

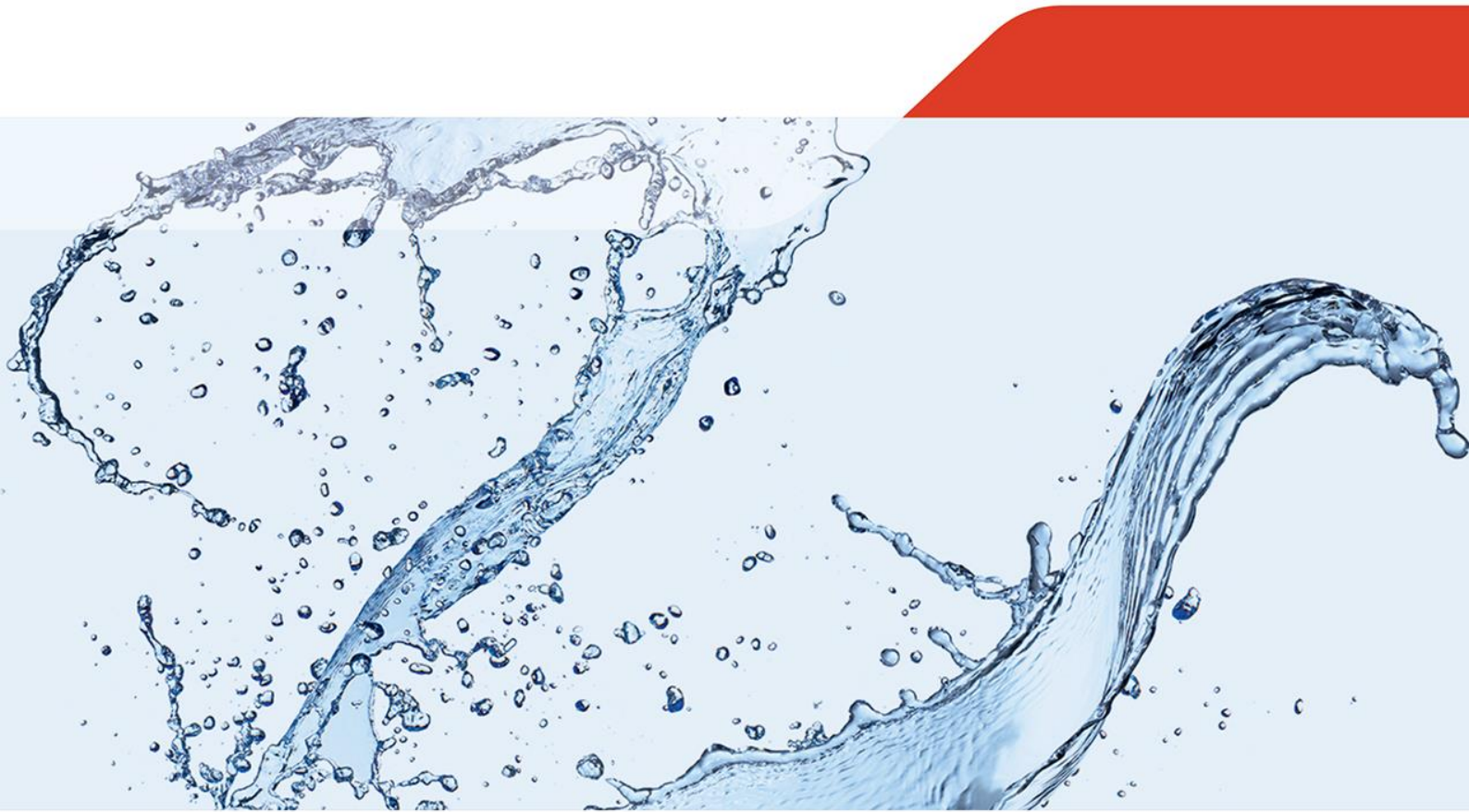


Securities Services

SIX Repo AG

Trading Directive for the OTC Spot Market

December 2017



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SIX Repo AG

Trading Directive for the OTC Spot Market

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1.0 Purpose and principle

1. This Trading Directive contains implementing provisions for the OTC Spot Market and is based on clause 2 of the Regulations for the Admission of Participants and the Use of the Trading Platform of SIX Repo Ltd (Rule Book). Additional implementing provisions are set out in the Product Specifications for the OTC Spot Market (the "Product Specifications").
2. This Trading Directive and the Product Specifications form an integral part of the Rule Book.

2.0 General

1. The OTC Spot Market is available for the following types of transaction:
 - Issuing bonds of the Swiss Confederation;
 - Issuing and trading of short-term debentures (e.g. money market debt register claims (MMDRCs) or SNB Bills of the Swiss National Bank).
2. SIX Repo Ltd (the "Platform Operator") provides the platform, but shall in no event be a party to a transaction.
3. Both parties to a transaction must have previously accepted one another as the counterparty before concluding the transaction.
4. The transactions conducted on the platform shall be binding on the parties involved.

3.0 Transaction types

The Platform Operator shall define the transaction types in the Product Specifications and determine the degree of standardization.

4.0 Trading

The following functions exist:

1. With a Request for Offer (RfO), a party shall notify a selected potential counterparty in a non-binding fashion that it wishes to conclude a transaction.
2. A party shall notify a selected potential counterparty of the prices for a transaction, which are generally non-binding, using a quote. This can be a purchase and/or sales price. At the end of the trading day, or in the event of a disconnection that is detected by the Platform Operator, all quotes shall be deleted automatically.
3. An order is a binding offer for the conclusion of a transaction sent to a selected potential counterparty. This can be (i) accepted ("take"), (ii) "countered" (submission of a counterproposal) or (iii) "rejected" by the counterparty. The counterparty may also submit a counteroffer. If an order is made on a quote, its available quantity shall be reduced



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accordingly (regardless of whether or not the order was accepted). An order may be given a term of validity.

4. It is possible that selected potential counterparties are given the Auto-hit attribute for certain transaction types. Under these conditions, orders on quotes shall be accepted automatically. An order using Auto-hit shall not take effect until any rejection period has expired.
5. The transaction is accepted using the "Take Order" function.

5.0 Special functions

1. The Auto-hit limit function helps participants to manage their limits. Participants shall use this function under their sole responsibility. The participant shall install on its workstations the software required for the purpose of keeping limits confidential. The participant is solely responsible for configuring its workstations and setting limits. The requisite software shall be supplied free of charge by the Platform Operator.
2. A transaction may be canceled before the settlement date by mutual consent by using the "Trade Cancel" function.
3. The Platform Operator shall supply relevant position data (collateral) to participants which shall ordinarily be updated four times a day.

6.0 Post-trade transparency

1. For the purposes of post-trade transparency, the Platform Operator publishes information about the executed transactions, namely price information for the traded securities and their trading volume, in the "Public Trades" area of the platform.
2. Securities transactions pursuant to Art. 29 FMIO are not subject to post-trade transparency.

7.0 Settlement and administration

1. The settlement organization must be stated by the parties when concluding a transaction.
2. Settlement and administration shall be carried out in accordance with clause 12 of the Rule Book and the provisions of the Contract

8.0 Fees

1. The Platform Operator shall levy a fee for using the platform and a fee per transaction for every participant. The fee for using the platform shall cover all markets offered on the platform.
2. The applicable rates are set out in the List of Charges for the OTC Spot Market.



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9.0 Entry into force

This Trading Directive was adopted by the management of the Platform Operator on 16 February 2017 and shall come into force on 7 September 2017.

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