

## FrontLine SIX x-clear Ltd

### **SIX x-clear Ltd supports trading venues establishing EU entities**

#### **1.0 Overview**

SIX x-clear Ltd is actively supporting trading venues (hereinafter referred to as “venues”) in their post-Brexit measures, such as UK venues transferring the trading of European instruments to new venues established in the EU. SIX x-clear Ltd consistently strives to ensure the continuation of interoperable CCP clearing, also after Brexit. Thus far, the following UK venues have announced the establishment of new EU-licensed trading venues (hereinafter referred to as “EU venues”) for cash equities.

- Aquis
- Cboe Europe Equities
- Turquoise

SIX x-clear Ltd has run workshops with the above venues and plans to complete the technical implementation and will offer Member testing for the new EU venues as of November 2018.

#### **2.0 Effective date**

The effective date for SIX x-clear Ltd to provide CCP clearing for these new venues is dependent on them receiving a license and starting operations. Further details will be published in due course.

#### **3.0 Impact on participants**

SIX x-clear Ltd will support the UK and EU venues in smoothly transitioning any of their existing and new trade flows to any new entities, as required, due to Brexit or for other reasons, and to the extent there is market demand. This means Members can continue to enjoy the benefits of cross-margining and cross-venue settlement netting, in addition to SIX x-clear Ltd’s competitive and sustainable fee structure.

In general, the connectivity between SIX x-clear Ltd and the new EU venues, the processing procedure for trades and messages as well as the static data set-up are the same as those of the already licensed UK venues.

#### **3.1 Onboarding of the existing Members for the new EU venues**

Clearing Members wishing to transfer the EU transactions to these new EU venues and to clear through SIX x-clear Ltd should initiate the application process in good time.

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To simplify the onboarding procedure, SIX x-clear Ltd has integrated all static data of the following forms for SECOM Members in an Excel table. SIX x-clear Ltd will contact the relevant Members in the near future to complete the information.

- Form 002: Market coverage and netting preferences for clients;
- Form 002B: Member reporting applicable for all trading venues;
- Form 002C: Settlement standing instructions (SSI) notification form for SECOM Members.

All other onboarding forms including those for the CLARA Members and documentation for the new EU venues will be updated and published in due time.

### 3.2 **New legal entities of existing Members**

Where entities plan to establish new entities in the UK or in the EU and separate their EU/EEA and UK trade flows between such entities, it will be helpful to detail and clarify this in connection with any Member applications with SIX x-clear Ltd. Our Relationship Managers would be pleased to support you in this dialog.

### 3.3 **Member testing for the new EU venues**

All Members who will wish to clear these new trading venues with SIX x-clear Ltd have to conduct testing in advance (see section 5.0 *Member testing*).

## 4.0 **Details**

### 4.1 **Overview of the venues and security segmentation after Brexit**

UK venues establishing new EU venues must consider the following security segmentation after Brexit:

	<b>Trading venue</b>	<b>UK venue/ legal entity</b>	<b>EU/EEA venue/ legal entity</b>
	Security segmentation	UK/CH segment	EU/EEA segment
1	Aquis	Aquis Exchange PLC MIC: AQXE London	Aquis Exchange SA MIC: AQEU Paris
2	Cboe Europe Equities	Cboe Europe Ltd MICs: BATE/ CHIX London	Cboe Europe B.V. MICs: BEUE/ CEUX Amsterdam
3	Turquoise	Turquoise Global Holdings Ltd. MIC: TRQX London	Turquoise Global Holdings Europe B.V. MIC: TQEX Amsterdam

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The understanding as of now is that EU- and EEA-issued securities issued in an EU/EEA currency (e.g. EUR, DKK, and SEK), will be offered for trading on these new EU venues. Further information should follow from the respective trading venues.

### 4.2 **Reporting**

The trades from the new EU venues and the corresponding MIC codes will be included in the relevant reports (MT518, RDXO422, RDXO434 and RDXO534) in the same way as for the existing UK venues.

### 4.3 **Settlement procedure**

No change is expected for settlement at these new EU venues.

### 5.0 **Member testing**

Member testing will be supported by SIX x-clear Ltd in the period from 26 November 2018 until March 2019.

Members have to confirm the successful testing by submitting Form 003 “Confirmation of technical and operational readiness”.

### 6.0 **Further external information**

Clearing Members can find additional information on the website of the trading venues.

### 7.0 **Contact**

If you have any further questions, please contact your Relationship Manager. The contact details are mentioned in the list of SIX SIS contacts published at [www.six-group.com](http://www.six-group.com) > Login > Securities Services Private > Contacts > SIX SIS > List of SIX SIS contacts.

In this context, SIX x-clear Ltd draws the Members’ attention to clauses **7.1 lit. f., chapter 17.0 and 25.3** General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and consequences of clearing with x-clear pursuant to the Applicable Law and that SIX x-clear Ltd assumes no liability for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Law.