions other than the current market price of the share, a **member firm** must always include the "SP" reporting condition on the **trade report**.

Examples where the reporting condition should be used include, but are not limited to:

- (i) where the trade is done on a special cum or ex dividend / coupon / rights / bonus / capital repayment basis;
- (ii) where the trade is for guaranteed delivery;
- (iii) where the trade is for non standard settlement;
- (iv) where the trade is executed in reference to a price that is calculated over multiple time instances according to a given benchmark, including transactions executed by reference to a volume-weighted average price or a time-weighted average price;
- (v) where the trade is part of a **portfolio trade**;
- (vi) where the trade is 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;
- (vii) where the trade is 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;
- (viii) where the trade is a give-up transaction or a give-in transaction;
- (ix) where the trade has as its purpose the transferring of financial 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;
- (x) where the trade results in the delivery of financial instruments in the context of the exercise of convertible bonds, options, covered warrants or other similar financial derivative;
- (xi) where the trade is a securities financing transaction; or
- (xii) where the trade is carried out under the rules or procedures of a trading venue, a CCP or a central securities depository to effect buy-in of unsettled transactions in accordance with Regulation (EU) No 909/2014.

This guidance does not bring **on Exchange** transactions that are not within the scope of Rule 3000.

