

SIX Swiss Exchange message no. 06/2020

Subject	Implementation of Changes Regarding Tick Sizes - Equity Market
Category	Trading and Products
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Pages	3
Date	05.03.2020

Information



Content of this message:

- Expected allocation of instruments in the Equity Market to the Liquidity Bands and tick size tables
 - Migration of instruments to new tick sizes
 - Impact of tick size change on existing orders in the order books
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With the SWXess Maintenance Release 7 (SMR7) SIX Swiss Exchange introduced 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 entered into force on 3 January 2018.

This message provides participants information regarding the expected tick sizes for shares effective 1 April 2020 and contains detailed information with 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 described in [Annex D of Directive 3: Trading](#) and the price range in that liquidity band corresponding to the price of the order. As is the case 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 number of trades (ANT) executed on SIX Swiss Exchange.

Please note that if the ANT for an instrument has not yet been 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 average number of trades (ANT) will become available.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
26	Blue Chip Shares	Annex A – Clause 5
591	Mid-/Small-Cap Shares	Annex B – Clause 5

– Foreign shares

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

For Secondary Listing Shares and Sponsored Foreign Shares that are listed or admitted to trading on a European Union (EU) trading venue and are also admitted to trading on SIX Swiss Exchange, the liquidity bands are allocated on the basis of the ANT, as calculated and published by the European Securities and Markets Authority (ESMA).

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

For Secondary Listing Shares 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](#) apply.

For Sponsored Foreign Shares 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 for Sponsored Foreign Shares outside of the EU (Price Step Group Code "FS") according to [Annex D of the Guideline Trading Parameters](#) apply.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
592	Secondary Listing Shares	Annex C – Clause 5
613	Sponsored Foreign Shares	Annex D - Clause 5

– Separate Trading Lines

Separate trading lines admitted to trading on SIX Swiss Exchange are allocated to the liquidity bands according to the liquidity band of the primary line.

Trading Segment ID	Trading Segment Name	Reference to Guideline "Trading parameters"
597	Separate Trading Lines	Annex F – Clause 5

Please find the detailed list of instruments with their expected tick size as of 1 April 2020 in the Excel file "Expected Tick Sizes Equity Market 1 April 2020" published under the following link on the website of SIX Swiss Exchange:

https://www.six-group.com/exchanges/statistics/monthly_data/mtc_en.html

Migration of tick sizes

The migration to the new tick size regime will take place on 31 March 2020 after the end of trading and will be effective from 1 April 2020.

Participants will receive the final allocation of the instruments to the respective price step group (tick sizes) on 31 March 2020 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 number of trades (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:
https://www.six-group.com/exchanges/statistics/monthly_data/mtc_en.html

Impact of tick size change on open orders

In the course of the migration to the new tick size regime, SIX Swiss Exchange will not delete all open orders in affected instruments from the order books. Only 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 order cannot be divided by the new tick size without a remainder (Example: order of 1.001 entered at an old tick size of 0.001 / new tick size 0.005).

On 1 April 2020 (first trading day after the tick size change), at the start of the business day at 06:00 CET, all "good-till-date" orders which do not conform to the new tick size table of the respective instrument will be deleted from the order books by SIX Swiss Exchange. These deleted orders will be included in the STI Morning Snapshot with ExecType 'Canceled', OrdStatus 'Canceled' and the cancelation reason (text) in FIX tag 58 of the Execution Report (MsgType=8). Participants are responsible for re-entering the corresponding orders with a valid tick size into the order books by the start of trading on 1 April 2020.

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

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