



# Trading Rules

SDX Trading AG

of 27 April 2022

Entry into force: 12 December 2022

## Table of contents

1	Purpose of Trading Rules.....	5
2	Structure and subject of the Trading Rules .....	5
<b>I</b>	<b>Admission</b> .....	<b>6</b>
3	General .....	6
3.1	Possible Categories of Participants .....	6
3.2	Participation in a Settlement Organisation.....	6
3.3	Collateral Deposit.....	6
3.4	Connection to the Exchange System .....	6
4	Participants' Rights and Obligations .....	6
4.1	Continued Compliance with Admission Requirements.....	6
4.2	Compliance with Statutory and Regulatory Provisions, and Rulings from the Relevant Supervisory Authority, the Exchange and the Regulatory Bodies.....	7
4.3	Appropriate Organisation and Registration Obligations .....	7
4.3.1	Principle.....	7
4.3.2	Registration of Traders.....	7
4.3.3	Registration of Reporting Agents .....	8
4.4	Reporting Obligation .....	8
4.5	Duty to Provide Information .....	8
4.6	Use of the Exchange System .....	9
4.7	Fees and Costs.....	9
5	Registration as a Liquidity Provider .....	9
6	Liability.....	9
6.1	Liability of the Exchange and/or the Regulatory Bodies.....	9
6.2	Liability of the Participant.....	10
7	Suspension and Termination of Participation .....	10
7.1	Suspension of Participation.....	10
7.2	Termination of Participation .....	10

7.2.1	Termination.....	10
7.2.2	Consequences of Terminating Participation.....	10
8	Possibilities of Appeal.....	11
<b>II</b>	<b>Trading</b> .....	<b>11</b>
9	General Provisions.....	11
9.1	Market Conduct.....	11
9.2	Trading Segments.....	12
9.3	Market Control.....	12
9.4	Trading Surveillance.....	12
9.5	Pre-trade Transparency.....	13
9.6	Post-trade Transparency.....	13
9.7	Special Situations.....	13
9.7.1	Extraordinary Situations.....	13
9.7.2	Emergency Situations.....	14
9.8	Deletion of Orders and Cancellation of Trades.....	14
10	On-Exchange, On-Order-Book Trading.....	14
10.1	Order Book.....	14
10.2	Orders and Quotes.....	15
10.3	Designation of Trades.....	15
10.4	Algorithmic Trading.....	15
10.5	Liquidity Providers.....	15
10.6	Market Model and Price-Setting Rules.....	15
10a	On-exchange, Off-Order-Book Trading.....	16
10a.1	Reporting of Trades to the Exchange.....	16
10a.1.1	Content of Trade Reports.....	16
10a.1.2	Trade reporting deadlines.....	17
10a.1.3	Reporting functions.....	17
10a.1.4	Correction of Trade Reports.....	17
11	Transaction Reports.....	17
11.1	Content.....	17

11.2	Reporting Deadlines .....	18
12	Use and Publication of Market Information .....	18
<b>III</b>	<b>Settlement</b> .....	<b>18</b>
13	General Provisions .....	18
14	Atomic Trading and Settlement .....	18
15	Trades .....	19
15.1	Contracting Parties .....	19
15.2	Content of Contract .....	19
15.2.1	General .....	19
15.2.2	Equity Securities .....	19
15.2.3	Bonds .....	20
15.2.4	Legal Warranty .....	20
15.2.5	Applicable Law .....	20
<b>IV</b>	<b>Monitoring and Enforcement</b> .....	<b>20</b>
16	Duties to Provide Information .....	21
17	Revision .....	21
18	Violations of the Trading Rules .....	21
19	Sanctions .....	22
<b>V</b>	<b>Final Provisions</b> .....	<b>22</b>
20	Confidentiality .....	22
21	Data Protection of Natural Persons .....	23
22	Partial Invalidity .....	24
23	Amendments to the Trading Rules .....	24
24	Binding Nature .....	24
25	Applicable Law and Jurisdiction .....	24
26	Entry into Force .....	24
27	Revision .....	24

## 1 Purpose of Trading Rules

<sup>1</sup> On the basis of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA, SR 958.1), the Trading Rules govern the admission of participants to SDX Trading AG (the “**Exchange**”), the organisation of securities trading on the Exchange, and the rules of conduct for participants and their traders, as well as the monitoring and enforcement of the Trading Rules (including its implementing provisions) by SIX Exchange Regulation AG (“**SIX Exchange Regulation**”).

<sup>2</sup> The Trading Rules aim to ensure equal treatment of investors and participants, as well as the transparency and proper functioning of securities trading on the Exchange.

## 2 Structure and subject of the Trading Rules

<sup>1</sup> The Trading Rules consists of the following five parts:

- I. The **Admission** section governs admission to participate in trading on the Exchange, the rights, obligations and exclusion of participants, as well as the suspension and termination of participation.
- II. The **Trading** section governs the organisation of trading on the Exchange, including how trades come about.
- III. The **Settlement** section governs the settlement of trades on the Exchange and the mutual fulfilment of spot transactions.
- IV. The **Monitoring and Enforcement** section governs how Trading Rules compliance and enforcement are monitored by SIX Exchange Regulation, as well as the sanctions that may be imposed in the event of violations.
- V. The **Final Provisions** govern the confidentiality and partial invalidity of the Trading Rules, how it may be amended, its binding nature, **applicable law, place of jurisdiction, and transitional provisions**.

<sup>2</sup> The provisions for implementing the Trading Rules are laid down in Directives and are an integral part of the applicable rules and regulations.

<sup>3</sup> General explanations and technical instructions with regard to participants connection to the Exchange system, as well as the organisation of on-exchange trading, can be found in the "Trading Parameters" Guideline.

<sup>4</sup> Notices inform participants also about changes to the Trading Rules, Directives and Guidelines.

## I Admission

*The provisions of Part I govern admission to participate in trading on the Exchange, the rights and obligations of participants, and the suspension and termination of participation.*

### 3 General

The Exchange shall admit an applicant as a participant and conclude a participation agreement with it, providing it meets the following admission requirements.

#### 3.1 Possible Categories of Participants

The following can be admitted to the Exchange as participants:

- a) securities firms in accordance with Art. 41 of the Federal Act of 15 June 2018 on Financial Institutions (FinIA, SR 954.1);
- b) other entities monitored by FINMA in accordance with Art. 3 of the Federal Act of 22 June 2007 on Financial Market Supervision (FINMAG, SR 956.1), provided that the Exchange ensures that they meet equivalent technical and operational requirements to those of securities firms;
- c) foreign participants approved by FINMA in accordance with Art. 40 FMIA; or
- d) the Swiss National Bank (SNB).

#### 3.2 Participation in a Settlement Organisation

The applicant must be a participant in the settlement organisation of SIX Digital Exchange AG.

#### 3.3 Collateral Deposit

<sup>1</sup> The Exchange may require participants to pay a collateral deposit, which is used to secure outstanding financial obligations to the Exchange.

<sup>2</sup> Details are laid down in the "Admission of participants" Directive.

#### 3.4 Connection to the Exchange System

<sup>1</sup> The applicant must satisfy the technical and operational requirements in order to be connected to the exchange system.

<sup>2</sup> The details are laid down in the "Technical Connectivity" Directive.

## 4 Participants' Rights and Obligations

Admission entitles the participant to take part in Exchange trading for its own account and that of third parties.

#### 4.1 Continued Compliance with Admission Requirements

The participant must comply with the admission requirements laid down in these Trading Rules for as long as it remains a participant.

## 4.2 Compliance with Statutory and Regulatory Provisions, and Rulings from the Relevant Supervisory Authority, the Exchange and the Regulatory Bodies

The participant undertakes to comply with and enforce internally:

- a) the code of conduct for securities trading according to the Federal Act on Financial Services (FinSA, SR 950.1), FMIA, the associated ordinances, the relevant FINMA circulars, and the corresponding professional standards;
- b) those domestic and foreign exchange-related laws that apply to it, the corresponding implementing provisions and the rulings of the relevant supervisory authority; and
- c) the Trading Rules, the Directives as well as rulings issued by the Exchange and/or the regulatory bodies ("**Regulatory Bodies**").

## 4.3 Appropriate Organisation and Registration Obligations

### 4.3.1 Principle

<sup>1</sup> The participant must:

- a) have a sufficient number of staff with the necessary specialist expertise, experience and training for stock exchange trading and its processing;
- b) issue appropriate internal guidelines and monitor compliance with the Trading Rules;
- c) appoint one or more internal officers to support the participant and its staff in complying with the Trading Rules; and
- d) register responsible persons, specifically traders, with the Exchange and report any changes to the Exchange immediately.

<sup>2</sup> Foreign participants and other participants monitored by FINMA in accordance with FINMAG (in accordance with Clause 3.1 para. 1 let. b) and c) above) are also obliged to meet (equivalent) technical and operational requirements to those of securities firms at all times.

<sup>3</sup> The Exchange may suspend or revoke existing registrations.

<sup>4</sup> Details are laid down in the "Admission of participants" Directive.

### 4.3.2 Registration of Traders

<sup>1</sup> The participant undertakes to register traders who trade on the Exchange.

<sup>2</sup> Such registrations must be made with the Exchange. The Exchange registers traders who are of good repute and can display to the Exchange that they possess sufficient specialist knowledge. Traders must be subject to the participant's direct right of instruction at all times and acknowledge the regulations of the Exchange and the Regulatory Bodies (incl. enforcement and sanctioning by the Regulatory Bodies).

<sup>3</sup> The Exchange allocates an identification number to each registered trader. The Exchange system shall record all system entries along with the trader's ID number. The identification number is personal but may

be given to other registered traders for purposes of proxy. The participant shall ensure the traceability of this proxy.

<sup>4</sup>Details are laid down in the "Admission of participants" Directive.

### **4.3.3 Registration of Reporting Agents**

<sup>1</sup> The participant undertakes to register reporting agents who report off-order-book trades to the Exchange.

<sup>2</sup> The Exchange registers reporting agents who are of good repute and can display to the Exchange that they possess sufficient specialist knowledge. Reporting agents must be subject to the participant's direct right of instruction at all times and acknowledge the regulations of the Exchange and the Regulatory Bodies (incl. enforcement and sanctioning by the Regulatory Bodies).

<sup>3</sup> The Exchange allocates an identification number to each registered reporting agent. The Exchange system records all system entries along with the reporting agent's ID number. The identification number is personal and may not be passed on.

### **4.4 Reporting Obligation**

<sup>1</sup> The participant is subject to a reporting obligation in respect of all trades in securities that are admitted to trading on the Exchange. This obligation may be fulfilled by reporting to SDX Trading AG.

<sup>2</sup> No Trade Reports must be submitted in the case of on-exchange, on-order-book trades. By contrast, participants must submit transaction reports in accordance with the provisions of Clause 11 below.

<sup>3</sup> The details are laid down in the "SDX Trading AG Reporting Office Rules".

### **4.5 Duty to Provide Information**

<sup>1</sup> The participant is obliged to inform the Exchange and/or SIX Exchange Regulation immediately if:

- a) it has violated the Trading Rules or is unable to comply with it;
- b) there is a technical problem connecting to the Exchange system;
- c) it is no longer able to meet (equivalent) technical and operational requirements to those of securities firms;
- d) the relevant supervisory authority has instigated proceedings against it, its traders or a person as described in Clause 4.3.1 para. 1 let. d) above, or has issued a ruling, if these proceedings or rulings are relevant to the admission requirements or registration; or
- e) access to the SIX Digital Exchange AG settlement organisation has been or is very likely to be suspended or terminated.

<sup>2</sup> Furthermore, while obliged to uphold statutory confidentiality requirements, the participant must provide access to documents and all such information as is required to maintain an orderly market and to enforce the provisions of the Trading Rules (Clause 16). Where statutory confidentiality requirements apply, the Exchange and/or the Regulatory Bodies may require information in anonymous form.



#### **4.6 Use of the Exchange System**

<sup>1</sup> The participant undertakes to use the exchange system in accordance with the provisions laid down by the Exchange.

<sup>2</sup> In particular, the participant must refrain from

- a) manipulating or modifying the exchange system and its interfaces; and
- b) improper use or passing on of exchange software or data received from the exchange system.

<sup>3</sup> The details are laid down in the "Technical Connectivity" Directive.

#### **4.7 Fees and Costs**

<sup>1</sup> The participant is obliged to pay all charges and costs laid down by the Exchange and/or the Regulatory Bodies.

<sup>2</sup> Details are laid down in the "List of Charges under the Trading Rules".

### **5 Registration as a Liquidity Provider**

<sup>1</sup> A liquidity provider is a participant which, pursuant to Clause 10.5 below, undertakes to ensure a liquid market for one or more securities.

<sup>2</sup> Liquidity providers must be registered with the Exchange.

<sup>3</sup> The Exchange may offer a liquidity provider that fulfils its obligations faultlessly better terms than those that apply to other participants.

### **6 Liability**

#### **6.1 Liability of the Exchange and/or the Regulatory Bodies**

<sup>1</sup> With the exception of intent and gross negligence on the part of its bodies or employees, the Exchange and/or the Regulatory Bodies shall not be liable for the loss or damage that a participant, its clients or third parties might sustain from actions or omissions by the Exchange and/or the Regulatory Bodies.

<sup>2</sup> Specifically, the Exchange and/or the Regulatory Bodies shall bear no liability for damage or loss as a result of:

- a) measures taken by the Exchange in special situations;
- b) rulings issued by the Exchange and/or the Regulatory Bodies;
- c) the full or partial unavailability of the exchange system and settlement infrastructure or other technical problems;
- d) incorrect or incomplete data processing or distribution;

- e) improper manipulation by participants or third parties; and
- f) the interruption or termination of participation or the suspension or exclusion of a participant.

<sup>3</sup> The Exchange and/or the Regulatory Bodies shall accept no liability for claims extending beyond direct losses, for example compensation for indirect losses or consequential losses such as lost profit or additional expenses.

## **6.2 Liability of the Participant**

<sup>1</sup> The participant is liable for actions and omissions by the participant's internal bodies, employees and agents.

<sup>2</sup> The participant undertakes to ensure the necessary precautions to prevent loss. Specifically, it must have appropriate systems, controls and processes to monitor trades and transaction processing and to reduce potential risks.

# **7 Suspension and Termination of Participation**

## **7.1 Suspension of Participation**

<sup>1</sup> The Exchange may, at any time, block a participant's access to the exchange system and/or delete its orders and cancel trades if:

- a) it fails to comply with the rules of the Exchange;
- b) the participant defaults on payments connected to monetary claims by the Exchange, or if insolvency is threatened or has already occurred;
- c) debt restructuring, composition or liquidation proceedings are instigated against the participant, or criminal proceedings commenced against the participant or one of its senior bodies; and
- d) the participant does not use the exchange system for a considerable period of time.

<sup>2</sup> The Exchange may publicly announce the suspension of participation and name the participant concerned.

<sup>3</sup> A participant may also be suspended in connection with sanction proceedings.

## **7.2 Termination of Participation**

### **7.2.1 Termination**

<sup>1</sup> The participant or the Exchange may terminate the participation agreement at any time subject to a notice period of four weeks, effective at the end of a month.

<sup>2</sup> The right to exclude a participant in connection with sanction proceedings remains reserved.

### **7.2.2 Consequences of Terminating Participation**

<sup>1</sup> Termination shall result in the cancellation of the participation agreement. Regardless of such termination, the participant must continue to fulfil all of its obligations to the companies of SIX Group AG.

<sup>2</sup> The Exchange shall publicly announce the termination of a participant's participation.

## 8 Possibilities of Appeal

<sup>1</sup> The participant may lodge an appeal with the independent Appeals Board against the following decisions by the Exchange:

- a) refusal to admit the participant;
- b) exclusion;
- c) refusal to register a trader; and
- d) withdrawal of the registration of a trader.

<sup>2</sup> Proceedings shall be governed by the Rules that apply to the Exchange Appeals Board.

## II Trading

*The provisions of Part II govern the organisation of trading on the Exchange.*

### 9 General Provisions

<sup>1</sup> The Exchange distinguishes between on-exchange and off-exchange trading. In the case of on-exchange trading, the Exchange distinguishes between on-order-book and off-order-book trading.

<sup>2</sup> A trade made off-order-book that the participant reports to the Exchange in accordance with Clause 10a is designated as an "on-exchange, off-order-book trade". Such trades are subject to the provisions of these Trading Rules.

<sup>3</sup> Details of reporting requirements for off-exchange trades are governed by the Reporting Office Regulations of the Exchange.

<sup>4</sup> Details are laid down in the "Trading" Directive.

#### 9.1 Market Conduct

<sup>1</sup> The participant as well as its traders must comply with applicable market codes of conduct, in particular those laid down in Art. 143 FMIA and the FINMA Circular "Market Behaviour Rules" (FINMA Circ. 2013/8), uphold the integrity of the market at all times and refrain from unfair trading practices. There must be an economic justification for securities transactions, and they must reflect a genuine relationship between supply and demand.

<sup>2</sup> In particular, the following trading practices are forbidden:

- a) concluding securities transactions and entering orders to give the impression of market activity or liquidity, or to distort market prices or the valuation of securities, as well as fictitious trades and orders;
- b) concluding securities transactions at prices that differ substantially from those set on the Exchange, where this compromises the integrity of the market;
- c) entering agreed buy and sell orders in the order book where the entry of the order and the subsequent counter-order occur within the same auction; and
- d) entering buy and sell orders in a single security for the same beneficial owner. The ban shall not cover simultaneous buy and sell orders for the participant's own account if the participant can prove that individual orders were entered independently of each other and without any form of agreement in the exchange system. The participant shall ensure the necessary precautions to prevent impermissible cross-transactions.

<sup>3</sup> Trades that are attributable to improper market conduct shall be cancelled by the Exchange or by the participant on the instruction of the Exchange (for details of the cancellation process, please refer to Clause 14.3 of the "Trading" Directive). In the event of a trade which is off-order-book, such trades shall be rejected by the Exchange. Despite such cancellation or rejection, sanctions by the Regulatory Bodies remain reserved.

<sup>4</sup> Details are laid down in the "Trading" Directive.

## 9.2 Trading Segments

<sup>1</sup> The Exchange defines the trading segments and allocates securities to these trading segments.

<sup>2</sup> The "Trading" Directive determines the trading details, specifically the trading days and settlement days, trading periods and the market model.

<sup>3</sup> The "Trading Parameters" Guideline sets out the provisions which apply to the individual trading segments.

## 9.3 Market Control

<sup>1</sup> The Exchange shall control trading and thereby promote the transparency, efficiency and liquidity of the securities market with the aim of treating investors and participants equally within their peer groups, and of protecting investors.

<sup>2</sup> The Exchange may interrupt or restrict trading, delete orders from the order book and declare null and void and cancel completed trades, or demand that participants reverse these trades.

<sup>3</sup> The details are laid down in the "Market Control" Directive.

## 9.4 Trading Surveillance

<sup>1</sup> The SIX Exchange Regulation Surveillance & Enforcement trading surveillance department monitors trading with regard to its compliance with statutory requirements and the Trading Rules.

<sup>2</sup>In particular, it monitors price-setting and trades in such a way that the exploitation of insider knowledge, price and market manipulations and other violations of the law and the rules can be identified.

<sup>3</sup> Should violations of the law or other improper events be suspected, the trading surveillance unit shall notify FINMA and, where appropriate, the relevant criminal prosecution authorities.

## **9.5 Pre-trade Transparency**

<sup>1</sup> During usual trading hours, the Exchange shall publish the latest bid and ask prices for equities and the depth of the trading positions at those prices.

<sup>2</sup> The Exchange may publish pre-trade transparency data for trading in securities other than equities. If pre-trade transparency data are published for trading in securities other than equities, the Exchange may limit pre-trade transparency if this is necessary to ensure orderly trading. It shall be guided by international standards in such matters.

<sup>3</sup> Details are laid down in the "Trading" Directive.

## **9.6 Post-trade Transparency**

<sup>1</sup> The Exchange publishes information on both on-order-book and off-order-book trades on the Exchange, specifically the price, volume, and the time of the trades.

<sup>2</sup> Information is published promptly.

<sup>3</sup> Details are laid down in the "Trading" Directive.

## **9.7 Special Situations**

<sup>1</sup> Special situations shall be defined as exceptional situations and emergency situations. The Exchange decides at its own discretion whether there is a special situation.

<sup>2</sup> The details are laid down in the "Market Control" Directive.

### **9.7.1 Extraordinary Situations**

<sup>1</sup> In order to ensure proper trading, should an extraordinary situation arise, the Exchange may institute all the measures which it deems necessary to maintain fair, efficient and orderly trading.

<sup>2</sup> The Exchange may intervene in trading as it considers necessary, in particular:

- a) delay the opening of trading in a security;
- b) restrict or suspend trading in a security;
- c) reject or delete orders/quotes; and
- d) declare trades null and void and cancel them.

<sup>3</sup> The following specific circumstances shall be deemed to be extraordinary situations:

- a) major price volatility or conditions of severe market stress, in particular times of peak volume of orders, or where a trade differs significantly from the market price;
- b) decisions or information which are to be published imminently and which might have a significant influence on the price of a security (price-sensitive facts); or
- c) other situations that might compromise fair, efficient and orderly trading.

<sup>4</sup>The details are laid down in the "Market Control" Directive.

### **9.7.2 Emergency Situations**

<sup>1</sup> Furthermore, in emergency situations the Exchange and/or the Regulatory Bodies may suspend decrees in full or in part, including the Trading Rules, and replace them temporarily with new provisions.

<sup>2</sup> The Exchange may also temporarily restrict or suspend trading full or in part.

<sup>3</sup> The following specific circumstances shall be deemed to be emergency situations:

- a) failure of the exchange system or the Exchange's access infrastructure or parts thereof;
- b) failure of a participant's access system;
- c) failure of the settlement infrastructure;
- d) force majeure; or
- e) other situations that might compromise fair, efficient and orderly trading.

<sup>4</sup>The details are laid down in the "Market Control" Directive.

### **9.8 Deletion of Orders and Cancellation of Trades**

<sup>1</sup> In special situations, the Exchange may reject or delete orders, and declare trades null and void and cancel them, at its own discretion or upon application from one of the participants concerned (for details of the cancellation process, please refer to Clause 14.3 of the "Trading" Directive).

<sup>2</sup> If the Exchange declares a trade null and void, it may cancel it or instruct the participants concerned to rectify the trade.

<sup>3</sup> The details are laid down in the "Market Control" Directive.

## **10 On-Exchange, On-Order-Book Trading**

### **10.1 Order Book**

<sup>1</sup> The Exchange maintains an order book for each security. These order books shall classify and manage all orders according to price and the time at which they are received by the Exchange.

<sup>2</sup> Details are laid down in the "Trading" Directive.

## 10.2 Orders and Quotes

<sup>1</sup> An order/quote is a binding offer to buy or sell a certain quantity of a security at an unlimited or limited price.

<sup>2</sup> Quote specifies the simultaneous entry of one or more limited buy and/or sell orders in a single instruction.

<sup>3</sup> Orders/quotes may be entered in the order book, amended or deleted, during set periods. All incoming orders/quotes shall be assigned a time stamp and an identification number. Amended orders/quotes shall lose their original time priority and be given a new time stamp.

<sup>4</sup> Details are laid down in the "Trading" Directive.

## 10.3 Designation of Trades

<sup>1</sup> Orders must be flagged as follows:

- a) as client transaction, if trading takes place in the participant's own name but for the account of the client (Riskless Principal); and
- b) as proprietary transaction, if trading takes place in the participant's own name and for his own account (Principal).

<sup>2</sup> Details are laid down in the "Trading" Directive.

## 10.4 Algorithmic Trading

<sup>1</sup> The participant must report the operation of algorithmic trading to the Exchange and must flag orders generated by such algorithmic trading. It must use a separate identification for each algorithm and must also indicate the traders who initiated these orders.

<sup>2</sup> The participant must record the orders generated by algorithmic trading, and must keep the orders that have been sent, including any cancellations, on file.

<sup>3</sup> Details are laid down in the "Trading" Directive.

## 10.5 Liquidity Providers

<sup>1</sup> The Exchange determines those trading segments with liquidity providers, and may admit one or more liquidity providers for each security, as set out in Clause 5.

<sup>2</sup> The details are laid down in the "Trading" Directive and the "List of Charges under the Trading Rules".

## 10.6 Market Model and Price-Setting Rules

<sup>1</sup> The Exchange determines the market model and the rules that apply to price-setting for trades in the order book.

<sup>2</sup> Details are laid down in the "Trading" Directive.

## 10a On-exchange, Off-Order-Book Trading

<sup>1</sup> The provisions of these Trading Rules shall apply to off-order-book trades, if

- a) the parties agree prior to or at the time of the trade that it should be made according to the provisions of the Trading Rules;
- b) the trade is reported to the Exchange in accordance with the provisions of these Trading Rules; and
- c) the price of the reported trade passes an Exchange plausibility test.

<sup>2</sup> These conditions must be met in full. If one or more of them is not fulfilled, the provisions of the Trading Rules shall not apply.

### 10a.1 Reporting of Trades to the Exchange

<sup>1</sup> The following provisions shall apply to the reporting of trades to the Exchange.

<sup>2</sup> Details are laid down in the "Trading" Directive.

#### 10a.1.1 Content of Trade Reports

The report shall be specified with the following attributes as a minimum:

- a) Identification of the participant: participant identification (Party ID) and Trader ID or Reporting Agent ID;
- b) Transaction type (buy or sell);
- c) Precise identification of the securities in question (in the sense of Art. 2 let. b in conjunction with let. c FMIA) (attributes such as the ISIN);
- d) Execution volume (nominal value for bonds, nominal value or number of units for other securities);
- e) Execution price or price obtained on the market excluding commission and fees (incl. statement of currency);
- f) Time of execution (date and time);
- g) Value date (corresponding to the date on which the securities are transferred and paid for following the trade);
- h) Information on whether the trade was a proprietary transaction (trading in own name and for own account) or a client transaction (transaction in own name but for the account of the client);
- i) Designation of the counterparty;
- j) Designation of the trading venue where the securities or derivative were traded, or notification that the transaction was executed outside a trading venue.



### 10a.1.2 Trade reporting deadlines

<sup>1</sup> Trades must be reported to the Exchange within the set deadlines.

<sup>2</sup> The Exchange shall determine trade reporting deadlines for each trading segment.

<sup>3</sup> The details are laid down in the "Trading Parameters" Guideline.

### 10a.1.3 Reporting functions

There are one-sided and two-sided Trade Reports. The details are laid down in the Directive 3: "Trading".

### 10a.1.4 Correction of Trade Reports

<sup>1</sup> Participants themselves are responsible for fulfilling the reporting obligation.

<sup>2</sup> Trades reported incorrectly must be corrected or cancelled by the participant.

## 11 Transaction Reports

<sup>1</sup> To fulfil reporting obligations to the Reporting Office of SDX Trading AG pursuant to Art. 39 FMIA, a Transaction Report must be submitted to the Reporting Office of SDX Trading AG for reportable trades in securities admitted to trading on a Swiss trading venue and for derivatives from such securities.

<sup>2</sup> The details are laid down in the "SDX Trading AG Reporting Office Rules".

### 11.1 Content

<sup>1</sup> Transaction reports must contain the following information as a minimum:

- a) Identification of the participant: participant identification (Party ID) and Trader ID or Reporting Agent ID;
- b) Transaction type (buy or sell);
- c) Precise identification of the securities in question (in the sense of Art. 2 let. b in conjunction with let. c FMIA) (attributes such as the ISIN or CFI);
- d) Execution volume (nominal value for bonds, nominal value or number of units for other securities);
- e) Execution price or price obtained on the market excluding commission and fees (incl. statement of currency);
- f) Time of execution or time of order fulfilment in the case of Transmissions of Orders (date and time);
- g) Value date (corresponding to the date on which the securities are transferred and paid for following the trade);
- h) Information on whether the trade was a proprietary transaction (trading in own name and for own account) or a client transaction (transaction in own name but for the account of the client);

- i) Designation of the counterparty or, in the case of Transmissions of Orders: designation of the party to whom the order was transmitted;
- j) Designation of the trading venue where the securities or derivative were traded, or notification that the transaction was executed outside a trading venue;
- k) Information permitting the beneficial owner to be identified, or in the case of Transmissions of Orders: the designation of the party who transmitted the order;
- l) Transaction identification code (Trade ID).

### 11.2 Reporting Deadlines

Transaction Reports must be reported by close of trading on the next trading day at the latest.

## 12 Use and Publication of Market Information

<sup>1</sup> While upholding the professional confidentiality regulations laid down in Art. 147 FMIA, the Exchange shall publish market information such as price information, turnover figures and other data.

<sup>2</sup> The participant and its traders may use the market information transmitted via the exchange system.

<sup>3</sup> The Exchange may charge a fee for the distribution of market information by participants and third parties.

<sup>4</sup> The details are laid down in the "Market Information" Directive.

## III Settlement

*The provisions of Part III govern how trades come about and the settlement of on-exchange trades.*

### 13 General Provisions

<sup>1</sup> Securities trades shall be settled without the involvement of a central counterparty. A trade shall give rise to a contractual relationship exclusively between the participants concerned.

<sup>2</sup> Details are laid down in the "Trading" Directive.

### 14 Atomic Trading and Settlement

<sup>1</sup> Trading on the Exchange and the settlement of trades are performed in accordance with the principle of atomic trading and settlement: Orders are finally combined when the successful settlement of the trades takes legal effect. The final combination of orders in an auction results in a contract subject to condition precedent concerning the orders combined. The condition is fulfilled on successful settlement (see Clause 15.2.1 below). Thus, there are no legally valid on-exchange trades that are not settled.

<sup>2</sup> Atomic trading and settlement requires that the participants have the corresponding securities or payment means at their disposal at the time that the orders are finally combined. To protect the functionality of the market model, the Exchange reserves the right to enforce the penalties agreed in the participation contract and detailed in the list of charges.

<sup>3</sup> The trades are settled by the settlement organisation of SIX Digital Exchange AG. Independent clearing is not necessary and is not part of the process.

<sup>4</sup> The Exchange ensures that the corresponding settlement instructions in connection with the auctions are received by the settlement organisation of SIX Digital Exchange AG. The Exchange sends information on the trades subject to condition precedent to the settlement organisation of SIX Digital Exchange AG on behalf of the participants involved.

<sup>5</sup> Details are laid down in the "Trading" Directive.

## 15 Trades

### 15.1 Contracting Parties

A final consolidation of orders in an auction shall give rise to a contractual relationship between the participants concerned.

### 15.2 Content of Contract

The contract concluded as described in Clause 15.1 must include the following content:

#### 15.2.1 General

<sup>1</sup> The contract between the participants involved is concluded subject to condition precedent when the orders are matched in conjunction with the final combination of the auction's orders. The condition precedent is the successful settlement of the orders covered by the contract. The contract therefore only becomes legally valid when settlement occurs (**settlement date**).

<sup>2</sup> Until the final combination of the orders in an auction, it is still technically possible for the participants to dispose of their assets without restriction, even if this could potentially hinder the due fulfilment of the contract. Such disposals by participants are therefore not in bad faith. All participants are aware that auctions may fail on account of insufficient assets. The participants involved are not authorised to demand security measures in accordance with Art. 152(2) of the Federal Act of 30 March 1911 on the Amendment of the Swiss Civil Code (Part Five: Swiss Code of Obligations (CO), SR 220), and disposing of assets is not deemed preventing the condition from occurring in bad faith in accordance with Art. 156 CO.

<sup>3</sup> All rights and obligations (incl. subscription rights, etc.), as well as all risks attached to the securities sold shall be transferred to the buyer at the settlement date.

#### 15.2.2 Equity Securities

<sup>1</sup> Equity securities shall be traded inclusive of the related claims to dividends, capital repayments, subscription rights or other forms of distribution, but exclusive of any outstanding capital that must be paid in ("cum").

<sup>2</sup>As of the ex date, trading in a security shall take place exclusive of any claims to dividends, capital repayments, subscription rights or other forms of distribution ("ex").

<sup>3</sup>The ex-day is specified by the issuer. The Exchange publishes the ex-date in an appropriate form. It shall offer no warranties and accept no liability in respect of such publication.

### 15.2.3 Bonds

#### a) Principle

Bonds are traded as a percentage of their par value. The interest accrued on the par value shall be deemed to be the percentage, calculated between the date on which the last-paid coupon lapsed and the value date. It must be paid by the buyer in addition to the agreed price.

The interest accrued shall be calculated on the basis of the respective bond terms.

#### b) Non-performing bonds

Bonds that have either been defaulted on in full, or on whose coupons only a partial distribution has been paid, shall be traded flat, i.e. without accrued interest. The coupons designated in the exchange system must be transferred with the bonds themselves in such cases.

Bonds on which interest is not paid in accordance with the bond terms owing to foreign exchange restrictions, moratoria on transfers or other circumstances, but which have a coupon that may still hold a value, are traded without accrued interest.

These securities shall have a special flag as bonds that have a current coupon but for which no accrued interest is calculated. The Exchange may apply different rules in special cases.

### 15.2.4 Legal Warranty

The buyer shall continue to be covered by the entitlement to legal warranty of title as described in Art. 192 et seq. CO. This claim shall become time-barred after ten years.

### 15.2.5 Applicable Law

The contract between the participants shall be subject to Swiss law.

## IV Monitoring and Enforcement

*The provisions of Part IV govern the monitoring of Trading Rules compliance and enforcement. They also lay down the sanctions that the SIX Exchange Regulation and/or the Regulatory Bodies may impose on participants and their traders. Sanction proceedings follow the Rules of Procedure.*

## 16 Duties to Provide Information

Subject to statutory confidentiality obligations, the Exchange and/or the Regulatory Bodies are entitled to demand from participants all such information that the Exchange and/or the Regulatory Bodies require to enforce the Trading Rules. Specifically, they may conduct inspections and question traders.

## 17 Revision

<sup>1</sup> The Exchange and/or SIX Exchange Regulation may, at any time, require participants to appoint a recognised audit firm or, at the request of the participant, the latter's internal auditors, to check compliance with certain provisions of the rules and regulations for the time of participation.

<sup>2</sup> Under special circumstances, the Exchange and/or SIX Exchange Regulation may also require participants at any time to have certain procedures and transactions reviewed with regard to their conformity with the Trading Rules. While upholding statutory confidentiality obligations, the participant must then submit a summary report of this audit to the Exchange and/or SIX Exchange Regulation.

<sup>3</sup> In the case of foreign participants, the Exchange may have a review conducted of fulfilment of (equivalent) technical and operational requirements to those of a securities firm.

<sup>4</sup> If the participant does not appoint an audit firm, one shall be appointed for it by the Exchange and/or SIX Exchange Regulation.

<sup>5</sup> The participant bears the costs of audits required by the Exchange and/or SIX Exchange Regulation.

## 18 Violations of the Trading Rules

Where the provisions of the Trading Rules have been violated, the Regulatory Bodies may impose sanctions on participants and/or traders. Specifically, sanctions shall be imposed in response to the following actions or omissions:

- a) violations of orders issued by the Exchange and/or the Regulatory Bodies;
- b) violations of contractual agreements with the Exchange and/or the Regulatory Bodies;
- c) non-compliance with rulings issued by the Exchange and/or the Regulatory Bodies;
- d) attempted or actual damage to the Exchange system;
- e) attempted or actual manipulation of or modifications to the Exchange system, specifically its technical interfaces;
- f) improper use or passing on of Exchange software or data received from the Exchange system;
- g) obstructing the auditors in the performance of their duties; and
- h) failure to cooperate in sanction proceedings and failure to observe a sanction order, a sanction decision or an arbitral ruling.

## 19 Sanctions

<sup>1</sup> The following sanctions may be imposed by the Regulatory Bodies:

- a) Against a participant: reprimand, suspension or exclusion; fine and/or contractual penalty of up to CHF 10 million;
- b) Against a trader: reprimand, suspension or withdrawal of registration.

<sup>2</sup> Decisions on the imposition of sanctions shall take into account the gravity of the violation, the degree of fault, and any previous sanctions imposed on the participant or trader.

<sup>3</sup> The sanctions imposed on participants/traders, as well as the underlying violations, may be disclosed to the public and other participants.

## V Final Provisions

### 20 Confidentiality

<sup>1</sup> The Exchange, its governing and executive bodies, employees and agents shall be subject to the professional confidentiality regulations laid down in Art. 147 FMIA.

<sup>2</sup> Notwithstanding provisions to the contrary in law or these Trading Rules, the Exchange shall treat as confidential all participant-related information that it receives in connection with the Trading Rules. The Exchange publishes such confidential information only with the consent of the participant concerned.

<sup>3</sup> The use of data which has had identifying information removed (such as price information and the turnover of securities) that does not permit the drawing of any conclusions on the underlying participant, shall not constitute a breach of the confidentiality obligation.

<sup>4</sup> The Exchange may disclose data to SIX Group AG companies and/or its staff in Switzerland and abroad, provided the Exchange ensures that the group company concerned and/or the staff concerned are bound by confidentiality provisions that are comparable to those of these Trading Rules. This applies in particular in the context of internal group activities involving more than one company and/or country, e.g. concerning product developments/improvements, market analyses, marketing, optimisation of customer services and risk management, and to facilitate the organisation within the group.

<sup>5</sup> The Exchange may disclose data to external third parties in Switzerland and abroad in connection with the performance of their contractual duties (in particular central counterparties and settlement organisations), provided the Exchange ensures that these parties are bound by confidentiality provisions that are comparable to those of these Trading Rules.

<sup>6</sup> The Exchange is authorised to outsource data processing and other services to third parties in Switzerland and abroad, in particular to group companies of SIX Group AG and to other legally affiliated companies of SIX Group AG. This applies in particular to liquidity management, treasury, risk management, internal audit, master data administration, data retention or storage, accounting, personnel, IT and back-office functions, legal and compliance, activities conducted with the aim of ensuring fair, efficient and orderly trading, and

the operating of matching and market data distribution systems. Should data be transmitted to group companies or external third parties under such outsourcing arrangements, all services providers must be subject to comprehensive confidentiality provisions. Furthermore, the Exchange shall inform the participant in advance, observing a reasonable period of notice, should data be transmitted to a service provider abroad under outsourcing arrangements.

<sup>7</sup> Subject to any mandatory provisions in law, the Exchange and/or the Regulatory Bodies may supply supervisory authorities, trading supervisory bodies (Art. 32 FMIA) and criminal prosecution authorities with information about participants and may also obtain information from the latter.

## 21 Data Protection of Natural Persons

<sup>1</sup> Where participants pass data about their staff or natural persons engaged by them (data subjects) on to SIX Exchange Regulation as a result of statutory or regulatory obligations (justified interests), they are responsible for ensuring the lawfulness of such disclosure in compliance with the laws to which they are subject. In accordance with the statutory requirements, they must notify the data subjects comprehensively about the disclosure and about the use of their data by SIX Exchange Regulation. In particular, they must notify the data subjects of the following:

- a) SIX Exchange Regulation processes the data about the data subjects on the basis of a legal obligation (Art. 27 et seq. FMIA);
- b) Under certain circumstances, SIX Exchange Regulation and the judicial bodies of SIX Group AG may, on the basis of legal obligation (Art. 27 et seq.), use the data about the data subjects in the context of an investigation or sanction proceedings in accordance with the rules of the trading venues of SIX Group AG and their implementing ordinances;
- c) On the basis of a legal obligation (Art. 27 et seq. FMIA), SIX Exchange Regulation may pass the data about the data subjects on to FINMA, trading supervisory bodies (Art. 32 FMIA), the criminal prosecution authorities and the courts.

<sup>2</sup> The Exchange processes personal data in accordance with the separate data protection statement available in the publicly accessible area of the Exchange's website.

- a) By disclosing personal data to the Exchange, the participant confirms that it has informed the persons concerned (staff, clients, agents, etc.) whose data they are transmitting to the Exchange in advance of disclosure of the personal data to the Exchange and of the data processing by the Exchange, and that it is authorised to do so.
- b) The participant acknowledges that, for the purpose of providing the contractual services, personal data may need to be disclosed to business partners and agents of the Exchange in third countries without an adequate level of protection. In this context, the participant confirms that it has obtained the consent of the data subjects.

## 22 Partial Invalidity

In the event that individual provisions of these Trading Rules are or become invalid, the validity of the remaining provisions remains unaffected. Should individual provisions of these Trading Rules be or become wholly or partially ineffective, they must be interpreted in a way that restores their effectiveness. Where this is not possible, the Exchange shall issue a new rule within a reasonable period and enact it in accordance with the provisions on amendments to these Trading Rules.

## 23 Amendments to the Trading Rules

These Trading Rules may be amended at any time. Participants shall be notified of such amendments in good time before they take effect. The amendments shall also be published on the Exchange website. The amendments shall be binding on the participant unless the participant rejecting the changes terminates its participation agreement in writing before the amendments enter into force.

## 24 Binding Nature

<sup>1</sup> With their admission, the participant shall expressly acknowledge the Trading Rules and the other regulatory provisions issued by the Exchange and/or the Regulatory Bodies, and agree to be bound by them.

<sup>2</sup> The German version alone of the Trading Rules including the execution provisions of the Exchange is binding in the event of inconsistencies between the German and English versions.

## 25 Applicable Law and Jurisdiction

<sup>1</sup> These Trading Rules are subject to the substantive laws of Switzerland. They have been issued in the context of self-regulation activities, as described in Art. 27 FMIA. This choice of law also applies to all of the legal issues referred to in Art. 2 para. 1 of the Hague Securities Convention.

<sup>2</sup> The jurisdiction is governed by the applicable participation agreement.

## 26 Entry into Force

These Trading Rules were adopted by the Regulatory Board on 30 October 2020, approved by FINMA on 9 September 2021 and will be in effect as of 15 October 2021.

## 27 Revision

The revision of Clauses 4.2, 4.3.2, 4.4, 9, 9.1, 9.6, 11.1, 11.3, 13, 15.2.3, 20 and 21 as well as the enactment of Clauses 4.3.3 and 10a that was decreed by the Regulatory Board in its resolution of 27 April 2022 and approved by FINMA on 1 November 2022, enters into force on 12 December 2022.