



SIX Exfeed AG

Market Data Policy Guidelines and FAQ to the SIX Exfeed
NDIU Agreement: Changes to Non-display Information
Usage Licensing Effective 1 July 2022

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1 Introduction

1.1 Purpose, Scope, and Disclaimer

All access to Real Time Data and general Non-display Information provided by SIX Exfeed AG is required to be licensed properly and in accordance with the Non-display Data Information Usage Agreement (“NDIU Agreement”).

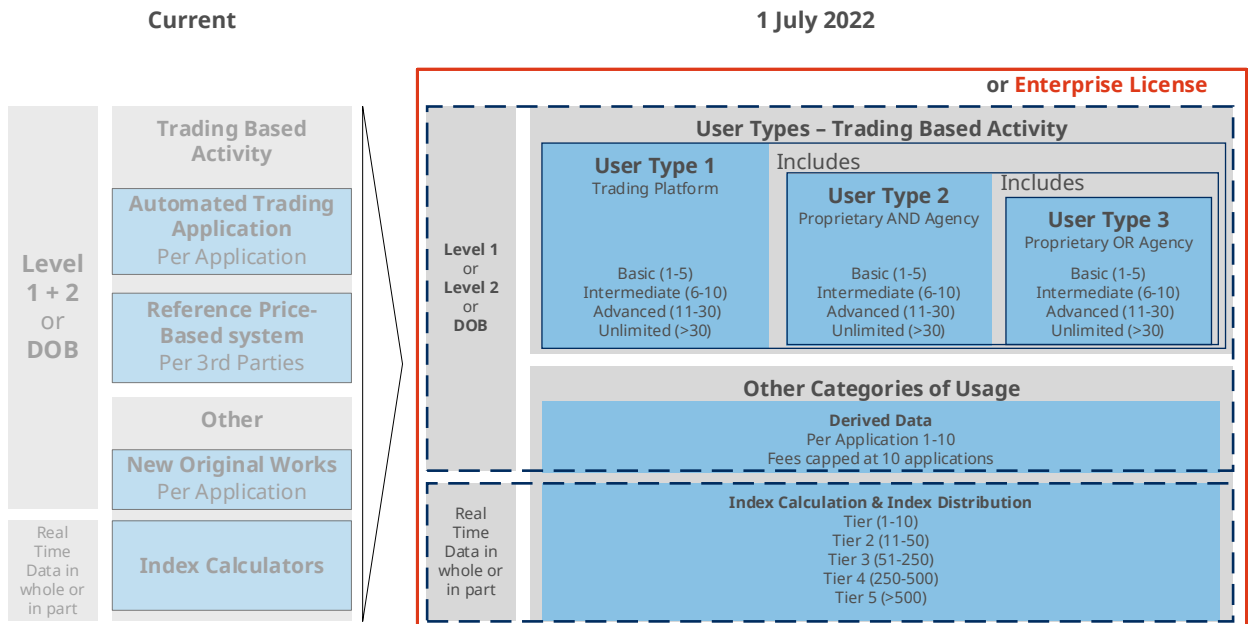
SIX Exfeed AG has adjusted its NDIU Agreement to be more in line with the accustomed, standard practice effective by 1 July 2022. This document “Market Data Policy Guidelines and FAQ to the SIX Exfeed NDIU Agreement: Changes to Non-display Information Usage Licensing Effective 1 July 2022” is intended to give guidance to licensees of non-display real-time data from SIX Exfeed AG. The following descriptions are intended to provide additional clarity and transparency on Non-display Data fees. The examples listed are not exhaustive.

This document is not part of SIX Exfeed’s NDIU Agreement or any other Market Data Agreement with SIX Exfeed AG. This Market Data Policy Guidelines and FAQ document does not take precedent over the existing Non-display Information Usage Agreement (“NDIU Agreement”), the General Terms & Conditions within the NDIU Agreement, the Data Application Form, or the Data Distribution Agreement.

2 Non-display Information Usage

2.1 Description of Categories of Usage

Graph 1.0 – Overview of NDIU License Types



Non-display prices differ according to the Category of Usage. If a User has several Categories of Usage, the respective License fees apply cumulatively.

The three Categories of Usage are:

- Category 1: Trading-Based Activity
 - User Type 1: Trading Platforms
 - User Type 2: Proprietary AND Agency
 - User Type 3: Proprietary OR Agency
- Category 2: Derived Data
- Category 3: Index Calculation & Index Distribution

Additionally SIX Exfeed AG is offering an Enterprise License, which covers NDIU license fees for the information products of all three Categories of Usage (i.e. Trading-Based Activity, Derived Data and Index Calculation & Index Distribution).

2.1.1 Trading Based Activities

Trading-based Activities are licensed based on the intended usage by the data customer. Each level includes the level(s) below. The license must be purchased for the highest applying User Type and counts cumulatively for the previous User Types.

Examples of 'trading based activities' include:

- semi-automated or automated order/quote generation
- order pegging
- price referencing for trading purposes

- smart order routing to facilitate trading
- order management
- execution management
- market making
- 'black box' trading
- algorithmic trading
- program trading and the operation of trading platforms as well as quoting and trading of financial derivatives (including but not limited to futures, options, warrants and certificates linked to the respective underlying market data)

It further includes downstream applications of trading-based activities. They include but are not limited to applications like risk management, portfolio valuation & management, profit & loss calculation, liquidity management, quantitative analysis, fund administration, and fund accounting.

2.1.1.1 User Type 1: Trading Platform

Description

“**Trading Platform**” means the operation of any trading facility, independent of how many participants are brought together (Buy and Sell Side). The term Trading Platform includes but is not limited to multilateral trading facilities (MTFs), organized trading facilities (OTFs), alternative trading systems (ATS), dark pools and systematic internalization systems (SIs). This includes the operation of Trading Platforms covered in US Regulation of NMS stock alternative trading systems and ATS.

Examples for Information Usage

Real-time Information used by trading platforms as reference price to match bid and ask orders, for mid-point trading, the pegging of orders, or market surveillance.

Real-time Information used for quoting and executing trades/ orders on operated platforms or as part of systematic internalization.

Guidance

Table 1.0 – Overview of Trading Platforms

	Trading Platform	Trading of Securities	Trading of Financial Instruments That Are Not Securities	Multilateral Trading	Bilateral Trading	Contracting under non-discriminative Regulations	Contracting under Discriminative Regulations	Proprietary Trading
FinMIA	MHS	X	(X)	X		X		
	Multilateral OTF discretionary	X	X	X			X	
	Multilateral OTF non-discretionary		X	X		X		
	Bilateral OTF	X	X		X	X	X	X
MiFID II	MTF	X	X	X		X		
	OTF	X	X	X			X	
	SI	X	X		X		X	X

“Multilateral Trading Facilities” [MTF]¹ are institutions for multilateral securities trading whose purpose is the simultaneous exchange of bids between several participants and the conclusion of contracts based on non-discretionary rules without listing securities.

“Alternative Trading System” [ATS]² means any organization, association, person, group of persons, or system, that constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange.

“Organised Trading Facilities” [OTF]³ are multilateral facilities trading in securities or other financial instruments whose purpose is the exchange of bids and the conclusion of contracts based on discretionary rules; multilateral trading in financial instruments other than securities whose purpose is the exchange of bids and the conclusion of contracts based on non-discretionary rules; and bilateral trading in securities or other financial instruments whose purpose is the exchange of bids.

“Systematic Internaliser” [SI] mean investment firms which, on an organised, frequent, systematic and substantial basis, deal on own account when executing client orders outside a regulated market, an MTF or an OTF.

“Dark Pool” and **“Other broker crossing networks”** are considered Alternative Trading Systems.

“Proprietary Trading” see section **Proprietary AND Agency**.

“Agency Trading” see section **Proprietary AND Agency**.

“Downstream Applications” see section **Proprietary OR Agency**.

¹ In accordance with FinMIA Art. 26 let. c

² In accordance with SEC regulation of NMS Stock Alternative Trading Systems

³ In accordance with FinMIA Art. 42 and EU directive 2014/65/EU

What is **NOT** Covered?

Use of real-time data for the use of other Categories of Usage "**Derived Data**" and "**Index Calculation & Index Distribution**".

2.1.1.2 User Type 2: Proprietary AND Agency

Description

"**Proprietary Trading**" means proprietary trading activities (i.e. trading in own name and for own account; "Trading as Principal"). For example but not limited to the following forms:

"**Agency Trading**" means brokerage activities (i.e. trading in own name for the account of others (brokerage business); "Brokerage").

Examples for Information Usage

Usage of Real-time Information, e.g. automated or semi-automated order/quote generation, algorithmic/program/"black-box" trading, market making, smart order routing and automated execution.

Real-time Information usage for order management or automated quoting and trading of financial derivatives.

Guidance

User Type 2: Proprietary AND Agency covers Trading as Proprietary and Agency Trader. This means it does not require a selection of the two Trading-based activities.

"**Market Making**" in this context is considered Proprietary Trading.

"**Liquidity Providing**" in this context is considered Proprietary Trading.

"**Smart Order Routing**" in this context is considered Agency Trading.

"**Broking Services**" like investment broking, contract broking and/or principal broking services in this context are considered Agency Trading.

"**Downstream Applications**" include but are not limited to applications such as risk management, portfolio valuation & management, profit & loss calculation, liquidity management, quantitative analysis, fund administration, fund accounting.

What is **NOT** Covered?

Use of real-time data for the use of other Categories of Usage "**Derived Data**" and "**Index Calculation & Index Distribution**".

The use of real-time Data for the organization of a "**Trading Platform**", the automated generation of own quotes/orders used to match buy and sell orders internally and generally the organization of **MTFs, ATS, SIs, Dark Pools** and **other broker crossing networks** are not covered under User Type 2.

2.1.1.3 User Type 3: Proprietary OR Agency

Description

"**Proprietary Trading**" means proprietary trading activities (i.e. trading in own name and for own account; "Trading as Principal"). For example but not limited to the following forms:

"**Agency Trading**" means brokerage activities (i.e. trading in another's name for the account of others or trading in own name for the account of others (brokerage business); "Brokerage").

The License refers only to one selected activity (i.e. Proprietary Trading or Agency Trading).

Examples for Information Usage

Usage of Real-time Information e.g. automated or semi-automated order/quote generation, algorithmic/program/“black-box” trading, market making, smart order routing and automated execution.

Real-time Information usage for order management or automated quoting and trading of financial derivatives.

Guidance

User Type 3: Proprietary OR Agency covers either Trading as Proprietary Trader or Agency Trader. This means it requires a selection of either of the two Trading-based activities. Licensees who only License Downstream Applications are considered Proprietary Or Agency.

“**Market Making**” in this context is considered Proprietary Trading.

“**Liquidity Providing**” in this context is considered Proprietary Trading.

“**Smart Order Routing**” in this context is considered Agency Trading.

“**Broking Services**” like investment broking, contract broking and/or principal broking services in this context are considered Agency Trading.

“**Downstream Applications**” include but are not limited to Non-display Information Usage by middle and back office applications such as risk management, portfolio valuation & management, profit & loss calculation, liquidity management, quantitative analysis, fund administration, fund accounting.

What is **NOT** Covered?

Use of real-time data for the use of other Categories of Usage “**Derived Data**” and “**Index Calculation & Index Distribution**”.

The combination of Proprietary Trading and Agency Trading.

The use of real-time Data for the organization of a “**Trading Platform**”, the automated generation of own quotes/orders used to match buy and sell orders internally and generally the organization of **MTFs, ATS, SIs, Dark Pools** and **other broker crossing networks** are not covered under User Type 3.

2.1.2 Derived Data

Description

Derived Data means any work that is created partly or entirely based on Data but does neither allow deducing Data by any means nor can it be used as a substitute for Data, which is not defined as Index Calculation or Index Distribution.

Only the use of the Data for generating the Derived Data constitutes Non-display Information Usage.

The User owns all proprietary rights to Derived Data created by or for User’s Group as far as the License Fees for Non-display usage are paid to the Supplier.

Guidance

Examples of “Derived Data” include but are not limited to applications to calculate spread-betting, CFDs (contracts for difference), Option pricing or Structured Products pricing.

Data created on the basis of or derived from SIX Exfeed AG Data, using any mathematical method, form or other manipulations or processes applied to the Data and that cannot be reverse engineered counts as a Derived Data Application.

What is **NOT** Covered?

Use of SIX Exfeed Data for trading-based activities covered under Type 1 – Type 3.

Index Calculation & Index Distribution.

2.1.3 Index Calculators & Index Distributors

Description

The category **Index Calculators & Index Distributors** refers to the Non-Display Information Usage for the purpose of administering, calculating ("Index Calculation") and disseminating ("Distribution") of an index / a benchmark or several indices / benchmarks to Third Party End Users. This Non-display Customer Category addresses the administrator who has control over the provisioning of the benchmark. The fee level ("Tier") is based on the number of third parties that can access indices calculated by the Contracting Party and/or its Affiliates, based on this real-time information.

Guidance

Indices that are solely publicly displayed and without the requirement to register an access ID as well as no charges are applicable to access and/or view such indices (i.e. no closed user group), are categorized as "Tier 1" (1-10).

The use of Real Time Information for the calculation of indices with the sole purpose of the internal use (no disseminations) of such indices is categorized as "Tier 1" (1-10).

What is **NOT** Covered?

SIX Swiss Exchange Index Component Data. In order to download these data files, you have to sign a license agreement with SIX Index AG beforehand.⁴

Use of SIX Exfeed Data for trading-based activities covered under Type 1 – Type 3.

Calculation of Derived Data that is not Index Calculation.

2.1.4 Enterprise License

Description

The Enterprise License is an overall License that allows for unlimited Non-display Information Usage without reporting obligations on any Units of Count.

Guidance

Enterprise License holders have no obligation to report Units of Count (i.e. Devices, Derived Data Applications, Third Party Users of Indices).

Trading-Based Activities with unlimited devices are covered under the Enterprise License.

Derived Data Applications are fully covered under the Enterprise License.

Index Calculation & Index Distribution including Tier 5 is covered by the Enterprise License.

What is **NOT** Covered?

All Non-display Usage is covered.

⁴ The historical basket compositions and divisors are ready to download in a closed user group (for approved subscribers only). The data consists of composition lists, component level data, and any other data related to component level data (e.g. weightings, prices, market capitalization, free float), historical index values, index adjustments (e.g. corporate actions, reviews and changes) and other data and information, such as index updates and reports, as amended by SIX Index AG from time to time. Data are available in plain text format (.txt) and/or in MS Excel® format (.xls).

2.2 Description of Units of Count for NDIU Categories of Usage

Table 2.0 – Overview of Categories of Usage by Units of Count

Customer Categories		Units of Count				
		Basic	Intermediate	Advanced	Unlimited	
Trading- Based Activities	Trading Platform				>30 Devices	
	Proprietary & Agency	1-5 Devices	6-10 Devices	11-30 Devices	No counting of Devices possible	
	Proprietary or Agency					
Other Customer Category	Derived Data	Per Application with a cap at 10 Applications				
	Index Calculation / Distribution	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
		1-10 Third Party Users	11-50 Third Party Users	51-250 Third Party Users	251-500 Third Party Users	>500 Third Party Users

Device

To count Devices, it is necessary that the provision of data by feeds, APIs or other distribution systems for Non-Display purposes is entitled by an auditable entitlement system that can be subsequently verified. If such systems are not in place and Devices cannot be counted, the NDIU must be licensed under the unlimited fee level.

Device means:

- Any terminal (fixed or portable), display unit, or any other piece of apparatus, application, platform and/or other system capable of accessing, receiving, processing, and/or otherwise using the Information, whether in whole or in parts.
- Each set of login credentials (e.g. Access ID) or other method that enables a Device access to the Information is regarded as one Device.

2.3 Data Granularity

Table 3.0 – Overview of Categories of Usage Available by Data Granularity

Customer Categories		Data Granularity		
		Level 1	Level 2	DOB – detailed order book
Trading- Based Activities	Trading Platform	Yes	Yes	Yes
	Proprietary & Agency	Yes	Yes	Yes
	Proprietary or Agency	Yes	Yes	Yes
Other Customer Category	Derived Data	Yes	Yes	Yes
	Index Calculators / Distributors	No differentiation of data granularity for the license fee		

3 Frequently Asked Questions [FAQs]

3.1 Non-display Information Usage

1. **We are receiving market data information from an authorized vendor. Do we still need a NDIU Agreement with SIX Exfeed AG?**

Yes, all Non-display Information users must have signed the NDIU Agreement directly with SIX Exfeed AG.

2. **Our firm is using Non-display Information for Trading-Based Activities, Derived Data, and Indices. For which fees are we liable?**

SIX Exfeed AG levies a fee for each Category of Usage. These fees are cumulatively adding up. In this case, this means three separate types of fees must be paid by the customer. One for Trading-Based Activities, one for Derived Data, and one for Index Calculation & Distribution. Alternatively, a flat fee in form of the Enterprise License can be paid.

3. **What are my counting and reporting duties (i.e. devices, applications, third parties) if I have the NDIU Enterprise License?**

With the Enterprise License you will not need to count or report any Units of Count for Non-display Information Usage. It includes the usage of Information for all Categories of Usage.

4. **Do I have to pay Non-display fees if I am a participant at the SIX Swiss Exchange (or Swiss Digital Exchange) and solely trade on the aforementioned exchanges?**

In justified exceptional cases, the market data fees for automated trading systems may be waived. The prerequisite for this is that the participant uses the price data solely for trading on SIX Exchange Markets. This circumstance must be confirmed by the Compliance Officer. For more information consult with **Directive 6: Market Information**.

3.2 Trading-Based Activities

1. **We are using Exfeed market data to trade in an Agency capacity, a Proprietary capacity, and use it as reference price on our Systematic Internaliser. What fee applies to us?**

As soon as a MIC Code (Market Identifier Code) is available for the non-display client, the highest price category, namely User Type 1, applies. A systematic internaliser is identifiable by its MIC code, thus User Type 1 is applicable, which includes the two lower categories User Type 2 and 3.

2. **Our firm is trading Swiss securities only in a Proprietary (Agency) capacity. However, other securities not listed on SIX Swiss Exchange are also traded in an Agency (Proprietary) capacity. Which User Type applies to us?**

Only the categories using SIX market data must be considered, thus User Type 3: Proprietary OR Agency applies.

3. **Do we have to License Trading-Based Activities if we only use market data for Downstream Applications?**

Yes, Downstream Applications such as risk management, portfolio valuation & management, profit & loss calculation, liquidity management, quantitative analysis, fund administration, fund accounting etc. are considered Trading-Based Activities. If your firm only uses market data for Downstream Applications and neither for Proprietary Trading, Agency Trading nor as Trading Platform the fees for User Type 3: Proprietary OR Agency applies.

3.3 Units of Count

1. What is a Device?

A Device is any terminal (fixed or portable), display unit, or any other piece of apparatus, application, platform and/or other system or device capable of accessing, receiving, processing, and/or otherwise using the Information, whether in whole or in parts. Each set of login credentials (e.g. Access ID) or other method that enables a Device access to the Information is regarded as one Device.

2. Do I have to count devices if we run a Systematic Internaliser?

Yes, because a Systematic Internaliser is considered a trading platform and the applicable fees must be determined based on the number of applications (basic, advanced, intermediate or unlimited).

3. If the number of Devices, Applications or Third Parties receiving our Indices changes during the year, what do we have to declare?

SIX Exfeed Ltd. is asking its clients to make confirmations on the Units of Count on a monthly basis.

3.4 Derived Data

1. We have more than 10 Derived Data Applications, how many should we license?

The customer is licensing all Derived Data Applications in use and all Data Applications must be registered. SIX Exfeed AG will however not bill more than 10 on a calendar year.

2. What License do I need if I have multiple Derived Data Applications with various levels of Data granularity (e.g. 1x level 2 and 3x DOB)?

The total number of applications must be licensed for the highest data granularity. In this case 5x DOB.

3.5 Index Calculators & Index Distributors

1. Our firm calculates indices based on Exfeed market data but uses them only internally or publishes them free of charge to the public on our public domain. What Tier applies to us?

In case of internal use of calculated indices or the dissemination for free via public domain Tier 1 (1-10) applies.

2. Do we have to count Third Parties if we purchase the Enterprise License?

No, with the Enterprise License no reporting of Units of Count is necessary.

3.6 Other

3. In case of an Audit, will Exfeed AG bill us retrospectively for over- and/or under licencing?

In cases of undeclared Non-display Information usage of real-time data, identified during the audit and for the corresponding audit period, the fee for non-display applications will be in-voiced with retroactive effect, i.e. for the period for which data had been used but not declared to SIX Exfeed.

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