

SIX Swiss Exchange message no. 05/2013

Subject	Announcement of Sponsored Access (SMR3.1)
Category	SWXess Trading Platform
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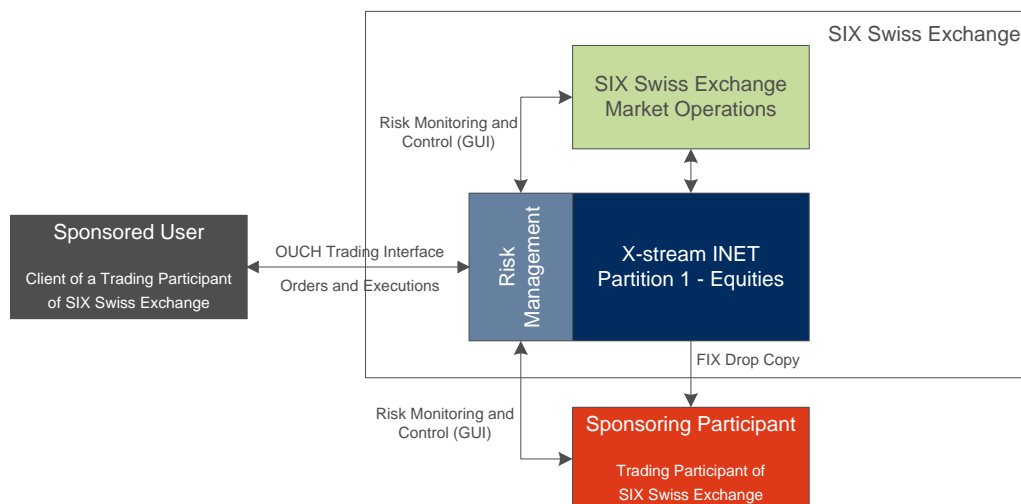
SIX Swiss Exchange, as part of its ongoing enhancements will further upgrade its «SWXess» trading platform. The aim of SWXess Maintenance Release 3.1 (SMR3.1) is to introduce the new optional «Sponsored Access» (SA) and «Scoach OTC» service offerings.

This message gives you an initial overview of the new «Sponsored Access» service for latency-sensitive trading clients of SIX Swiss Exchange participants which will be launched in summer 2013. Further details about the new trading platform for private placements (Scoach OTC) launched by Scoach Switzerland will be published separately in due course.

Service Description

«Sponsored Access» (SA) is a service through which a trading participant of SIX Swiss Exchange (Sponsoring Participant) facilitates submission of client orders to the Exchange by permitting specified clients which are not participants of SIX Swiss Exchange (Sponsored Users) to transmit orders electronically and directly from the client's trading infrastructure or through a third party vendor to the «SWXess» platform under the Sponsoring Participant's member ID, without the orders being routed through the Sponsoring Participant's internal trading systems.

Technically, Sponsored Users will connect directly to the «SWXess» platform. However, legally the Sponsored User's order flow will be monitored and managed by the Sponsoring Participant in accordance with SIX Swiss Exchange rules and directives as well as the Sponsoring Participant's risk management policies. The Sponsoring Participant remains liable to the Exchange for all actions and omissions of, on behalf of or in the name of its Sponsored Users under the Sponsoring Participant's member ID as if these were actions and omissions by the participant itself.



Find below further information related to «Sponsored Access»:

- Sponsored Access will be offered in the Production environment via Co-Location for trading on «X-stream INET» Partition 1 - Equities via the OUCH Trading Interface (OTI). In the Membertest environment connectivity is only supported via SCAP.
- Sponsored Users can submit limit orders via OTI (market orders are not supported). Normal orders with the duration At-the-Opening or Good-for-Day are supported as well as Immediate-or-Cancel and Fill-or-Kill orders.
- Sponsoring Participants receive a «Drop Copy» of all orders and executions of their Sponsored Users as Execution Reports via FIX sessions.
- Sponsoring Participants will manage risk and monitor the flow of their latency sensitive Sponsored Users via a risk management interface (Graphical User Interface and file based) provided and hosted by SIX Swiss Exchange.
- All orders submitted by the Sponsored User will pass pre-trade and at-trade risk checks configured and maintained by their Sponsoring Participant. If a Sponsored User breaches a risk limit all subsequent orders are automatically rejected by the SIX Swiss Exchange risk management platform.
- Sponsoring Participants can further manage risk by
 - activating the «Kill Switch» which deletes all outstanding orders of the Sponsored Users and restricts new order entries; or
 - defining a «Restricted Stock List» which includes securities in which the Sponsored User is not allowed to trade in.
- Responsibility to clear and settle trades resulting from orders submitted to SIX Swiss Exchange by Sponsored Users lies with the respective Sponsoring Participant.

Technical Changes

«Sponsored Access» is an optional service offering; therefore technically SMR3.1 is transparent for all participants and does not require mandatory adjustments to participants' systems and interfaces that will not use this new service.

Participants interested in offering «Sponsored Access» to their clients, can find further technical information in MSC Message No. 08/2013 and associated interface specifications published 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 introduction of «Sponsored Access» also necessitates regulatory changes to the Rule Book and Directives of SIX Swiss Exchange as well as to further documentation. In particular, the following documents and guides will be amended accordingly:

- SIX Swiss Exchange Rule Book
- Directive 6: Market Information
- Directive 7: Fees and Costs
- Directive 8: Sponsored Access (new)
- Trading Guides

The regulatory framework for «Sponsored Access» will be announced and duly published on the SIX Swiss Exchange website in advance of the service going live.

Rollout

SIX Swiss Exchange plans to roll out SMR3.1 with the new «Sponsored Access» service offering as follows:

Date	Environment
May 2013	First trading day with Sponsored Access in Membertest environment
July 2013	First trading day with Sponsored Access in Production environment

Before the introduction of «Sponsored Access» into Production, the Sponsoring Participants and Sponsored Users will have a window of approximately eight weeks to test their applications and processes in the Membertest environment.

SIX Swiss Exchange is happy to provide further information to participants interested in offering «Sponsored Access» to their clients. Please feel free to contact your Account Manager:

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SIX Swiss Exchange is very pleased to offer this new service as we believe it will add significant value for our participants and their clients.

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

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