SIX Swiss Exchange message no. 15/2013

Subject	**Announcement of SWXess Maintenance Release 4 (SMR4)**
Category	SWXess Trading Platform
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Pages	5
Date	06.05.2013

Information ⓘ

As part of its ongoing improvement efforts, SIX Swiss Exchange will release a further significant upgrade of its «SWXess» trading platform. The SWXess Maintenance Release 4 (SMR4) delivers the final step of the consolidated SIX Swiss Exchange trading interfaces. For the participants this leads to lower maintenance cost due to industry standard protocols as well as higher flexibility. SMR4 will mainly introduce

- the «X-stream INET» direct low-latency industry standard interfaces for trading, quoting and market data also on «On Book Matcher» (OBM) – Partition 2 (ETFs, Bonds and Scoach Switzerland Structured Products);
- the Co-Location Service for OBM - Partition 2; and
- a new Standard Trading Interface (STI) FIX infrastructure replacing the current «Request Coordinator» (RC).
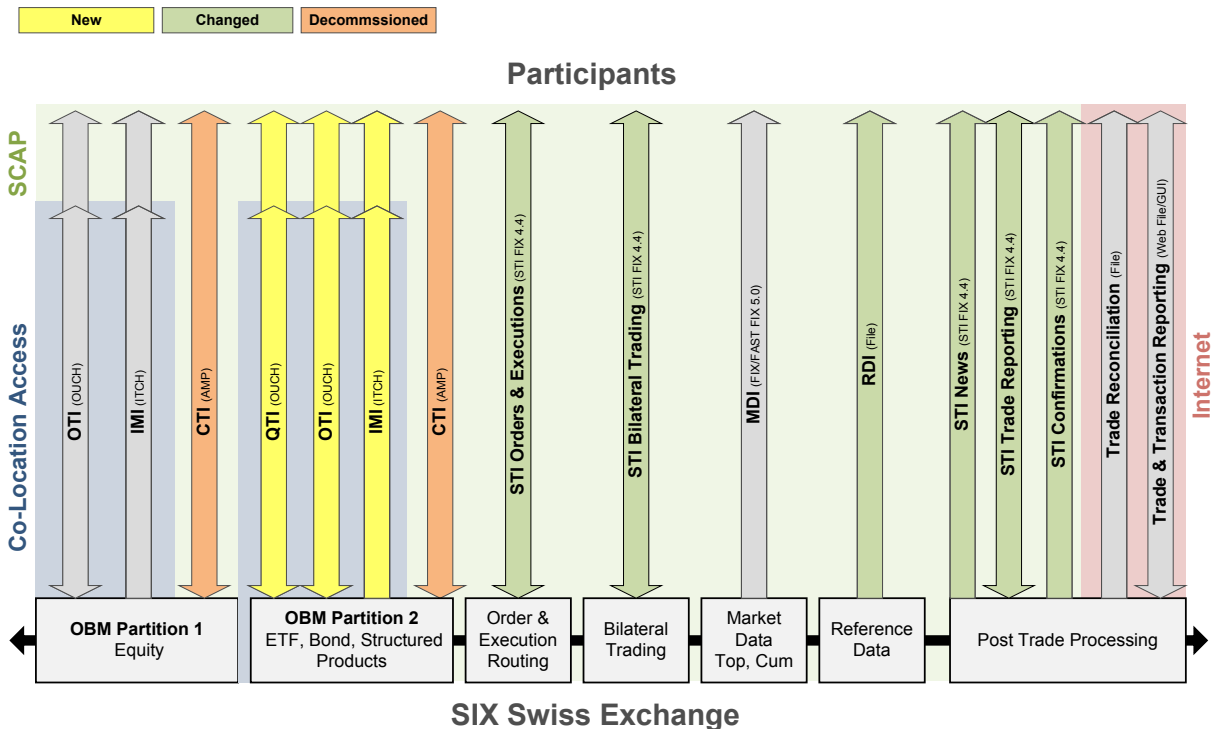
This message gives you an initial overview of the most important changes with SMR4 and provides further information on the roll out schedule of this SWXess release.

Direct Trading Interfaces (DTI)

- The «X-stream INET» direct low latency industry standard interfaces for trading and market data - «OUCH Trading Interface» (OTI) and «ITCH Market Data Interface» (IMI) - will be made available for On Book Matcher (OBM) – Partition 2 (ETFs, Bonds and Scoach Switzerland Structured Products).

  Price Takes can therefore additionally use OTI for order entry, amend and deletion for trading in securities of OBM – Partition 2 and participants may receive very low latency detailed order book data also for ETFs, Bonds and Scoach Switzerland Structured Products.

  Please note, that for OBM - Partition 2 new separate OTI Users will need to be created.

- Please note also, that for Price Takers the capacity provided via OTI for OBM - Partition 2 will be configured to behave analogue to the current Standard Trading Interface (STI). The OTI functionalities currently provided for OBM - Partition 1 (Equities) will not be affected.

- In addition, a platform-wide (OBM - Partitions 1 and 2) throttle will be implemented to secure the system from applications that submit an extensive number of transactions. The throttle value will be the same for all users. When an OTI user exceeds the throttle value, then the OTI user will be disconnected and the user's orders will be deleted.

- A new OUCH protocol based «Quote Trading Interface» (QTI) will be introduced for market making on «On Book Matcher» (OBM) – Partition 2 (ETFs, Bonds and Scoach Switzerland Structured Products). It supports the quote management functionality allowing SIX Swiss Exchange market makers to enter, replace and cancel quotes as well as receive status changes and executions (trades) for their quotes.

  The capacity allocation model for the new QTI Interface will be analogous to the Capacity Trading Interface (CTI).

- The Co-Location service is extended to OBM – Partition 2.

- For «ITCH Market Data Interface» (IMI) a new optional snapshot service (GLIMPSE) for step in recovery is offered.

Capacity Trading Interface (CTI)

- The industry standard OTI and QTI will replace the legacy «Capacity Trading Interface» (CTI) for proprietary trading and market making which will accordingly be decommissioned for both OBM Partitions 1 and 2 within 6 months of the go-live of SMR4.

Standard Trading Interface (STI)

- The current «Request Coordinator» (RC) which manages, authenticates and authorizes FIX Connections as well as routes FIX messages between participants, SIX Swiss Exchange and other venues, will be replaced by a new Standard Trading Interface (STI) FIX Infrastructure.

- The new STI FIX Infrastructure delivers higher throughput and lower latency for trading over the Standard Trading Interface (STI) and will enable richer functionality in the future. In addition the recovery and error handling has been much improved.
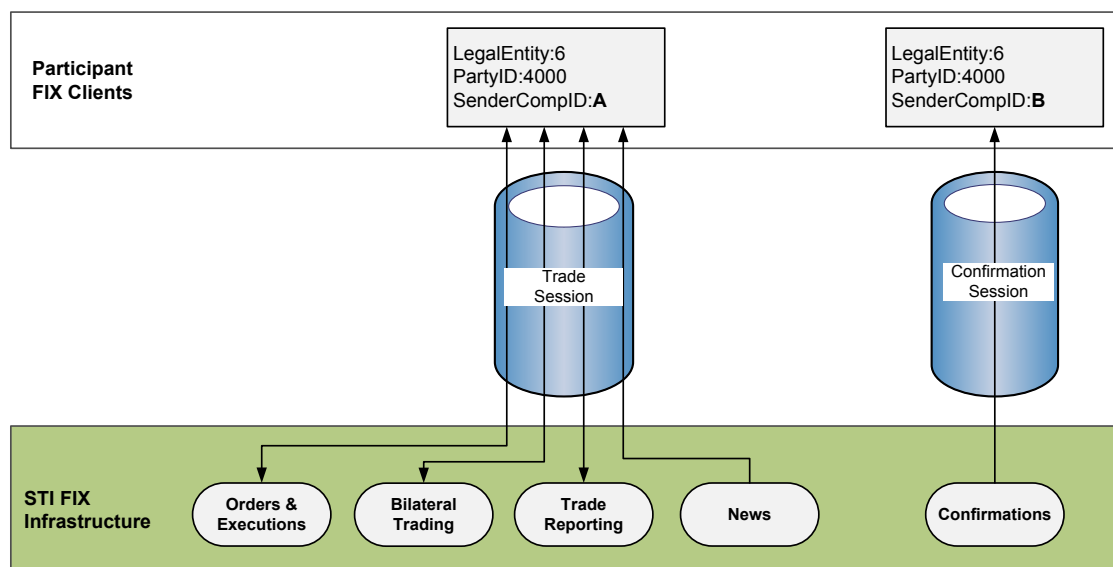
- The STI FIX Infrastructure offers Participants more flexibility configuring the following services offered via Standard Trading Interface (STI) to their needs:

STI Service	Description
STI Orders and Executions	For on order book trading on SIX Swiss Exchange and Scoach Switzerland and routing to the non-displayed liquidity service SLS
STI Bilateral Trading	For trading on the bilateral trading platform for securitised derivatives
STI Trade Reporting	For reporting on- and off exchange trades and performing corrections and countertrades
STI News	For receiving trading relevant news messages
STI Confirmation	For receiving the post-trade Confirmation messages (trade slips)

The new STI FIX Infrastructure allows a flexible configuration of the STI Services over a number of FIX Sessions in order to meet Participants requirements.

For example, a Participant wishing to separate back office activities from trading activities can request that STI Confirmations are sent to a dedicated FIX Session for the Participant's back office. Likewise, a Participant may request to separate the Bilateral Trading service to a dedicated FIX Session. Note that the same PartyID can be used by one or several FIX Clients. However, one type of STI Service for one specific PartyID is only available through one FIX Client.

The diagram below shows an example of a possible STI services configuration for a Participant:

- With the new STI FIX Infrastructure Participants can request drop copies (duplications) of the Confirmation messages to be sent to a separate Party ID.

Market Data Interface (MDI)

- An improved optional gap recovery service will be introduced in the Market Data Interface (MDI). The new recovery mechanism will use a protocol that is identical to the MoldUDP64 and allows lost multicast packets to be recovered faster and more efficiently.

Reference Data Interface (RDI)

- The additional attribute "Instrument Partition Code" will be introduced in the Traded Instrument file of the Reference Data Interface (RDI) to identify on which On Book Matcher – Partition a security is traded.

Important Notice

- SIX Swiss Exchange is currently evaluating additional optional functional enhancements for trading and post-processing to be introduced with SMR4. Please be advised that we may announce further changes in due course no later than early June 2013.

Technical changes

The functional changes described above which will be introduced with SMR4 are not transparent for SWXess interfaces and require mandatory adjustments to participants' systems and interfaces.

The corresponding interface specifications and further information on the technical changes have been published in MSC Message 18/2013 and posted in the Member Section of SIX Swiss Exchange.

Document	Link
MSC messages	https://www.six-swiss-exchange.com/member_section/it/messages.html
Specifications and Manuals	https://www.six-swiss-exchange.com/member_section/it/manuals_en.html

Regulation

The functional and technical changes in SMR4 also necessitate regulatory changes. The following regulatory documents and guides will thus be amended accordingly:

- SIX Swiss Exchange Rule Book and Directives
- Reporting Office Rules for the Fulfilment of the Legal Reporting Requirements for Securities Dealers
- Trading Guides

The regulatory framework for SMR4 will be announced and duly published on the SIX Swiss Exchange website in advance of the new release going live.

Rollout

SIX Swiss Exchange plans to roll out SMR4 as follows:

Date	Environment
2 September 2013	First trading day with SMR4 in **Membertest** environment
4 November 2013	First trading day with SMR4 in **Production** environment
25 November 2013	Contingency first trading day with SMR4 in **Production** environment

Before SMR4 is rolled out into production, participants will have a window of approximately eight weeks to test their applications and processes in the Membertest environment. In addition, a pre-Membertest phase will be provided during which participants can perform initial connectivity and session level tests to the new STI FIX Infrastructure.

We will approach you ahead of the Membertest and Production phases to advise on and facilitate any configuration changes you may require.

SIX Swiss Exchange is continuously striving to extend and improve the «SWXess» trading platform and our participants will benefit from the innovations and improvements resulting from SMR4, which guarantee continued efficient trading.

If you have any questions, please do not hesitate to contact Member Services:	
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