



SIX Swiss Exchange message no. 52/2017

Subject **SWXess Maintenance Release 7 (SMR7) – Implementation of the regulatory changes regarding tick sizes**

Category Trading and Products

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Date 14.12.2017

Information 

Content of this message:

- Expected allocation of instruments of the Equity Market to the Liquidity Bands and tick size tables
- Tick size regime for Fund Market, Bond Market and Structured Products Market
- Migration of instruments to new tick sizes
- Impact of tick size change on existing orders in the order books

In the "[SMR7 – Participant Readiness Guide](#)" SIX Swiss Exchange announced the harmonization of the tick size regime in line with the European regulation MiFIDII for shares, depositary receipts and certain types of Exchange Traded Funds (ETFs). The new tick size regime enters into force on 3 January 2018.

This message provides participants the expected tick sizes for shares, depositary receipts and ETFs and contains detailed information in regards to the migration to the new tick size regime.

Equity Market

SIX Swiss Exchange will generally apply the tick size regime to orders in shares as stated in the Commission Delegated Regulations (EU) 2017/588 and the corresponding Annex (formerly RTS11) as well as in [Annex D of Directive 3: Trading](#) of SIX Swiss Exchange.

The tick size applying to orders in each instrument corresponds to the liquidity band as in [Annex D of Directive 3: Trading](#) and the price range in that liquidity band corresponding to the price of the order. As today, existing or new orders with a price that does not meet the respective tick size requirement will be rejected by SIX Swiss Exchange.

- Swiss shares

In the following trading segments for Swiss shares the allocation of the instruments to the liquidity bands is based on the Average Daily Number of Transactions (ANT) executed on SIX Swiss Exchange.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
26	Blue Chip Shares	Annex A – Clause 6.1
591	Mid-/Small-Cap Shares	Annex B – Clause 6.1

Please note that in the event of the ANT for an instrument not being yet calculated by SIX Swiss Exchange or in the event of an Initial Public Offering (IPO), the tick sizes of Liquidity Band F as in [Annex D of Directive 3: Trading](#) will be allocated until the ANT will be available.

Please find the detailed list of instruments with their expected tick size as of 3 January 2018 in the Excel file "SSX – Expected Tick Sizes – Equity Market – 20171213" published under the following link on the website of SIX Swiss Exchange:

http://www.six-swiss-exchange.com/participants/participation/smr_en.html

- Foreign shares

In the following trading segments for foreign shares the allocation of the instruments to the liquidity bands is as follows:

- Equity securities that are listed or admitted to trading on a **European Union (EU) trading venue** and are also admitted to trading on SIX Swiss Exchange are allocated to tick sizes on the basis of the average

number of transactions (ANT), as calculated and published by the European Securities and Markets Authority (ESMA).

- For equity securities that are listed or admitted to trading **outside a European Union (EU)** trading venue and are also admitted to trading on SIX Swiss Exchange the tick sizes of **Liquidity Band A** of [Annex D of Directive 3: Trading](#) are applicable.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
592	Secondary Listing Shares	Annex C – Clause 6.1
613	Sponsored Foreign Shares	Annex D – Clause 6.1

Please note that in the event of the ANT for an instrument not being published by ESMA, SIX Swiss Exchange will allocate the tick sizes of Liquidity Band A as in [Annex D of Directive 3: Trading](#).

Please find the detailed list of instruments with their expected tick size as of 3 January 2018 in the Excel file "SSX – Expected Tick Sizes – Equity Market – 20171213" published under the following link on the website of SIX Swiss Exchange:

http://www.six-swiss-exchange.com/participants/participation/smr_en.html

- **Separate Trading Lines**

The separate trading lines admitted to trading on SIX Swiss Exchange will have the tick size of their respective primary line allocated.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
597	Separate Trading Lines	Annex F – Clause 6.1

- **Rights and Options**

For rights and options the MiFID tick size regime is not applicable. Instruments of this trading segments have a tick size of 0.01 independently from the order price.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
598	Rights and Options	Annex E – Clause 6.1

Please find further details about the applicable tick size regime in the Guideline "[Trading Parameters](#)" as well as in the [Trading Guide](#).

Fund Market

In the Fund Market, SIX Swiss Exchange will apply the following tick size regime.

- **Investment Funds**

For instruments of this trading segment the MiFID tick size regime is not applicable and thus SIX Swiss Exchange will not change the applicable tick sizes.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
594	Investment Funds	Annex G – Clause 6.1

- **ETFs, ETSFs, ETPs and Sponsored Funds**

For instruments of the following trading segments SIX Swiss Exchange will allocate the tick sizes of **Liquidity Band F** of [Annex D of Directive 3: Trading](#). Instruments with Trading Currency Japanese Yen (JPY) have the tick size of 1.00 independently from the order price.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
584	ETF	Annex H– Clause 6.1
585	ETF on bonds of the Swiss Confederation	Annex H– Clause 6.1
586	ETSF	Annex I – Clause 6.1
588	ETP	Annex P– Clause 6.1
612	Sponsored Funds	Annex J– Clause 6.1

Please find further details about the applicable tick size regime in the Guideline "[Trading Parameters](#)" as well as in the [Trading Guide](#).

Bond Market

The tick size regime in the Bond Market does not change as of 3 January 2018.

Please find further details about the applicable tick size regime in the Guideline "[Trading Parameters](#)" as well as in the [Trading Guide](#).

Structured Products Market

SIX Swiss Exchange will change the applicable tick sizes for Structured Products as follows:

- **Warrants, Structured Products Warrants & Certificates**
The valid tick size is 0.001 of the relevant trading currency independently from the order price (order entry with two decimal places and a tick size of 0.01 will still be supported).

Instruments with a reference price of 10'000 or above in the respective trading currency, the valid tick size is 1.00 independently from the order price.
- **Structured Products Bonds**
The valid tick size is 0.01 independently from the order price.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
580	Structured Products	Annex O– Clause 6.1

Please find further details about the applicable tick size regime in the Guideline "[Trading Parameters](#)" as well as in the [Trading Guide](#).

Migration of tick sizes

The migration to the new tick size regime in all trading segments will take place on 29 December 2017 (last trading day in 2017) after end of trading and will be effective from 3 January 2018 (first trading day under MiFIDII).

Participants will receive the **final allocation** of the instruments to the respective price step group (tick sizes) on 29 December 2017 in the "TradedInstrument.txt" file provided via the Reference Data Interface (RDI). The price step groups (tick sizes tables) are also available via the "PriceStep.txt" file of the Reference Data Interface (RDI).

SIX Swiss Exchange does not publish the Average Daily Number of Transactions (ANT) for each instrument via the Reference Data Interface (RDI). Please find the list of ANT relevant for the allocation of the Swiss shares to their respective Liquidity Band under the following link on the website of SIX Swiss Exchange:

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

Impact of tick size change on open orders

In the course of the migration of the instruments to the new tick size regime, SIX Swiss Exchange will not principally delete all open orders from the order books. Only individual open orders which do not conform to the new tick size regime of the instrument will be deleted from the order books. An order is deemed not to conform if the minimum new tick size cannot be divided by the old minimum tick size (Example: old minimum tick size is 0.001 / new minimum tick size is 0.005).

On 3 January 2018 (first trading day after the tick size change), at start of business day at 06:00 CEST, all "good-till-date" orders which do not conform with the new tick size table of the respective instrument will be deleted from the order books by SIX Swiss Exchange. No explicit execution report confirming the deletion will be sent via the Standard Trading Interface (STI); the deleted orders will no longer be included in the "morning" order snapshot. Participants are responsible for entering the corresponding orders with a valid tick size into the order books by the start of trading on 3 January 2018.

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

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Links to SIX Swiss Exchange:

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