MEMBER NOTICE – 2023_0003

Date: 14th March 2023

Priority: Normal

Venue(s): Aquis Exchange UK (AQXE) and Aquis Exchange EU (AQEU)

Subject: Auction on Demand (AoD) Enhancements and Dark to Lit Sweep Order Types

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Aquis Exchange will be introducing Enhancements to our Auction on Demand (AoD) functionality and a new Dark to Lit Sweep Order Type.

These changes will apply to both Aquis Exchange UK (AQXE) and Aquis Exchange EU (AQEU) platforms, from the following dates:

Test Environment: Monday 27th March 2023

Production Environment: Monday 24th April 2023

Members, software providers and market data recipients are advised to review this notice and the attached draft FIX/ATP specifications (subject to change) to determine if or how their systems will be impacted, whether or not you intend to use these order types.

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Auction on Demand (AoD):

The following enhancements will be made to the Auction on Demand (AoD) service on Aquis UK and Aquis EU (AoD MICs: AQXA and AQEA respectively).

> (1) to add the ability to modify orders, (2) to update indicative price to 0 once an auction uncrosses.

1. AoD Order Modify

Summary of changes

Members will be able to modify AoD orders. The following fields can be modified:

- Price
- Quantity
- MAQ (Minimum Acceptable Quantity)

Impacts for FIX users:
- A member can modify an AoD order using the Order Cancel/Replace Request message.
- No additional tags required. Members should treat this the same way as order modifies on the lit book and MaC.
- Execution Report will be returned as expected – no additional tags required.

Impacts for ATP users:
- A Member can modify an AoD order using the Order Modify message or the Order Modify Extended message

- No additional fields are required
- Members should treat this the same way as order modifies on the lit book and MaC.
- Order Modify response message will be returned as expected with no additional tags.

Impacts for Market Data Subscribers:

- No impact

If members do not wish to use this new functionality, they may continue to use AoD as usual. No changes are required.

2. <u>Market Data Indicative price</u>

Summary of changes

The market data messages related to AoD will be updated in order to ensure they reflect the order book state so that members know if an auction is active or not.

Once the AoD uncrosses, the AoD Update message will publish a 0 indicative price and 0 indicative volume to confirm that the last published indicative price is no longer available.

Impacts for FIX users:
- No impacts other than consideration of the above change

Impacts for ATP users:

- No impacts other than consideration of the above change

Impacts for Market Data Subscribers:

- New behaviour to existing message. No structural message changes.

Dark to Lit Sweep

Aquis will be introducing the Dark to Lit Sweep Order on the Aquis UK and Aquis EU (AQXE and AQEU) platforms. This functionality will allow members to sweep the AMP dark book before inputting an order in the lit book in one order. The dark portion will not rest on the order book.

Aquis will be offering three types of the Dark to Lit sweep:

1.   DLO: Dark (IOC) to Lit (IOC)

2.   DLOD: Dark (IOC) to Lit (Day)

3.   DLPO: Dark (IOC) to Lit (Post-only for non client proprietary order flow)

Members wishing to use DLO functionality must contact the support team to arrange to complete the required certification steps before going live with the Dark to Lit Sweep.

Impacts for FIX users:

- No new tags are required.
- To submit a Dark to Lit Sweep order a member must supply the following tags in addition to the pre-defined required tags on the specification:
    - ExecInst (Tag 18): 'M'
    - OrdType (Tag 40): 'P'
    - Price (Tag 44): Limit price within the LIT price collar
    - AquisOrderAttribute (Tag 27010): 0/1
- Aquis will be using tag 27010 to signify a Dark to Lit Sweep order. Members should supply tag 27010 = 0 for DLO and DLOD, and tag 27010 = 1 for DLPO.
- TimeInForce (Tag 59) must be supplied if the member wishes to submit DLO (IOC to IOC), the value of this must be set to 3 (IOC). If left empty, it will default to 'Day' and will be treated as DLOD or DLPO (depending on what was supplied in tag 27010).
- See matrix below for details of required Tags:

Sweep Order Type	OrderType (40)	OrderAttribute (27010)	TimeInForce (59)
DLO	P	0	3
DLOD	P	0	0
DLPO	P	1	0

- Should the order execute partially on both books, the member will receive two trades (one for the dark and one for the lit). They will share the same orderID.

Impacts for ATP users:

- To submit a Dark to Lit Sweep order the following must be set:
    - OrderType: 12 (Non-display Aquis Matching Pool (AMP) order)
    - timeInForce: 3 (IOC) or 1 (Day) depending on requirements.
    - Price: Limit price must be provided within the LIT price collar.
    - Additional Flags:
        - **i.** For DLO and DLOD set bit 2 (Route to Lit: IOC/Day)
        - **ii.** For DLPO set bit 2 (Route to Lit: IOC/Day) and bit 3 (Route to Lit: Post Only)
        When using the Order Add Extended message, members should ensure these flags are set to 0 if they <u>do not</u> want an order sweep to apply.

- See matrix below for details of requirements:

Sweep Order Type	OrderType	timeInForce	Flags: Bit 2 'route2lit'	Flags: Bit 3 'postOnly'
DLO	12	3	1	0
DLOD	12	1	1	0

DLPO	12	1	1	1

Impacts for Market Data Subscribers:

- No impact, members will continue to see Trade messages for executions on the Dark and Lit order books. If an order sweep is posted to the lit book, the lit portion of the order will be published on market data.

If members do not wish to use this new functionality, they may continue to use AMP and the Lit book as usual. No changes are required.

For more information, please contact the Aquis Exchange Support team on support@aquis.eu or call +44 (0)20 3597 6333.

Previous Member Notices sent by Aquis Exchange can be viewed on our website.