SWISS EXCHANGE

Rule Book and Directives

Frequently Asked Questions

of 9 July 2010

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1 Trader identification

1.1.1 When are SIX Swiss Exchange participants obliged to define the «externalTraderId» on entering an order or quote via the Capacity Trading Interface (CTI)?

According to Art. 5.2 Order specification in Directive 3: Trading all entries in the Exchange System must record the trader's personal identification number (Trader Id). The trader to whose identification number in the Exchange System an order is assigned is responsible for this.

If by way of exception the participant does not explicitly enter a Trader Id in the «externalTraderId» field for an order or quote via the Capacity Trading Interface (CTI), the Exchange System will automatically designate the order or quote with the Trader Id stored in the SIX Swiss Exchange's master data for the corresponding user. If the trader responsible vis-à-vis the SIX Swiss Exchange is not the default trader, the participant is obliged to transmit a Trader Id to the Exchange System in the «externalTraderId» field for every order or quote entry.

The Trader Id provided by the SIX Swiss Exchange has a maximum of five digits and may differ by trading segment (market code XSWX and XVTX). For further information about the «externalTraderId», please refer to the technical Capacity Trading Interface specification.

1.1.2 What steps does a participant have to take in order to comply with the rule governing proxy among registered traders (Art. 4.3.2 para. 3 Rule Book)?

The participant is required to ensure the traceability of this proxy. We recommend keeping a logbook.

2 Reporting of trades after emergency situations

2.1.1 How and within which timeframe must trades executed in emergency situations be reported to the Exchange?

Emergency situations are regulated by the provisions of 10.5.2 Emergency situations of the Rule Book and Art. 5 Market Control in emergency situations of Directive 4: Market Control.

The participant shall notify the Exchange immediately if an emergency situation arises. Emergency situations do not, in principle, exempt participants from their reporting obligation. Participants are obliged to report trades executed in an emergency situation once the emergency has ended.

Trades executed after emergency situations must be reported stating the exact time of execution via the functions stipulated under Art. 15 of Directive 3: Trading. Moreover, reports made to the Exchange must be designated with the trade type code «D» (Special Price).

Trades executed in emergency situations should, in principle, be post-reported as quickly as possible after the emergency situation has ended, and no later than the start of trading on the next trading day.

3 Delayed publication

3.1 General remarks

3.1.1 Where can information on delayed publication of trades be found?

The provisions governing delayed publication can be found in Annex R of Directive 3: Trading. Information about whether and how long publication of reported trades can be delayed can be found in the corresponding Annex of the respective trading segment.

3.1.2 Which trading segments is delayed publication in principle applicable for?

- Blue Chip Shares
- Mid-/Small-Cap Shares
- Secondary Listing Shares
- Sponsored Segment
- Investment Funds
- CHF Bonds

3.1.3 Does delayed publication also apply for on-exchange, on-order-book trades?

No, only «on-exchange, off-order-book trades» may be published after a delay. «on-exchange, on-order-book trades» are automatically published immediately after execution.

3.1.4 Does the SIX Swiss Exchange allow for different types of delayed publication?

In principle, the SIX Swiss Exchange distinguishes between

- delayed publication with the necessary minimum volume depending on the average daily turnover (MiFID delay) for all shares and investment funds
  and
- delayed publication by means of trade type code «DP» for CHF bonds

3.2 CHF Bonds

3.2.1 How and how long can publication of trades in CHF bonds be delayed?

By designating publication of CHF bonds with the trade type code «DP» (delay publication), the participant can delay publication until no later than the start of trading on the next trading day. The time of publication is not specified.

3.3 Shares and investment funds

3.3.1 How and how long can publication of trades in shares and investment funds be delayed?

Publication of trades in shares and investment funds may be delayed if they meet the necessary minimum volume depending on the average daily turnover (ADT) and the securities transaction is conducted between a participant trading on its own account (nostro) and a client of this participant.

The Exchange automatically delays publication of the reported trades depending on the average daily turnover (ADT) in accordance with the table in Annex R: Delayed publication in Directive 3: Trading. It is the responsibility of the participant to override the automatic delayed publication if the transaction didn't occur between a participants own account and a client of this participant.

The table below provides information about which transactions are qualified for delayed publication and which transactions must be overridden by the participants using the Trade Type Indicator:

Reporting Functionality	Participant	Customer		Qualified for delayed publication?
	Trading Capacity of participant	Type of Counterparty	Trading Capacity of counterparty	
Trade Confirmation (two-sided)	Principal	Participant	Principal	Yes
Trade Confirmation (two-sided)	Principal	Participant	Riskless Principal	Yes
Trade Confirmation (two-sided)	Riskless Principal	Participant	Principal	No
Trade Confirmation (two-sided)	Riskless Principal	Participant	Riskless Principal	No
Trade Report (one-sided)	Principal	Customer Securities Dealer Exchange Member	Principal	Yes
Trade Report (one-sided)	Principal	Customer Securities Dealer Exchange Member	Riskless Principal	Yes
Trade Report (one-sided)	Riskless Principal	Customer Securities Dealer Exchange Member	Principal	No
Trade Report (one-sided)	Riskless Principal	Customer Securities Dealer Exchange Member	Riskless Principal	No

Automatically delayed publication can be overriden by the participant by entering trade type code «IP» (Immediate Publication).

3.3.2 Are delayed-publication trades designated as such in the market data of the SIX Swiss Exchange?

Delayed publication trades are designated with the public trade type code «DP» in the market data of the SIX Swiss Exchange.

3.3.3 How are the values of the ADT determined and when are these values adjusted?

The average daily turnover (ADT) is based on the values in the market for primary listings. The ADT is adjusted each year on 1 April and calculated and published by the SIX Swiss Exchange.

3.3.4 Where are the authoritative average daily turnovers per security published?

The average daily turnovers (ADTs) of individual securities are published on the publicly accessible website of the SIX Swiss Exchange at:

http://www.six-swiss-exchange.com/statistics/monthly_data/mtc_en.html

3.3.5 How is delayed publication handled in the case of a first listing ?

In the case of first listings, the delayed publication provisions apply as of the first trading day.

If in the case of a first listing no average daily turnover is available on the first day of trading, the Exchange will initially allocate the security to a category in accordance with the table in Annex R: Delayed publication in Directive 3: Trading.

Six weeks after the listing, the SIX Swiss Exchange will calculate and publish the average daily turnover (ADT) based on the effective turnovers. The Exchange reserves the right to correct the average daily turnover (ADT) at its own discretion already during the six-week period.

4 Trade Type Code

4.1 «D» (Special Price)

4.1.1 When must trade type code «D» (special price) be used?

Transactions must in principle be designated with the trade type code «D» (Special Price) if the price differs for objective reasons from the market price at the time of entry (e.g. in the case of VWAP orders, portfolio trades or aggregated orders).

4.1.2 Must the trade type code «D» (Special Price) also be used for on exchange, on-order-book trades?

No, on exchange, on-order-book trades always correspond to the market price. Only on exchange, off-order-book trades can be designated with the trade type code «D» (Special Price) if the price differs from the market price.

4.1.3 What is a «portfolio trade» and how must it be designated?

A portfolio trade is defined as the buying or selling of a basket of at least ten different securities with a total value of at least CHF 1 million that is concluded as a single transaction between a participant and a client.

On Exchange, off-order-book trades for all securities in the basket which are subject to duty to trade on the Exchange are required to be designated with the trade type code «D» (Special Price).

4.1.4 What is an «aggregated order» and how must it be designated?

An aggregated order is a trade in a security comprising several individual client orders. An aggregated order can consist only of eitherbuy or sell orders (no netting).

Off-order-book trades on the Exchange for aggregated orders for securities which are subject to duty to trade on the Exchange are required to be designated with the trade type code «D» (special price).

4.1.5 What is a «VWAP order» and how must it be designated?

The SIX Swiss Exchange differentiates, in principle, between two means of executing VWAP orders:

- Non-binding customer order

  On- and off-order-book trades on the Exchange resulting from a VWAP need not be designated. There is no reporting requirement for the subsequent allocation among customer accounts.

- Binding order (off-order-book firm-price transactions)

  All VWAP orders that are executed immediately against in-house trading inventories (nostro positions; generally executed prior to the opening) are to be reported together with the VWAP price actually realized (without commission) at latest 30 minutes after the close of trading.

  These binding orders must be designated with trade type code «D» (Special Price).

4.1.6 Are trades reported as special price designated as such in the market data of the SIX Swiss Exchange?

Trades reported as special price are designated with the public trade type code «D» in the market data of the SIX Swiss Exchange.

4.2 «NX» (Nostro Cross on order book)

4.2.1 Must all Nostro-Nostro Crosstrades be reversed?

The participant must take steps to avoid forbidden nostro-nostro crosstrades. A nostro-nostro crosstrade is forbidden if buy and sell orders in a single security are entered for the same beneficial owner. The ban does not cover simultaneous buy and sell orders if the participant can prove that the individual orders were entered in the Exchange System independently of each other and without any form of agreement.

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