

Retail Broker Order Book Trading Scheme



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London Stock Exchange plc (“the Exchange”) Retail Broker Order Book Trading Scheme

Native Trading Gateway Users – Member Firm Retail Flag Declaration

This document is a statement of the policies related to the Retail Broker Order book Trading Scheme (“the Scheme”), which covers electronically executed orders originating from Retail Investors (as defined below) which are submitted via a Member Firm to, and electronically execute on: Equities, International Orderbook (IOB) and/or ETF/ETP, each as set out in the [Trading Services Price List](#) (together, the “Applicable Trading Services”). Orders that qualify for the Scheme can be placed by a Member Firm routing a Retail Investor Order (as defined below) to the Applicable Trading Services.

The Scheme is set out in full in the current [Trading Services Price List](#). If you have any queries regarding the policies, please contact your Account Manager.

For the purposes of this document, the following terms have the following meanings:

- “Retail Investor” means a customer of a Member Firm who:
 1. is
 - a. a natural person excluding Eligible Counterparties and Professional Clients according to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as applied in the UK (UK MiFID); or
 - b. a natural person not domiciled in the UK and is not required or supervised by a body concerned with regulation or supervision of investment or financial services; and
 2. is trading solely in relation to the management of personal funds.

Where individuals are unable to comply with points 1 & 2 above but would like to trade solely in relation to the management of personal funds, the Member Firm should consult the Exchange to confirm whether Retail Investor status may be applicable. The Member Firm will be asked to supply satisfactory evidence that the individual concerned is indeed acting in a personal capacity in respect of the management of their personal funds.



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If written confirmation of Retail investor status is not subsequently provided by the Exchange to the Member Firm, such status will not apply to that individual.

- “Retail Investor Order” means an order meeting all of the following conditions:
 1. the order is for the purchase or sale of securities that are available to Retail Investors on the Applicable Trading Services;
 2. the order has originated from a Retail Investor or an intermediary on behalf of a Retail Investor;
 3. the order has not been amended in any way by any Member Firm (for example, a Member Firm must not have amalgamated orders from more than one Retail Investor or execute part of an order separately. This does not prevent the use of Smart Order Routers by Member Firms);
 4. the order does not result in a contract for difference or other products or interests derived from securities.

Any Member Firm using the Native Trading Gateway¹ interface for Millennium Exchange wishing to benefit from the Scheme must provide the Exchange with a declaration in the form set out below.

The declaration should be signed, scanned, and provided by email to clients@lseg.com on a business day by 15:00 London time. The Member Firm must allow two (02) complete working days following the date that its declaration is submitted before it will be able to participate in the Scheme.

In relation to orders that qualify for the Scheme, a Member Firm must enter Retail Flag i.e. ‘OwnerType’ field with a value of “1” in each New Order message².

In providing the declaration and until such time as the Member Firm requests amendment or removal of the specified Member ID(s), the Member Firm confirms that any order flagged as a Retail i.e. ‘OwnerType’ = 1 is an eligible Retail Investor order.

Once a declaration has been submitted any orders sent with the retail flag i.e. ‘OwnerType’ = 1, by the specified Member ID(s), will be included (until the Member Firm requests themselves to be removed or amended via the email address clients@lseg.com or until otherwise notified by the Exchange) for the purposes of calculating the applicable tariff as set out in the [Trading Services Price List](#).

Where Member Firm no longer wants declared business to be included in the Scheme, the Member Firm must inform LSE by email to clients@lseg.com on a business day by 15:00 London time. The Member Firm must allow two (02) complete working days following the date that their request is submitted before the Member Firms declared business should no longer be included in the Scheme.

¹ As described in the MIT201 Guide to the Trading System

² As described in the MIT203 Native Trading Gateway Specification

Orders originating from Retail Investors without an intermediary:

The Exchange reserves the right to carry out verification of the Member Firm's activity in relation to the Scheme to confirm its qualification for the Scheme, including visits to the Member Firm for this purpose on a five (05) business days' notice. The Member Firm shall allow the Exchange and its agents and employees to have access to, and to inspect the Member Firm's (and if relevant its Customers') accounts, records and other documents and permit the Exchange to take copies for this purpose. Member Firms should notify their Retail Investor customers that the Exchange may contact them directly to confirm their status as a Retail Investor.

Orders originating from an intermediary on behalf of a Retail Investor:

Where orders originate from an intermediary on behalf of a Retail Investor, the Member Firm should notify the Intermediary that the Exchange may contact them directly (or via the Member Firm) to confirm the status of their Retail Investor customers.

If the Exchange concludes in its absolute discretion, either through a verification visit or otherwise, that any trading activity should not have qualified for the Scheme or any part of the Scheme, the Exchange reserves the right to withdraw the benefit of the Scheme for all executions by the Member Firm and to add to the Member Firm's future monthly invoice such amount as reflects the trading fees which would have been payable had the Scheme not been applied, together with interest at the rate of 3% over the HSBC Bank plc base lending rate calculated on a daily basis such interest to be compounded at the end of each calendar month, commencing on the due date and continuing until fully paid.

The Exchange reserves the right to amend or withdraw the Scheme at its sole discretion.

¹ As described in the MIT201 Guide to the Trading System

² As described in the MIT203 Native Trading Gateway Specification



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**Declaration to London Stock Exchange plc – Retail Broker Order Book Trading Scheme –
Native Trading Gateway Users – Member Firm Retail Flag Declaration**

Millennium Exchange: Member ID(s):	
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It is hereby confirmed on behalf of [\[Member Firm\]](#) that any order sent from the above Member ID(s) with a Retail Flag is an eligible Retail Investor order.

For and on behalf of

[\[Member Firm\]](#)

Date:

¹ As described in the MIT201 Guide to the Trading System

² As described in the MIT203 Native Trading Gateway Specification