

FrontLine SIX x-clear Ltd

Changes at SIX x-clear Ltd due to MiFID II/MiFIR regulations

1.0 Overview

In order to comply with the relevant MiFID II and MiFIR (hereafter jointly referred to as "MiFID II") regulations, trading venues and investment firms (including Clearing Members) have to adjust their messaging formats for the trading capacities. SIX x-clear will support this by mapping the new trading capacities required by MiFID II into the existing ones.

2.0 Effective date

3 January 2018.

3.0 Impact on participants

MiFID II will introduce various new trading capacities. x-clear will map the new MiFID II trading capacities into "Principal (PRIN)" or "Agency (AGEN)" at SIX x-clear.

4.0 Details

4.1 Handling of trading capacities

With MiFID II, new domain values for trading capacity indicators are being introduced. Below are the trading capacity indicators that will be supported by the interfaces between the trading venues and SIX x-clear.

Trading venue	Trading venue MIC	Trading capacity
Cboe Europe Equities	BATE, CHIX	AOTC (Any Other Trading Capacity)
Turquoise	TRQX	DEAL (Dealing on Own account)
UBS MTF	XUBS	MTCH (Matched Principal)
London Stock Exchange	XLON	
SIX Swiss Exchange incl. SLS	XSWX, XVTX	PRIN (Principal) PRNC (Acting as Principal)
Aquis	AQXE	AGEN (Agency)
Equiduct	XEQT	PRIN (Principal)
Nasdaq Nordic exchanges	XCSE, XHEL, XSTO, FNSE	
Sigma X MTF	SGMX	
Traiana - Harmony	TRAI	

x-clear will map all the trading capacities received from the trading venues to either "PRIN" (Principal) or "AGEN" (Agency) and will apply the below default mapping rules for the trading capacities.

Trading capacities post-MiFID II (from 3 January 2018)	Mapped and reported by x-clear as
PRIN (Principal) DEAL (Dealing on own account) MTCH (Matched principal)	PRIN (Principal)
AGEN (Agency) AOTC (Any other trading capacity)	AGEN (Agency)

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When reporting the transactions in SAT reporting to Euroclear UK and Ireland, x-clear will use the trading capacities as defined in the mapping rules.

4.2 Impact on to x-clear Member reporting

- x-clear will not provide any reporting on the original trade capacity value as received from the venues, but only the converted "Agency" or "Principal" status.
- In all gross trade reporting and settlement instructions reporting to Clearing Members from x-clear, the trading capacities will be reported either as "PRIN" or "AGEN" (please refer to the mapping rules table in section 4.1).
- Currently, when x-clear receives the trade capacity as "RLPR" in the trade feed from trading venues, x-clear reports it as "RLPR" as received from the venues in its Trade Information message (MT518) messages to Clearing Members This gross trade information will be enhanced to report as "PRIN" as below when the trading capacity indicator is received as "RLPR" from the trading venue.

SWIFT message Block	Existing value	New value
B1 Confirmation Parties	22F::TRCA//RLPR	22F::TRCA//PRIN

5.0 Contact

If you have any further questions, please contact your Relationship Manager. The contact details are published at www.six-securities-services.com > Clearing > Contacts.

In this context, SIX x-clear Ltd draws the Members' attention to clauses **7.1 lit. f., chapter 17.0 and 25.3** General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and consequences of clearing with x-clear pursuant to the Applicable Law and that SIX x-clear Ltd assumes no liability for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Law.