



**London**  
Stock Exchange Group

BIT - MILLENNIUM EXCHANGE

# Service Manual for Trading After Hours

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## Disclaimer

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# 1. Introduction

TAH market is the multilateral trading facility, organized and managed by Borsa Italiana, to allow dealing on shares, admitted to trading on European regulated markets, during a later session.

Following the acquisition of Millennium IT, all the Borsa Italiana Cash Markets (MTA, MOT, ExtraMOT, SeEeX, ETFPlus, TAH) and Post Trade Transparency Service are hosted on the ultra-low latency platform of Millennium IT; TAH and Post Trade Transparency Service run on a separate system.

## 1.1. Purpose

The purpose of this document is to describe the specifics of the MillenniumExchange platform for the following markets and multilateral trading facilities organised and managed by Borsa Italiana S.p.A:

- TAH (“Trading After Hours”)

All the technical documents should be read in conjunction with the Rules, Instructions and Guide to Parameters of Borsa Italiana.

## 1.2. Relevant Exchange communication channels

- ***Rules of Borsa Italiana***

The full current Rules of TAH in force can be found at:

Italian Version:

<http://www.borsaitaliana.it/borsaitaliana/regolamenti/tah/tah.htm>

English Version:

<http://www.borsaitaliana.it/borsaitaliana/regolamenti/tah/tah.en.htm>

Changes to the Rules of Borsa Italiana and other key regulatory announcements are made by Stock Exchange Notice.

- ***Stock Exchange Notices***

To sign up to E-mail notification of future Borsa Italiana Notices and view the library of previous ones please see:

<https://www.borsaitaliana.it/borsa/user/registration.html>

- ***Trading Services webpage***

More details of the Exchange's Trading Systems, including where this document and the ***Millennium Exchange Business Parameters for BIT*** document will be found following go-live can be seen at:

Italian Version:

<http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm>

English Version:

<http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.en.htm>

### 1.3. Document history

This document has been through the follow iterations:


Issue	Date	Description
1.0	December 2013	First draft.
1.1	February 2014	Internal review
1.2	April 2014	Updated for Market Data Services
1.3	April 2014	Fine tuning
1.4	December 2014	Updated for Market Data Services (MITCH)

In subsequent issues, where amendments have been made to the previous version, these changes will be identified using a series of side bars as illustrated opposite.

### 1.4. Enquiries

Please contact either Client Technology Services or your Technical Account Manager if you have any functional questions about the Millennium Exchange services outlined in this document. Client Technology Services (ITA) can be contacted at:

- Telephone: +39 0272426409 - 348 – 606 – 647
- Service Desk Free Toll Number: 00800 26772000
- Email: MIT-migration@borsaitaliana.it ; clients-services@borsaitaliana.it



Please contact your Business Account Manager if you have any questions about the Millennium Exchange trading functionalities outlined in this document. Business Account Managers (ITA) can be contacted at:

MTA / AIM Italy/ MIV / TAH

- Telephone: +39 0272426418 - 550 – 503 – 539



## 1.5. Definitions

Acronym/Term	Explanatory text of the definition
Better prices (Orders at ...)	means, with reference to the price of a given order: a) any higher price if the order is an order to buy; b) any lower price if the order is an order to sell; Analogously, worse prices are lower prices if the order is an order to buy and higher prices if it is an order to sell. In the case of financial instruments whose prices refer to interest rates, the meanings of better and worse prices are the opposite of those just defined;
Borsa Italiana	means the market management company "Borsa Italiana S.p.A.";
Cassa di Compensazione e Garanzia or CC&G	means the company that operates the clearing and guarantee systems;
Continuous trading	the method of trading that provides for the entry, modification and deletion of orders for the purpose of concluding contracts, immediately or in the future;
Default	means the valuation of a parameter accepted by definition if not otherwise specified with the entry of a specific value;
Executable quote	means the order type which is to be used by specialists to fulfil their obligations under Market Rules. This order type allows users to insert a buy order and a sell order with a unique transaction
EMS (Exchange Market Size)	means the quantity, defined in terms of a number of financial instruments, fixed for each security. Borsa Italiana calculates and publishes on its website the EMS for each financial instrument;
FIX	the Financial Exchange messaging standard
GTP	the market data service, multicast,
GTP Lite	the market data service, over tcp-ip
MITCH	the legacy Market Data protocol over the multicast
Market segment	means the division of the financial instruments into homogeneous groups in terms of trading methods and hours;
Markets	means the regulated markets and MTFs organised and managed by Borsa Italiana S.p.A.;
Minimum lot	means a quantity fixed for each security; orders must be equal to or a multiple of the minimum lot;
Order	means an order to buy or sell, for own or customer account, entered by approved intermediaries, containing the data and information necessary for its display and execution;
PTTS	Post Trade Transaction Service

Tick	means the minimum difference between the prices of orders, established in the Instructions, for each financial instrument traded in the markets;
TIF	Time In Force: the time validity of the order/quote
X-TRM	means the post-trading service by means of which transactions involving financial instruments are sent to the settlement service operated by Monte Titoli S.p.A.

## 2. Customer Interfaces

In the interest of increased performance and flexibility a new approach to customer interfaces will be introduced which is described below.

### 2.1. Overview

The following interfaces and protocols will now be available to participants

- Trading Interface  
order / quote entry and immediate confirmation of automated trades
- Post Trade Interface  
'Enriched' trade confirmation of automated trades (including cancellations)<sup>1</sup>  
Off Book Trade Reporting (Post Trade Transparency)  
Own Trades Book Download (OTBD)
- Drop Copy Interface  
'Copy To' functionality  
Own Order Book Download (OOBD)
- Market Data Dissemination interface multicast (GTP, MITCH)
- Market Data Dissemination tcp-ip (GTP Lite)
- Reference Data Service

With the introduction of Millennium Trading System, the Exchange will standardise on FIX 5.0 SP2 for all of the above customer interfaces with the exception of Reference Data Service<sup>2</sup>. In addition a new fixed width Native interface will be introduced for the Trading Interface only. Participants will connect to each interface via a FIX or native Gateway, depending on the functionality they require.

- FIX Trading Gateway
- Native Trading Gateway
- FIX Drop Copy Gateway
- FIX Post Trade Gateway

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<sup>1</sup> Including any Exchange initiated cancellations

<sup>2</sup> Will be supported via FTP and SFTP

Furthermore, Market Data will be available via the following services.<sup>3</sup>

- GTP Market Data Service;
- MITCH Market Data Service;
- GTP Lite Market Data Service;

## 2.2. Message workflow

Participants must use the Trading Interface (FIX or native) to send order, cross order and quote messages to Millennium Exchange via configured Users. In response, Millennium Exchange will send Execution Reports over the interface used giving the status of the order / executable quote.

Should a trade occur then the order / quote status will be immediately updated by an Execution Report<sup>4</sup> sent from the Trading Interface over the participant connection that sent in the order / quote. In addition to order status the Execution report will summarise the details of the trade and provide among the others the following information:

- Side
- Trade Quantity
- Trade Price
- Clearing House defined as Counterparty or Counterparty to the Trade
- Trade ID
- Order ID
- Transaction Time

In addition, an 'enriched' Trade Capture Report will be sent via the Post Trade Interface. This will include the trade details specified in the Execution Report as well as the following information:


- ISIN
- Matching Type (Continuous Trading or Auction)
- Clearing Type (is the trade cleared or not)

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<sup>3</sup> MITCH support will be ceased once GTP / GTP Lite will be rolled out to all customers. Please refer to <http://www.londonstockexchange.com/products-and-services/millennium-exchange/documentation/documentation.htm> for further details


Phase out plan will be communicated in due course.

<sup>4</sup> Note – for Executable Quotes two Execution Reports will be sent – one for each side of the Quote



This means that participants will receive two messages notifying them of the trade. They will be free to choose which message to act on before submitting the next message.

Participants will be able to link the Execution Report and Trade Capture Report using either the ExecID or ClOrdID tags.



Participants should note:

- In normal circumstances the Trade Capture Report will be delivered after the Execution Report.
- Execution Reports will be sent to the CompID that sent the order or quote.
- Customers have the option to cancel at firm level so a "master" CompID could cancel all orders entered for the firm by all other CompIDs.
- Orders / quotes sent via one CompID cannot be modified or cancelled using another CompID (with the exception of "master" CompID cancellations).
- A new cancel on disconnect facility has been provided as a means of managing orders if a session is lost. See MIT201 BIT - Guide to New Trading System for more details.
- A Post Trade / Drop Copy User can be configured to receive all Trade Capture Reports / Execution Reports for the Firm, or selected CompID / UserID.
- Customers are recommended to have a separate connection to the Post Trade Gateway for Off Book Trade Reporting, Real Time Trade Capture Reports and the OTBD service.
- Where a customer is using 'Copy To' functionality, a separate connection to the Drop Copy Gateway will be required over and above that used to support the OOB service.

### **2.3. Time synchronisation**

As per the FIX standard, all times on FIX trading messages must be specified in UTC. Customers are recommended to use the Sending Time in the FIX logon message sent by Millennium Exchange to synchronise system clocks. Also all times on Native messages are in UTC.

## 2.4. Reference Data Service

Reference data will be managed by a new Reference Data Service that will provide instrument reference data to participants in a new 'flat file' format and available via FTP. Full details of the interface are specified in the document "MIT305 – BIT - Markets Reference Data and FTSE indices constituents".

In addition to the flat file a subset of reference data will be available via the Market Data feed each morning:

- Symbol (unique identifier)
- Instrument status
- ISIN
- Segment
- Tick
- Price Bands Tolerances
- Dynamic Circuit Breaker Tolerances
- Static Circuit Breaker Tolerances

## 2.5. Technical details

Technical details of all interfaces are provided in the following documents:

- MIT201 BIT - Guide to New Trading System
- MIT202 BIT - Trading Gateway (FIX 5.0) Specification
- MIT203 BIT - Native Trading Gateway Specification
- MIT204 BIT - Post Trade Gateway (FIX 5.0) Specification
- MIT205 BIT - Drop Copy Gateway (FIX 5.0) Specification
- MIT303 BIT - Level 2-MITCH Specification
- MIT305 BIT – Markets Reference Data and FTSE indices constituents
- GTP002 – Technical Guide
- GTP007 – GTP Lite Guide
- MIT - EMAPI Programmer's Guide

## 3. Market Structure

### 3.1. Instruments classification

From a business perspective an individual instrument is assigned to a grouping to form a **trading segment**. A specific **Trading Service** is a number of trading segments that share the same market model.

The **Millennium Exchange Business Parameters for BIT Document** maps these exact groupings and allows us to lay down criteria that operate at each specific grouping level.

The sector identifies a set of securities within a segment, characterised by common trading mechanisms (e.g. shares of Italian issuers or shares of issuers established under foreign law ).

The technical definition of market, segment and sector may differ from the corresponding regulatory criterion.

Table 1 shows the structure envisaged for the Italian Trading After Hours market.

MARKET	SEGMENT CODE	SEGMENT DESCRIPTION	SECTOR CODE	SECTOR DESCRIPTION
TAH	TAH	TRADING AFTER HOUR	TAH	TRADING AFTER HOUR
	TMM1	MTA INTERNATIONAL TAH	TMTI	MTAI AZIONI TAH

*Table 1: Market structure for TAH*

*For updates, please refer to: MIT305 - FTP Services Reference Data Specification*

N.B. The configuration and the acronyms used in the table for the market models, segments and sectors above are indicative and may undergo changes, which will be announced subsequently.

### 3.2. Technical operation parameters

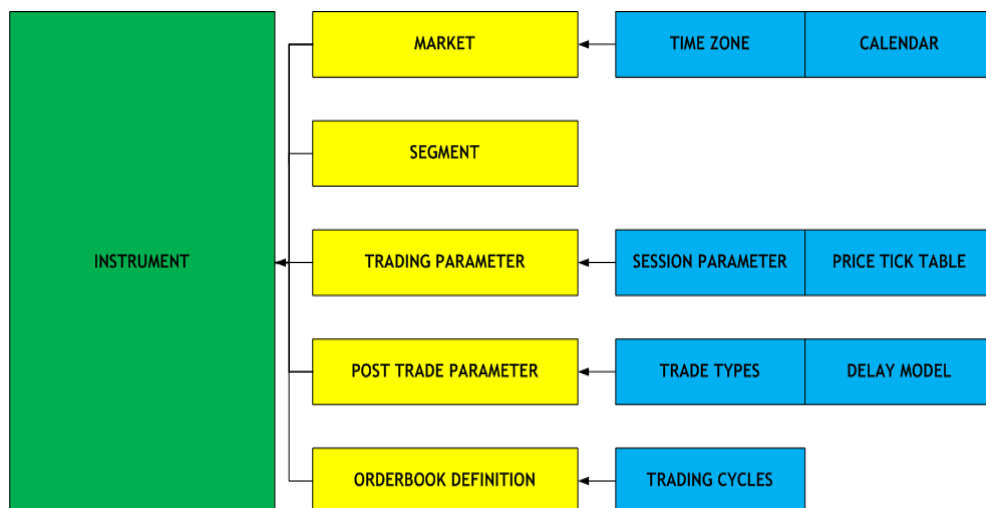
The sectorisation documented above has been maintained to maintain categorisations from an Exchange Rules and wider regulatory perspectives that are not specifically relevant to the trading system. Trading segments and trading sectors



are not key fields for Millennium Exchange trading message entry. They will however, continue to be defined and provided via the Reference Data Service.

In Millennium Exchange, instruments are technically structured as follows:

- Each instrument will be assigned to a Market and Segment
- Instruments are assigned to an Order Book with a pre-determined Trading Cycle
- Instruments will have specified instrument, Trading and Post Trade parameters assigned that dictate how the instrument is traded
- A Trading parameter consists of session parameters and a price tick table
- A Post Trade parameter consists of trade types and delay model (PTTS)



*Figure 1 - Technical structure of an instrument on Millennium Exchange*

### 3.3. Symbology

A new, more efficient, approach will be taken to the identification of trading instruments. The “4 way key” is no longer supported and an instrument must now be identified on trading messages using a unique InstrumentID.<sup>5</sup>

The InstrumentID will remain constant for the lifetime of the instrument, even if data pertaining to that instrument changes. However participants should note that in some cases (i.e.: corporate action).an instrument will continue to be deleted and re-added should the ISIN be changed.

The Exchange will provide InstrumentIDs via the Reference Data Service and over the Market Data Feeds.

Even though the same stock trades in MTA, After Hours Trading and PTTS Service, it will be managed as different instruments for MTA, After Hours Trading and PTTS Service, with different instruments IDs, and Symbol but with same ISIN code.

Full details are specified in the Technical Details documents.

### 3.4. Operation of the Market

The base microstructural model for TAH market consists of a unique continuous trading phase


The model above is applied to the individual segments, following a succession of trading sessions, as outlined in the Millennium Exchange Business Parameters document.

### 3.5. Trading Sessions

Although there will continue to be a concept of ‘Period’ (or ‘Sessions’ on Millennium Exchange) the general approach to trading sessions will be simplified. In TAH, each instrument will generally follow a simple trading day consisting of a, continuous trading session. Timings and associated trading parameters will vary according to the

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<sup>5</sup> Specified in Tag 48 – SecurityID on FIX and Native messages



market model and will be communicated in due course. In addition, and as today, market control actions invoked by the Exchange will potentially override the normal schedule.

As an instrument moves from one trading session to another the new Millennium Exchange Information system will disseminate the new status of that instrument via the security status message. Please see MIT303 BIT - Level 2-MITCH Specification for further information. The following possible status will be sent:

- Pre Trading (Start of Trading)
- Continuous Trading
- Closing Price Publication
- Resume Order Deletion period
- Halt
- Trading Stop
- Market Closed
- Post Close
- End of Post Close
- No Active Session

The specific -and up to date- schedule for each segment is available in the "Millenium Exchange Business Parameter" document.

### 3.5.1. The continuous trading phases

During the continuous trading phase, participants may:

- enter, modify and delete orders;
- match orders entered by other participants;
- use the information functions.

In this phase each incoming order is immediately assessed against the existing orders to verify whether execution can occur.

For each security orders are executed when:

- the price of an incoming sell order is equal to or lower than the highest price of the buy orders on the book; or
- the price of an incoming buy order is equal to or higher than the lowest price of the existing sell orders.

The sequence in which orders are executed is based on the price and then entry-time priority rule.

The price at which orders are executed is determined by the prices of the existing orders, since they have a higher time priority, and is limited by the price of the order entered. More specifically, for each security the system automatically matches orders, executes the related trades and then generates and automatically sends the corresponding trade confirmations.

Existing orders that are modified so as to improve their price priority are reassessed by the system against the other orders on the book and may give rise to trade execution.

The continuous trading phase may be interrupted with the simultaneous activation of the Halt phase if trades show excessive price variations.

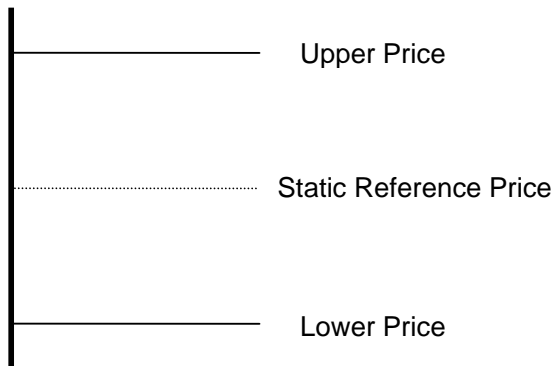
## 3.6. Trading price monitoring and volatility auction

Order books can be subject to rapid price movements. Millennium Exchange operates price monitoring functionality that tracks the prices at which automatic executions are due to occur and will halt continuous trading / delay an auction execution if certain price movement tolerances would be breached.

*The presence of price monitoring functionality in Millennium Exchange does not remove the requirement for participants' systems to have adequate safeguards in place to avoid erroneous order inputs.*

### 3.6.1. Price Bands

Price bands are defined based on an upper and lower demarcation based on the Static Reference Price and if it does not exist the price bands will not be computed.



The Static Reference Price for TAH is defined as follows.

1. since the TAH Market start is scheduled early in the morning in parallel to the start-up of all the other markets including the MTA, at Start of Trading (Pre Trading) the *Previous Close* of the TAH instrument (which is set by the previous day's closing price of the TAH instrument) will be disseminated to the customers and to all the other external and downstream systems.
2. then, following *Previous Close*, at Start of Trading (Pre Trading) session, the *Static Reference Price* and the *Dynamic Reference Price* of the TAH instrument will be initialized to the previous day's closing price of the TAH instrument and will be disseminated to the customers and to all the other external and downstream systems.
3. then when the normal hours (MTA) trading instrument's closing prices are received for TAH instrument, the *Static Reference Price* and *Dynamic Reference Price* of the TAH instrument will be overwritten by that and disseminated again to the customers and to all the other external and downstream systems.

Against the Static Reference Price, the offset will be defined as a percentage.

Price bands validation is applied, during all the trading sessions, at the below scenarios:

- Entry of a new order

- Amendment to an existing order
- An injection of an already parked order to the order book (for example after a parked Stop/Stop Limit order is injected).

Price bands do not apply to Market or Stop orders. They are only applied to Limit, Stop Limit and Market to Limit (when injected) orders as well as to Quotes.

Limit orders and quotes will be rejected due to the following conditions:

- Buy order or an amendment to a buy order whose prices are greater than the Upper Price Band or less than the Lower Price Band.
- Sell order or an amendment to a sell order whose prices are greater than the Upper Price Band or less than the Lower Price Band.
- Quotes which have either a bid or offer price that violates the Upper or Lower Price Bands.

Limit orders, Stop Limit orders and Quotes with limit prices equal to the price band price are permitted.

If the GTC/GTD orders, carried forward from the previous day, are priced away from the price bands, those should be expired before the beginning of the trading (this will be done at the Market Open). The Execution Report published to report the expiration should contain the reason "Expired (price band breached)".

Price bands will be set up at the individual instrument level. Market supervision can switch off price bands validation if required intra-day and can change the price bands intra-day as well.

### **3.6.2. Circuit Breakers**

Circuit breakers will be evaluated against both Static and Dynamic reference prices.

For instruments trading in TAH market, during Continuous Trading session, if the difference between the price of the next trade and the Static or the Dynamic Reference Price is equal to or greater than the one allowed by the circuit breaker tolerance limits, an automatic execution interruption occurs and the instrument will move into a 5 minutes Halt session, with an automatic resumption into the Continuous Trading at the end of the duration.

During the Halt session, trader CompIDs can only delete orders/quotes in the order book. They are not allowed to do order/quote entry and order/quote amendments. The remainder of the order which causes the circuit breaker tolerance breach will always be expired before moving into the Halt session.

FOK orders that would breach a circuit breaker tolerance limits will be expired upon entry and the instrument will not move to a Halt session. Expiration will be communicated via an Execution Report via the FIX 5.0 SP2 Trading Gateway, Native Trading Gateway and Drop Copy Gateway.

# 4. User Configuration

## 4.1. Participant Structure

Millenium Exchange provides an optional hierarchical structure on three levels for market participants.

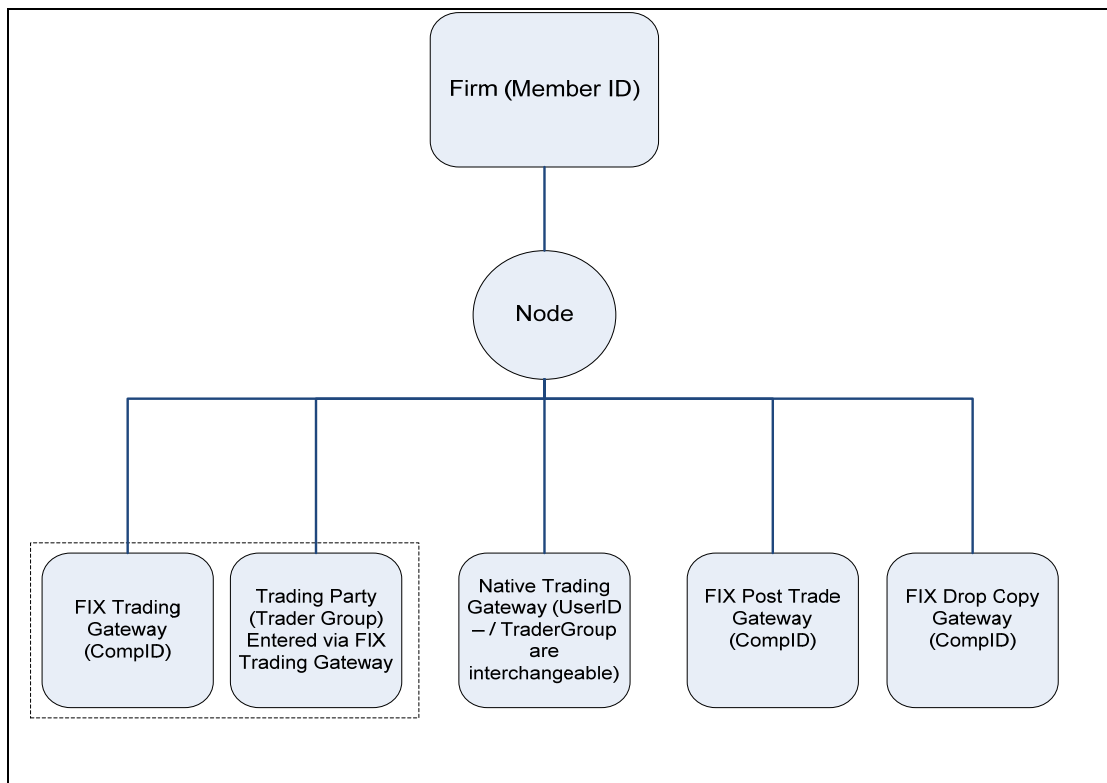
More specifically, each intermediary can develop its access to the market, taking account of the following:

- ◆ Firm;
- ◆ Node;
- ◆ User.

The structure of participants' access to the market can therefore be personalised on the basis of the three levels described in Figure 2 below. To this end intermediaries will have to provide Borsa Italiana with details of their own personalisation (the ramification of one or more User codes, with the related User ID codes), on the basis of what established at the regulatory level.

## 4.2. User configuration levels

Generically, a 3-tier hierarchy will be introduced consisting of Firm, Node and User. Each User will have an associated Role.



*Figure 3 - User hierarchy*

With reference to the diagram above, please notice that

- A Firm represents the highest level when depicting a participant and is intended to represent the membership under which business is routed to the Exchange. The Firm is identified by a unique Member ID;
- A Node represents a logical grouping of Users (see below), this is a new concept that forms part of the core Millennium Trading product, it allows customers a degree of further classification/segmentation within their



business, for example a firm with different clearing arrangements can segment its business accordingly;

- A User represents a generic business or technical enablement, such as a trading desk or a FIX Gateway. The exact type of User is defined by the associated Role. The same User can only be configured under one node. The User can only have one of the Roles outlined below.

**For the technical detail of Users, broken according to the used interface, please refer to MIT201 – BIT – Guide to New Trading System.**

With special reference to the User, it should be noted that the above-mentioned level of detail can be used by the members of Borsa Italiana for various purposes. For example, an intermediary could develop its structure of access to trading on the basis of one or more Users

- ◆ to identify homogeneous trading desks such as, for example, arbitrage desks, desks for trading on behalf of customers interconnected via the Internet and those for customers that use automated trading systems;
- ◆ to segregate the trading of different branches belonging to the same legal entity; or
- ◆ to meet any other need of the market participant.

In addition, on the basis of what has been set out above, access and control are carried out at User (TraderGroup/CompID) level with the Millenium Exchange platform. Borsa Italiana therefore invites all its participants to give careful consideration to their market participation structure. More specifically, intermediaries should use the trading access configuration (Member ID, one or more Node, one or more CompIDs/TraderGroups) best suited to their needs, regarding both trading business and control.

Borsa Italiana reserves the right to request participants to adopt a particular configuration on the basis of regulatory and technical assessments. The introduction of the Node and CompID/Trader Group permits a better management of platform messages.

Participant should note that the access to the Borsa Italiana Markets will be defined as follows:

- Users dedicated to a specific Market (i.e. Users dedicated only to TAH, Users dedicated only to ETFplus, etc.); each user can connect to a single Market

### 4.3. Roles

Market participants can configure the use of Millenium Exchange™ using a system based on roles.

A role is a defined set of activities that each Trader Group assigned to that role can undertake on the platform. Among other things, the activities that can be assigned to each role include:

- the ability to enter orders and the use of specific order types (e.g. quotes or named orders);
- the ability to enter quotes and the use of specific quote types.

Each Trader Group is assigned a specific role. Accordingly, if a participant has configured its access structure using a Member ID and just one Trader Group, the latter will have at least one role.

Specific roles can be assigned at a segment level or at the level of tradable instrument (e.g. the ability to submit orders or quotes as a specialist for a given security).

The roles associated with the level of tradable instrument are disclosed to the market. In this respect, although roles are defined at the level of Trader Group, the information disclosed to the market will regard the intermediary's entire Member ID. Accordingly, if a Member ID is subdivided into many Trader Groups, the information disclosed to the market will take account of all the roles of the Trader Groups belonging to that Member ID.

## 5. Orders and Quotes

The majority of trading functionality related to orders and quotes offered by TradElect will continue to be supported by Millennium Exchange.

Today, the behaviour of an order or quote is defined by a combination of its Order Type (Market Mechanism on TradElect) and its time in force. This underlying concept will continue to be supported on Millennium Exchange, but with some differences described in the following section.

It should be noted that the Order Types are not *explicitly* stated on FIX and Native messages, but are defined via a combination of tags. Please see the Technical Details documents for further information.

### 5.1. Order types

The existing TradElect Order Types will continue to be supported on Millennium Exchange and it will be possible to enter further new order types.

Table below summarises the Order Types supported on Millennium Exchange:

Order Type	Description
Limit Order	A limit order is an anonymous priced order that is fully displayed when persistent in an order book and may execute at prices equal to or better than its limit price. Limit orders never have price priority over market orders.
Market Order	A market order is un-priced, and therefore not price forming, but has price priority over all priced orders. Market orders cannot persist on the order book during continuous trading, therefore only market orders with non-persistent time in force can be entered during this period. Persistent market orders can be entered during auctions and will display on the order book during an auction. Any that remain unexecuted following the completion of the auction will be automatically deleted.
Stop Limit Orders	A Stop Limit Order is a Limit Order that will remain unelected (will not be entered into order book) until the stop price is reached. Once elected, a Stop Limit Order will be treated similar to a regular new Limit Order. The trigger for electing Stop Limit Orders is based on the Last traded price
Stop Orders	A Stop Order is a Market Order that will remain unelected (will not be entered into order book) until the stop price is reached. Once elected, it will be treated similar to a regular new Market Order. The trigger for electing Stop Orders is based on the Last traded price.
Iceberg Orders	An iceberg order publicly displays only a portion of its total volume that is available for execution. The maximum displayed amount, known as the peak

	size, and the total size of the order can be specified by the participant and must be above specified minimums.
Named Orders	A named order is a non-anonymous limit order available on certain Trading Services only. These orders can be entered by Specialists.

Table 2 - Order Types

### 5.1.1. Order entry fields

The following table shows which fields are mandatory and which are optional for a Millennium Exchange Order.

Field	Required	Description	Possible Values
<b>Instrument</b>	Yes	The unique identifier of the security.	
<b>Side</b>	Yes	Whether the order is to buy or sell.	- Buy - Sell
<b>Order Type</b>	Yes	the type of the order	- Market - Limit - Stop - Stop limit - Iceberg
<b>Time in force</b>	No	The duration the order is valid for.  If the time in force is not stated, the system assumes it to be a DAY order.  Even if it's not a TIF parameter, in this section it's highlighted that on MIT Trading it's possible to set the parameter "Auto Cancel Orders on Disconnect" to specify if the order should be cancelled in case of disconnection	- DAY - IOC - FOK
<b>Expiry Time</b>	Required if time in force = GTT	The time at which an order with GTT order should expire	
<b>Expiry Date</b>	Required if time in force = GTD	The date on which an order with GTD order should expire	
<b>Order Quantity</b>	Yes	The quantity being bought or sold. This should be a whole number that is greater than zero.	
<b>Disclosed Quantity</b>	No	The maximum quantity, if any, that may be displayed. This should be a whole number. For Iceberg Orders, this will be greater than zero but less than the order quantity. For Limit Orders, this will be the same as Order Quantity.	

<b>Price</b>	No	The maximum/minimum price a buy/sell order may be executed at. This value should be greater than zero and a multiple of the instrument's 'Tick' <sup>7</sup> . This field is required if the order is a Limit or a Stop Limit Order.	
<b>Stop Price</b>	No	The price at which the order may be elected. This value is required if the order is a stop or stop Limit Order. This value should be greater than zero and a multiple of the instrument's 'Tick'.	
<b>Capacity</b>	Yes	Denotes if the order is entered as an 'Agency' (on behalf of a client), 'Principal' (own account)	- Agency - Principal
<b>Trading Party</b>	Yes	The trading party of the order is identified by this field. For Exchange users this will be the trader group	
<b>Client Reference</b>	No	This will be the client reference of the order	
<b>Clearing Account</b>	Yes	Identifies the clearing account for the order	- Client - House
<b>Pre Trade Anonymity</b>	No	Whether the order is anonymous or named	- Anonymous - Named
<b>Order Source<sup>8</sup></b>	Yes	Defines the source of the incoming order	- Authorized Direct Member - Institutional Client Interconnected - Private Client Interconnected - Branch - Retail Trading Online
<b>ExecInst</b>	No	Specifies if the order has to be cancelled upon a disconnection or a log out. The absence of this field is considered as that the member firm wants to go ahead with the user level configuration in the system for its orders. It should also be noted that a member firm can <u>only</u> override the user level configuration of cancel on disconnection/log out by indicating <u>not</u> to do so for some specific orders.	

*Table 3 - Order entry fields*

<sup>7</sup> Price Ticks are outlined in the Millennium Exchange Business Parameters document.

<sup>8</sup> It should be noted that, the source of the incoming order can only be specified for orders. It is not applicable for quotes.

Following tables specify the FIX tags and Native fields that should be used to define each order type.

	FIX Tag		
Order Type	Order Type	Anonymity <sup>9</sup>	Display Qty
Limit Order	2	Y	TotalQty
Market Order	1	Y	TotalQty
Named Limit Order	2	N	TotalQty
Iceberg Order	2	Y	Peak Size <sup>10</sup>
Stop Order	3	Y	TotalQty
Stop Limit Order	4	Y	TotalQty / Peak Size

Table 4 - FIX Tags

	Native Field		
Order Type	Order Type	Anonymity	Display Qty
Limit Order	2	0	TotalQty
Market Order	1	0	TotalQty
Named Limit Order	2	1	TotalQty
Iceberg Order	2	0	Peak Size <sup>11</sup>
Stop Order	3	0	TotalQty
Stop Limit Order	4	0	TotalQty / Peak Size

Table 5 - Native Fields

Full details of FIX tags and Native fields are provided in MIT202 – Trading Gateway (FIX 5.0) Specification and MIT203 – Native Trading Gateway Specification.

### 5.1.2. Time in Force

The current TradElect Validity types will be supported on Millennium Exchange and mapped to FIX Time In Force (TIF) enumerations. However there are some minor differences in the impact of certain Time in Forces on order behaviour when compared to TradElect:

The following table summaries all the Millennium Exchange Time In Forces.

<sup>9</sup> Absence of this field is interpreted as Anonymous

<sup>10</sup> See Millennium Exchange Business Parameters for minimum size

<sup>11</sup> See Millennium Exchange Business Parameters for minimum size

<b>Time in Force</b>	<b>Behaviour</b>
<b>DAY</b>	<b>Orders with the DAY time in force will be expired at the end of the trading on the day they are submitted</b>
<b>IOC<sup>14</sup></b>	<b>Executed on entry and any remaining unexecuted volume deleted.</b>
<b>FOK</b>	<b>Executed in full on entry or immediately expired. An FOK order may not be partially filled.</b>

*Table 6 - Millennium Exchange Time In Force*

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<sup>14</sup> Immediate or Cancel – equivalent to Execute and Eliminate on TradElect

### 5.1.3. Order Type / Time In Force combinations

Table below specifies which combinations of Order Type and Time In Force are valid for TAH .

		Order Type						
		Limit	Market	MTL	Stop / Stop Limit	Iceberg	Named	Quote
TIF	IOC	Y	Y	N	Y	Y	Y	N
	FOK	Y	Y	N	Y	Y	Y	N
	DAY	Y	Y	N	Y	Y	Y	Y
	GTT	N	N	N	N	N	N	N

*Table 7 - Order / Time In Force for TAH*



#### 5.1.4. Order Source

The market participant, when entering the order, should indicate in the apposite field an identification code that differs depending on the order source. The classification is based on the type of order source, in the interest of which the order is entered in the market and prescind from the technological solutions adopted for the transmission of the orders (therefore regardless of the utilization of on line trading systems, rather than manual entering of orders and of the utilization or not of computer-based systems for the automatic generation of orders).

The admitted codes are the following:

Code	Order source	Description
1	Market participant that deals on own account	The order source identifies all the orders entered in the market for which the market participant trades against proprietary capital
3	Institutional client of the market participant	The order source identifies all the orders entered in the market on behalf of the institutional clients of the market participant
7	Retail client that avails itself of an orders router different from the market participant	The order source identifies all the orders entered in the market on behalf of the retail clients of the orders router who accesses to the market through the market participant
8	Institutional client that avails itself of an orders router different from the market participant	The order source identifies all the orders entered in the market on behalf of the institutional clients of the orders router who accesses to the market through the market participant
9	Retail client of the market participant	The order source identifies all the orders entered in the market on behalf of the retail clients of the market participant

It should be highlighted that:

- institutional clients mean: the subjects referred to in Annex II, Part 1 of Directive 2004/39/EC (MiFID)
- retail clients mean: the subjects who are not institutional clients
- orders routers: the subjects which are authorised for the reception and transmission of the orders (such definition includes also chains of intermediaries).

## 5.2. Quotes types

The existing TradElect Quote Types will continue to be supported on Millennium Exchange.

A quote is a pair of buy and sell interest submitted simultaneously, and managed as a single entity. Quotes are generally used by participants interested in continually maintaining two sided presence in the market. These participants (Specialists) will enter Named Quotes.

Table below summarises the Quote Types supported on Millennium Exchange:

Quote Type	Description
Executable Quotes	The Named Quote is fully visible, electronically executable, registered specialist quotes that must meet prescribed size and spread requirements on entry.

*Table 9 - Quote Types*

A Trading Party can only maintain one quote for an instrument. Hence if a new quote is submitted, it will replace the current quote.

### 5.2.1. Quote entry fields

The following table shows which fields are mandatory and which are optional for a Millennium Exchange Quote.

Field	Required	Description	Possible Values
<b>Instrument</b>	Yes	The unique identifier of the security.	
<b>Quote Qualifier</b>	No	Time qualifier of the quote.  If the qualifier in force is not stated, the system assumes it to be a DAY quote.	- OPG (at the open) - GFA (good for auction)
<b>Bid Size</b>	Yes	Bid quantity. This should be a whole number that is greater than zero.	
<b>Bid Price</b>	Yes	Bid Price	
<b>Offer Size</b>	Yes	Offer quantity. This should be a whole number that is greater than zero.	
<b>Offer Price</b>	Yes	Offer Price	
<b>Capacity</b>	Yes	Denotes if the quote is entered as an 'Agency' (on behalf of a client), 'Principal' (own account)	- Agency - Principal

<b>Trading Party</b>	Yes	The trading party of the quote is identified by this field. For Exchange users this will be the trader group	
<b>Clearing Account</b>	Yes	Identifies the clearing account for the quote	- Client - House
<b>ExecInst</b>	No	Specifies if the quote has to be cancelled upon a disconnection or a log out. It should be noted that the above indication should be done in each and every Quote Message for quotes if the member firm wants the existing quote <u>not</u> to be cancelled upon a disconnection/log out. If the indication it is not set in the last quote message sent, any previous indications will be overridden by that and if a disconnection/log out happens the quote will be cancelled provided the fact the user level configuration is set to do so	

Table 10 - Quote entry fields

## 5.2.2. Content of quotes

### *Quote size*

Both the bid and offered size on a quote on entry must be equal to or greater than a defined percentage of the Exchange Market Size (minimum quote size) for that specific security as established in the Rules. For the MTA-AIM Italy-MIV instruments that support quotes, if the quote size is less than the minimum quote size, the quote will be rejected by the Trading System.

As far as quantity quotation obligations are concerned, Specialists should refer to the specific market Rules.

### *Maximum spread*

The spread between the bid and offer prices must be at least one tick size and no more than the maximum spread specified –and disseminated with instrument master files- for the relevant security. The maximum spread is calculated as the ratio of the difference between the bid and ask prices to half of their sum.

Executable Quotes that have spread wider than the permitted maximum spread will be rejected by the trading system.

As far as quantity quotation obligations are concerned, Specialists should refer to the specific market Rules.

### *Quote Qualifier*

On MIT Trading there can be DAY, Goof For Auction or OPG Qualifiers for quotes. In the absence of a Quote Qualifier, it will be defaulted to DAY. It is not allowed to amend the Quote Qualifier, therefore if the Quote Qualifier needs to be changed, the participant needs to cancel the existing quote and submit a new quote with the new Qualifier. All the remaining quotes will be expired at the end of the trading of the day.

## 5.3. Cross Order types

On Millennium Exchange it will be possible to enter the Cross order types. Table below summarises these further order types supported on Millennium Exchange:

Cross Order Type	Description
Internal Cross	A dual sided order, agreed or identified within a single member firm, that will execute with each other side at a price between visible best bid and visible best offer (including extremes).
Internal BTF	A dual sided order, agreed or identified within a single member firm, that will execute with each other side; order quantity shall be equal or bigger than those calculated by Borsa Italiana and the difference between the order price and the best prices on the trading book shall be not more than 3.5% <sup>16</sup>
Committed Cross	A single sided order, agreed or identified by two different member firms, that will execute with the other side of cross at a price between visible best bid and visible best offer (including extremes).
Committed BTF	A single sided order, agreed or identified by two different member firms, that will execute with the other side of BTF; order quantity shall be equal or bigger than those calculated by Borsa Italiana and the difference between the order price and the best prices on the trading book shall be not more than 3.5% <sup>17</sup>

*Table 2 - Cross Order Types*

### 5.3.1. Cross Order entry fields

The following table shows which fields are mandatory and which are optional for a Millennium Exchange Cross Order.

Field	Required	Description	Possible Values
<b>Instrument</b>	Yes	The unique identifier of the security.	
<b>Cross ID</b>	Yes	The unique ID of the Cross/BTF Order	

<sup>16</sup> The value is determined and communicated by the Exchange.

<sup>17</sup> The value is determined and communicated by the Exchange.

<b>Cross Type</b>	Yes	The type of the cross order	- Internal Cross - Internal BTF - Committed Cross - Committed BTF
<b>Order Type</b>	Yes	Type of the order	- Limit
<b>Side</b>	Yes	Side of the cross order	
<b>Quantity</b>	Yes	Order quantity	
<b>Price</b>	Yes	Price of the order	
<b>Capacity</b>	Yes	Denotes if the order is entered as an 'Agency' (on behalf of a client), 'Principal' (own account)	- Agency - Principal
<b>Trading Party</b>	Yes	The trading party of the order is identified by this field. For Exchange users this will be the trader group	
<b>Client Reference</b>	No	This will be the client reference of the order	
<b>Clearing Account</b>	Yes	Identifies the clearing account for the order	- Client - House

*Table 32 - Cross Order Entry Fields*

Only TIF = DAY is allowed for Cross Orders.

## 5.4. Price Format Code (“tick size”)


The Price Format or tick size is the minimum valid increment in which order and quote prices can be entered and displayed. Each tick size is a numeric amount, representing a multiple of the unit of currency in which the instrument is quoted, and is identified by a single letter price format code.

If the price of an order/quote is not a multiple of the tick size on entry it will be rejected.

Tick sizes may either be ‘static’ or ‘dynamic’:

- a static tick size is a single, fixed value applied to all orders / quotes in a specific security until amended by the Exchange;
- where a dynamic tick schedule is in place the tick size in operation is determined with reference to the intended price of the incoming order / quote.

## 5.5. Order book priority



Millennium operates on a price-time priority basis. As per price-time priority, the buy order or the bid of a quote having the highest price will have the highest priority in the order book; as per price-time priority, the sell order or the offer of a quote having the lowest price will have the highest priority in the order book.

Displayed parts of orders take precedence over non-displayed parts at any price point. Further explanation for non-displayed part of icebergs can be found in section [Iceberg Orders](#).

## 6. Order Behaviour

Generally, orders and quotes will be handled identically on Millennium Exchange to TradElect (including Order Price validation). However customers should note the following differences that are described in more detail in the following sections:

- Support for Stop and Stop Limit Orders
- Changes to the way priority and executions are handled for iceberg orders
- Cross Orders
- Change to Order Management

### 6.1. Stop and Stop Limit Orders

#### *Definition of Stop and Stop Limit Orders*

A Stop Order is a Market Order that will be parked until the stop price is met. The trigger for electing Stop Orders is based on the Last traded price. At this point, the order is injected into the order book as a 'regular' un-priced market order e.g. does not persist on the book.

Stop and Stop Limit Orders will only be injected onto the book during continuous trading. If an expiry time is specified for a Stop order whilst parked then it will be deleted without being injected onto the book. Participants may modify Stop and Stop Limit orders whilst parked.

The order Time In Force is generally applied once the order is injected. However, participants should note that only specified Time In Force are supported for TAH, depending on the trading phase. Any Stop or Stop Limit orders entered with a Time In Force that is not supported will be rejected.

Time In Force	Valid during Continuous Trading
DAY	Y
IOC	Y
FOK	Y

**Table 4 – Stop and Stop Limit order Time In Force for TAH**

If an IOC/FOK stop order is elected/triggered, it is treated by the system as an incoming IOC or FOK market order. If an IOC/FOK stop limit order is elected/triggered, it is treated by the system as an incoming IOC or FOK limit order. Unelected stop and stop limit orders with the time qualifier IOC or FOK expire on market close.

### ***Injection Rules for Stop and Stop Limit Orders***

Stop and Stop Limit orders are injected on the basis of the last automated trade price (including Uncrossing Trades)

- Stop and Stop Limit buy orders will be injected if the last traded automated trade price is equal or greater than the stop price
- Stop and Stop Limit sell orders will be injected if the last traded automated trade price is equal or less than the stop price

An incoming Stop or Stop Limit Order will be injected on entry if the stop price is already reached. If there has been no automated trading on the day of entry then any incoming Stop or Stop Limit order will be parked.

If multiple Stop and Stop Limit Orders are injected onto the book then the order of injection will be based on the stop price value and time of entry.

- Eligible Stop and Stop Limit buy orders with the lowest stop price will be injected first.
- Eligible Stop and Stop Limit sell orders with the highest stop price will be injected first.
- Stop and Stop Limit Orders at the same stop price are injected based on time priority.

After uncrossing, order of injection will be as follows:

- Orders will be injected in terms of the difference between their stop price and the auction price.
- The buy or sell order with the greatest difference between its stop price and the auction price will be injected first.
- If multiple orders are at the same difference (buy and sell), the oldest order will be injected first.



## 6.2. Iceberg Orders

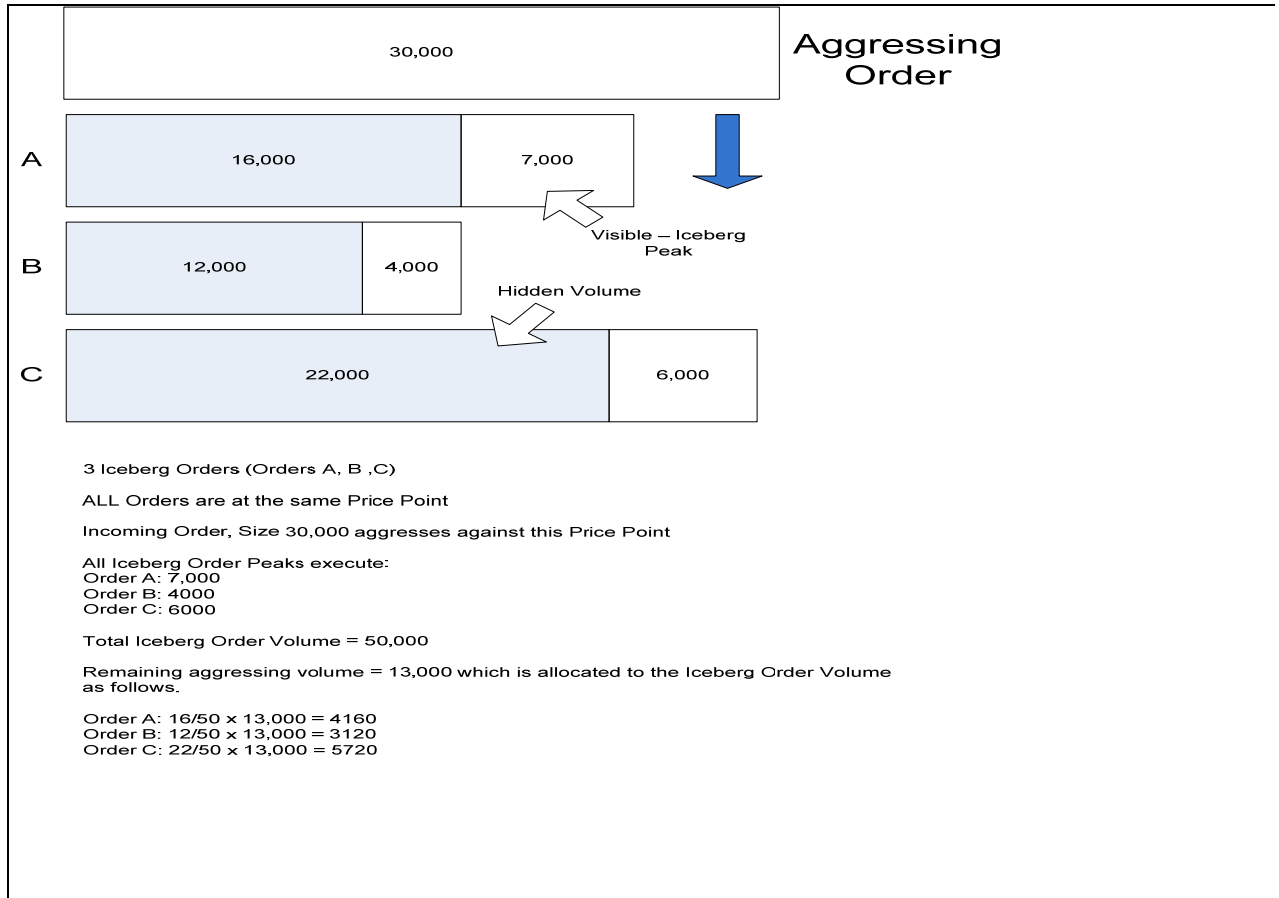
The peak (display) quantity of iceberg orders will be managed via full refresh, i.e. once the peak has been fully executed the peak is refreshed in size back to the display quantity.

If there is more than one iceberg order at the same price point, and an incoming order is sufficiently large to execute against multiple peaks. executions will be handled on Millennium Exchange as follows:

- If the incoming order is sufficiently large, then each peak will be executed against in time priority as today. However, once peak volume of all iceberg orders at a price level has been fully executed, then any remaining incoming volume is allocated to the hidden volume of each iceberg order *pro-rated* on the remaining size of each iceberg order.
- If the total volume of an iceberg order is partially filled, then participants will receive two executions – one for the visible, and one for the hidden volume. However, if the total volume of the iceberg is fully executed against, then participants will receive a single execution report that combines both visible and hidden volumes.

This approach is illustrated below. Order sizes are for illustrative reasons only and do not reflect any actual configuration or market model.

**Figure 1 – Iceberg Order Execution**



If there are any existing Iceberg orders at the beginning of an auction call, these will be expired without considering them for the auction call. Also, if an Iceberg order is submitted during an auction call it will be rejected by the system.

### 6.2.1. Modification of an Iceberg Order / Stop Limit Orders

When modifying an Iceberg order a participant must submit both a value for Order quantity and Disclosed quantity. If the latter is set to a quantity greater than the actual visible peak of that order on receipt by the trading system, the order will lose time priority.

## 6.3. Cross Order and Block Trade Facility

Participants can use the Cross Order functionality to enter an already agreed/identified trade to the trading system. The Cross Order functionality is of two types: Cross Orders and Block Trade Facility (BTF).

If the trade is agreed or identified within a single member firm, it will be considered as an “Internal Cross/BTF” whereas if the trade is agreed or identified by two different member firms, it will be referred to as a “Committed Cross/BTF”.

If case of Cross Order, the price of the order must be within the visible best bid price and the visible best ask price (including them) in the order book at the time of the Cross Order being submitted by the member firm.

If the type is BTF, the order quantity must be equal or bigger than those calculated by Borsa Italiana and the difference between the order price and the best prices on the trading book must be not more than 3.5%  
. The above will include the extreme values of the spread as well.

Participants should note that once an “Internal Cross Order” or “Internal BTF” is accepted, that will not be added to the order book (hence not communicated via market data feeds). The two sides will immediately be matched as per the normal matching rules and the resulting trade will be sent to the Participant who entered the order.

In case of an incoming “Committed Cross Order” or “Committed BTF”, the system will look for a corresponding Cross Order with the same Cross ID in the system. If not found, the Cross Order will be cached without adding to the order book (hence not communicated via market data feeds). Once the other corresponding Cross Order is submitted to the system, the two orders will immediately be matched as per the normal matching rules and the resulting trade will be sent to the Participants.

### 6.3.1. Cross Order behavior

Cross Orders are allowed only during the Continuous Trading session.

The last traded price is updated by a trade resulting from Cross Orders (means Stop or Stop Limit Orders can be elected based on that trade); hence the circuit breaker validations will be applied based on the Cross Order trade price for the next trade, but Cross Orders trades will not be considered for any closing price calculation (either as the final automatic trade or as part of the VWAP).

Cross Order trades will update the statistics such as High Price, Low Price, Volume and Turnover for on-book trades.

### 6.3.2. Block Trade Facility behavior

BTF Orders are allowed only during the Continuous Trading session.

The last traded price is not updated by a trade resulting from BTF Orders (means Stop or Stop Limit Orders will not be elected based on a BTF Order trade); hence the circuit breaker validations will not be applied based on a BTF trade price for the next trade. Also BTF trades will not be considered for any closing price calculation (either as the final automatic trade or as part of the VWAP).

BTF Order trades will update the statistics such as Volume and Turnover for on-book trades.

## 6.4. Order management

### 6.4.1. Order modification

The following aspects of orders present in Millennium Exchange may be updated by participants:

- order quantity
- order price (where applicable)
- date and time validity (where applicable)
- client reference

Modifications of an order may result in a change in its price and/or time priority and public order code as set out in the table below.

Modified field	Modification	Impact on priority
Order Quantity	Increase	Loses time priority
	Decrease	No impact
Order price	Improve	Gains price priority Loses time priority
	Worsen	Loses price priority Loses time priority
Date and time validity	Any change	No impact
Client reference	Any change	No impact

*Table 54 - Impact of order modification on order priority*

### 6.4.2. Exchange deletion of orders

In case of dividend detachment or distribution, capital repayment, capital increase, bonus issue, de-merger, split and reverse split, change of ISIN Code or Symbol Code, delisting, all orders on the related instrument not executed at the end of the trading session before the action takes place will be automatically cancelled.

Under certain circumstances orders will now be deleted on Millennium Exchange without a corresponding confirmation being sent to participants by the Exchange. These are described below.

- On the last day of trading in an instrument if any orders reside on the book
- Outside regular trading hours due to a reference data change e.g. if a clearing arrangement is no longer valid<sup>18</sup>
- Following loss of the Primary Site
- Partial loss of a Matching Engine requiring the Exchange to re-start processing from a previous known point.

In all cases participants should request an Own Order Book Download to confirm the current state of the order book.

Furthermore, long orders are automatically cancelled overnight on the occasion of:

- Change in instrument Identifier, lot size or price tick size structure;
- Planned major system re-configuration;
- Change in trading parameters;
- Corporate action, e.g. distribution of dividends, increase in capital, share split or reverse split, merger or demerger.

The impact on orders will be included in the market notice from Borsa Italiana, which will be sent to inform about the system re-configuration or reference data change.

### 6.4.3. Specifying CIOrdID

Participants should ensure that CIOrdID is unique for a trading day across a CompID / TraderGroup and for the life of an order. For performance reasons MIT Exchange will not carry out any duplicate detection based on CIOrdID. Should a participant re-send an order with the same CIOrdID that has previously been used then it **will** be processed. In this situation and to guarantee that orders can be successfully managed it is recommended that customers use OrderID when modifying active orders.

Participants should also ensure that their CIOrdIDs are unique across trading days (e.g. embed the date within the CIOrdID).

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<sup>18</sup> This will be under exceptional circumstances

# 7. Order Book Execution

## 7.1. Execution Priority

The trade execution will always happen as per the price-visibility-time priority which is explained below:

- within a price point, the visible quantities of all the Fully Visible and Iceberg Orders have the highest priority over any hidden quantities. The visible quantities of all orders will be executed based on their time priority within the price point;
- when a parked order (Stop and Stop Limit) is injected into the order book, the time priority is considered based on the order injection time not based on the original submission time of the order.

## 7.2. Execution Criteria

If the incoming order quantity or the remainder is equal to or greater than the cumulative total quantity (including hidden quantity of Iceberg Orders) at a contra side price point, then the system executes against the total quantity of each order based on the price-time priority.

If the incoming order quantity or the remainder is equal to or greater than the cumulative quantity (including hidden quantity of Iceberg Orders) of Fully Visible and Iceberg Orders at a contra side price point but less than the cumulative total quantity, then the system first executes against the total quantity of each Fully Visible and Iceberg Order based on the price-time priority of those orders.

In these two cases when executing against an Iceberg Order, a single execution will be generated against both the visible quantity and the hidden quantity.

If the incoming order quantity or the remainder is less than the cumulative quantity of Fully Visible and Iceberg Orders at a contra side price point, but it is equal to or greater than the cumulative visible quantity of the price point, the system first executes the visible quantity based on the price-visibility-time priority.

After the execution of the visible quantity, the remainder of the incoming order is prorated among the hidden quantities of the Iceberg Orders based on the ratio of hidden quantities of the Iceberg Orders.

Visible quantity of an Iceberg Order is replenished upon executing the full quantity of an incoming order.

When an incoming order executes against a passive order the trade price will be the price of the passive order.

If, after executing against all appropriately priced orders in the order book, there is a remainder, the incoming order will either be added to the order book, or will be expired based on the order type or the time in force.

The steps outlined above will continue until the incoming order is fully filled or the passive orders at the price point are fully filled.

### 7.3. Self Execution Prevention (SEP)

Trading Members of TAH can request not to trade against their own contra-orders, that is achieved via automatic cancellation of the incoming or resting order involved in self-execution<sup>19</sup>.

“Self-Execution Prevention Groups”, including one or more ComplIDs of the same Firm, must be configured:

- Orders from ComplIDs included in the same “Self-trade Prevention Group” will not be able to interact
- A ComplID that is part of a “Self-trade Prevention Group” cannot interact with itself
- Orders from ComplIDs included in different “Self-trade Prevention Groups” are allowed to interact
- One ComplID can be part of a single “Self-Execution Prevention Group”
- “Self-Execution Prevention Groups” are assigned the **same** “Self-Execution Prevention Rule”:
  - CIO (“Cancel Incoming Order”) : Aggressive order is cancelled when two orders sent by two ComplIDs within the same “Self-trade Prevention Group” (or by the same ComplID if it is part of a “Self-trade Prevention Groups”) cross each other on the public orderbook
  - CRO (“Cancel Resting Order”) : Passive order is cancelled when two orders sent by two ComplIDs within the same “Self-trade Prevention Group” (or by the same ComplID if it is part of a “Self-trade Prevention Groups”) cross each other on the public orderbook

Self-trade prevention applies during Continuous Trading (including CPX) only: auction trades and orders submitted with auction related TIFs, like GFA, OPG and ATC, are not subject to Prevention.

Self-trade prevention does not apply to single side and double quotes and to “Fill-or-Kill” orders

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<sup>19</sup> Following Notice from the Exchange, Self Execution Prevention will be available to users effective starting from Dec. 2<sup>nd</sup>, 2013

## 8. Closing prices

MIT Trading Systems can calculate the closing price according to a configured set of rules as described below:

### TAH Market

1. The weighted average price of the trades executed in the last 'n' ('n' configurable through the configuration CLOSING PRICE DURATION) minutes of the continuous trading phase. For TAH 'n' will be the whole TAH duration (i.e. n=120). (PRIMARY CLOSING PRICE CONVENTION = VWAP Fixed Window).
2. If no trades were executed, the closing price of the daily session (SECONDARY CLOSING PRICE CONVENTION = Static Reference Price)
3. If the PREVIOUS CLOSE PRICE is not available, the system would publish the closing price statistic without a value for closing price having the indicator specified as 'z' (Price unavailable)

## 9. Additional Services

The following additional services, not core to any specific trading functionality, will be supported.

### 9.1. Drop Copy

Millennium Exchange will provide the 'Copy To' functionality by which a copy of Execution Reports generated by one trading user can be sent to a separate drop copy user. However, since only Execution Reports will be sent by Drop Copy, it should be noted that quotes are not supported.

This functionality may be used by trading parties within a firm for supervisory purposes and a trading party may request a copy of all the order related execution report messages generated by the trading system for another trading user (parties) of the same firm.

Full details of the Drop Copy Interface are given in MIT205 – MIT - Drop Copy Gateway Specification.



## 9.2. Own Order / Trade Book Download

Millennium Exchange will continue to support both the Own Trade Book Download and Own Order Book Download services.

The Own Trade Book Download will be supported via the Post Trade Gateway. In response to a request (sent via a Trade Capture Report Request message) sent by a participant the gateway will return a Trade Capture Report for each trade<sup>20</sup> that has occurred that day for the Firm. It is possible to configure so that download is restricted to pre-assigned specific FIX ComplIDs.

Own Trade Book Download will only include those trades that have occurred, have been published or are pending publication on the day of the request.

Participants can use criteria, such as Instrument ID, Trade Status, etc., to perform the trade download. Full details of the Own Trade Book Download service is given in MIT204 – BIT - Post Trade Gateway Specification.

The Own Order Book Download will be supported via the Drop Copy Gateway. Although such a request may be made at any time, the primary purpose of this functionality is to provide trading parties with details of their open orders to assist them during a system recovery. A user parameter will determine the maximum number of own order book download requests a drop copy user trading party can use within a trading day; any request exceeding this amount will be rejected.

In response to a request (sent via a Mass Order Status Request message) sent by a participant the gateway will return an Execution Report for each active order. Also, client may select to download the current status of each active order for a specified user, for a specified segment, for a specific instrument.

Full details of the Own Order Book Download service are given in MIT205 – BIT - Drop Copy Gateway Specification.

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<sup>20</sup>Participants can request automatic, off-book, cancelled or all trades

# Appendix 1: Certification Test Programme

The Certification Test Programme is based on regulatory compliance supporting interoperability against Borsa Italiana and the other eligible London Stock Exchange Group (LSEG) venues. The current eligible venues are Borsa Italiana, London Stock Exchange and Turquoise.

The following Certification Test Programme applies to anyone connecting a software application to an LSEG Live Service. A Live service is any production Trading or Information Services environment across LSEG.

Under EU and national regulatory requirements (including the ESMA Guidelines on Systems and Controls in a Highly Automated Trading Environment) Borsa Italiana is required to have procedures and arrangements to ensure fair and orderly trading. This includes requirements for physical and electronic security to protect systems from misuse or unauthorised access and to ensure the integrity of the data that is part of or passes through the systems. Borsa Italiana is required to undertake standardised certification testing to ensure that members and participants systems used to access the venues have a minimum level of functionality that is compatible with fair and orderly trading on those venues.

Customer non-compliance with this Certification Test Programme may constitute a breach of the eligible venue terms and conditions or rules.

## **A.1 Access to the Live Service**

Access to the LSEG Live Services is permitted only when a customer's software application has been certified as being fit for purpose.

## **A.2 Software Identification**

All customer software must be identifiable by a software name and version number. Software applications that do not have both a name and version number will not be certified. Certification is limited to a single version of the named software.

## **A.3 Certification Policy**

For Equities, Borsa Italiana and the other venues (London Stock Exchange and Turquoise) which are on the same Millennium code set have a combined certification test template. This will enable customers to test the combined set on any of the platforms and it will be applicable across all three venues.

For Derivatives, Borsa Italiana and Turquoise are on the same SOLA code set and also have a combined certification test template.

The new Certification Test Program mandates any customer application that connect to Borsa Italiana, LSE and Turquoise to certify at least twice a year with a minimum of 6 months between tests (This minimum period will be waived for mandatory LSEG Venue releases).

At least one Certification Test will be LSEG led (i.e. Mandatory release). The other required test will be Client Led. If the number of LSEG mandatory tests is greater than one, there will be no obligation to perform a Client Led test.

In both LSEG and Client Led tests a customer will need to perform either a Full Certification Test or a Self Certification Checklist. A Full Certification Test is completed with support from LSEG. A Self Certification Checklist is a full certification test which is completed by the customer without support from LSEG. Software certification remains valid for twelve months from the date of the second certification test.

Full details about the Certification test are available on Borsa Italiana web site at the following link

<http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumitmit/millenniumitmigration.htm>

<http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumitmit/millenniumitmigration.en.htm>

for cash markets, and

<http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazioneidem/migrazioneidem.htm>

<http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazioneidem/migrazioneidem.en.htm>

for derivatives markets.

#### **A.4 Certification passport**

Customers that have successfully completed the full certification process on an eligible LSEG venue are allowed to connect their software to any other eligible LSEG venues.

This is where there is no difference in functionality between the venues, the related certification test cycles are the same on each venue and under the following conditions:

- The software name and version number are the same on each venue.
- The functionality that will be used was tested as part of the Full Certification test.
- The customer completes and returns a self certification checklist for each additional venue.

#### **A.5 Test Scenario Exception Policy**

Customers only need to complete the test cases relating to the functionality that they will use on the Live Services. If a customer's application does not support the functionality described in a particular test scenario and they do not intend to complete the scenario during the test, this must be agreed before the start of the certification test.

#### **A.6 Re-certification Policy**

Customers are required to re-certify their applications under the following conditions: The customer modifies the software in any way that directly impacts LSEG interfaces. This includes but is not limited to updates to Gateways, Order Management, Execution Management and Quote Management Software.

- The Exchange upgrades its production environment to a later version of software
- The software certification period has expired
- The customer is requested to re-certify their application by the relevant venue



### **A.7 Non-Conformant Behaviour on the Live Service**

Any non-conformant behaviour by a customer's software application on the Live Services may lead to the software application being disconnected and not re-connected until it has been re-certified and the non-conformant behaviour corrected.



**London**  
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