

To:  
Members of Oslo Børs, Oslo Axess, Oslo ABM  
Members' Associations  
Settlement banks  
Third-party suppliers/ISVs  
Vendors  
Other interested parties



4 December 2009

## NEWSLETTER NO. 5/2009

### Information on Oslo Børs' change of trading systems

Oslo Børs are migrating to new trading and information systems for cash equities and fixed income (TradElect and Infolect) and for derivatives (SOLA and HSVF). In addition, Oslo Børs will introduce central counterparty (CCP) clearing for equities. All these projects affect both our customers and their suppliers.

In this newsletter we wish to distribute important information to all clients about the migration to the new systems. At the same time, we would like to emphasize that our clients and their ISVs also need to take action themselves to ensure readiness.

Newsletter No. 5/2009 has the following themes:

- Information meetings in Oslo and Stockholm
  - Derivatives
    - SOLA go-live Monday 7 December
    - Product offerings in SOLA
    - SOLA functionality
  - Market data
    - New OCDF servers for connectivity
    - New OCDF derivatives trade types
  - Equities and fixed income
    - Dress rehearsals TradElect/Infolect
    - Information meetings for brokers using TradElect to be held in Oslo, Stockholm and London
    - New Member and Trading Rules
    - Oslo Børs FIXGateway
  - CCP for the equities market
    - Revised draft version of the Standard Terms for Clearing Trades in Equity Market Instruments
    - New timetable for the introduction of central counterparty clearing (CCP)
    - Price model for central counterparty clearing
    - Interoperability
  - Timetables and contact information
-

## Information meetings in Oslo and Stockholm

Oslo Børs is holding information meetings for members, vendors, third party suppliers and other interested parties in Oslo on 4 December and in Stockholm on 9 December. The topics at the meetings will be the status of testing and experience gained so far, together with preparations for the start of production in the new trading systems. The presentations given in the meetings will also be made available on our information website 'Delta'.

## Launch of SOLA Monday 7 December

As already announced, the go-live date for SOLA® has been postponed to Monday 7 December, due to the need for further testing by our partners in London. This means that the activities set out in the document "Oslo Børs migration to SOLA: go-live guide" have been postponed in the same way. An updated version of the go-live guide has been distributed, and is also available on the 'Delta' website.

The go-live weekend will now be 5 – 6 December, and we need to know who will be available to contact on Saturday and Sunday afternoon/evening in case we need to notify changes in the production plans. The individuals identified for us to contact need to be familiar with Click and the relevant networks and connections in case a roll-back to Click becomes necessary. Please send your contact names and details to [enablement@oslobors.no](mailto:enablement@oslobors.no).

## Product offerings in SOLA

As part of our collaboration with EDX London and the new SOLA trading system for derivatives, we are expanding our product range for derivatives. For information on the product offerings available for trading from 7 December, see our information web "Delta", [SOLA – News and notes](#).

## SOLA functionality

We have produced a summary of the differences in functionality between SOLA and Click that is intended for users of SOLA and the associated front-end software. The summary will be available on the 'Delta' website. We will be grateful if users would give us feedback on which functionality they consider to be new or different, and we will use this to update the document so that all users can benefit from the further explanations that we provide.

## New OCDF servers for connectivity

In connection with the SOLA postponement, we have also postponed the planned change of OCDF servers until the new SOLA live date. The planned change will go ahead on 7 December. This means you will not be able to change IP for connection to OCDF production before this day. The following IPs will be used, and will replace the old IPs:

|                    | <b>IP Addresses (new)</b> | <b>Port number</b> | <b>Old IP Addresses</b> |
|--------------------|---------------------------|--------------------|-------------------------|
| <b>Direct Line</b> | 146.72.200.104            | 9400               | 146.72.230.102          |
|                    | 146.72.200.105            | 9400               | 146.72.230.101          |
|                    | 146.72.200.152            | 9400               | 146.72.130.102          |

|                            |                |      |               |
|----------------------------|----------------|------|---------------|
| <b>Internet Connection</b> | 146.72.205.103 | 9400 | 146.72.235.51 |
|                            | 146.72.205.153 | 9400 | 146.72.135.52 |

### **New OCDF derivatives trade types**

We will also change the derivatives trade types in OCDF from 7 December. The new trade types correspond to the SOLA specific trade types and will have the following values:

| <b>Derivatives trade types</b> |                               |
|--------------------------------|-------------------------------|
| DSP                            | Strategy Reporting            |
| DSL                            | Late Trade                    |
| DSA                            | As-of-trade                   |
| DSI                            | Implied trade                 |
| DS1                            | Exchange granted 1 (EG1)      |
| DS2                            | Exchange granted 2 (EG2)      |
| DSE                            | Actual transaction took place |

**Table 73 – Trade type constant values**

### **Dress rehearsals TradElect/Infolect**

As announced, the three mandatory dress rehearsals will take place on the Saturdays 12 December 2009, 16 January and 30 January 2010. Complete information about the rehearsal activities is contained in the document "Mandatory Customer Dress Rehearsals Guide" which was published by Oslo Børs and London Stock Exchange Group on 1 December. We kindly ask you to study this document carefully and remind everybody that participation in all three dress rehearsals is mandatory.

The Dress Rehearsal Guide can be found on our [information website 'Delta' – Testing](#).

The purpose of the dress rehearsals is to verify customers' readiness to go live with TradElect and Infolect. Consequently, customers are asked to confirm their readiness by e-mail after the final dress rehearsal on 30 January 2009.

Please observe that the execution of a rehearsal includes the following three phases:

- Pre-rehearsal
- Rehearsal Test Session
- Post-rehearsal

An overview of each phase is given below with some basic requirements. Please note that all the details are given in the Dress Rehearsal Guide.

### **Pre-rehearsal requirements**

- Members are requested, well in advance of each rehearsal, to confirm their attendance and give contact details (i.e. e-mail, phone and names, trading terminal (software) represented). Please use the e-mail address: [technicalsupport@oslobors.no](mailto:technicalsupport@oslobors.no)
- Confirm that the Conformance test is completed (own software or ISV)
- Confirm that CDS has been used for the verification of receiving reference data and testing of trading and market data
- Confirm that the technical network for PROD is in place and that Idle Polls and Reference Data are received (note that the TCP connectivity is not available until the Saturday rehearsal)
- Remember to prepare the correct operation of the member applications when returning to a normal trading day after the end of the rehearsal day (where applicable). This is the member's responsibility

### **Rehearsal Test Session Requirements**

- Verify connectivity and correct logon to TradElect and Infolect for respectively the member trading application and the market data application
- Verify the correctness of the trading functions (orders, trade reports, order book download). Please note the detailed period schedule for the rehearsal for both equities and fixed income (see Appendix B of the Dress Rehearsal Guide)
- Verify the correct behavior of the trading application when Oslo Børs is carrying out Market Control activities (halting etc)
- Verify the correct receipt of reference data, real time feed, indices and news messages
- Verify logout/logon and restore/rollback
- Verify the correct operation during a high volume period

### **Post-rehearsal Requirements**

- At the end of the test session, members are required to confirm the result of their day's testing including both the technical connectivity, trading and market data. The preferred approach is to use e-mail: [technicalsupport@oslobors.no](mailto:technicalsupport@oslobors.no)
- Members must confirm their readiness for the next trading day (where applicable)
- Members must confirm their readiness to go live after the final dress rehearsal to e-mail: [technicalsupport@oslobors.no](mailto:technicalsupport@oslobors.no)

For questions, both before and during the dress rehearsals, members should contact the Oslo Børs Service Desk (+47 2234 1818) or [technicalsupport@oslobors.no](mailto:technicalsupport@oslobors.no). This is for both technical assistance as well as questions regarding the Oslo Børs marketplace.

### **Information meetings for brokers using TradElect, to be held in Oslo Stockholm and London**

Oslo Børs has arranged information meetings that are particularly intended for brokers who will be trading equities and fixed income products through TradElect from 15 February 2010. The meetings will address the new trading rules, the new market models and trading system functionality. Meetings will be held in:

- Oslo on 26, 27 and 28 January
- Stockholm on 21 January
- London on 19 January

Further information on the time and place of the meetings will be distributed shortly.

### **Member and Trading Rules for equities and fixed income**

The deadline for responses to the consultation draft of the Member and Trading Rules for the equities and fixed income markets was 2 November. The new rules will replace the current Norex Member Rules in their entirety when TradElect goes live on 15 February 2010. The new Member and Trading Rules will apply to both Oslo Børs and the regulated marketplace Oslo Axess, and represent a complete rulebook for membership terms and conditions and trading rules for trading in both equities and fixed income instruments.

We have received a lot of constructive responses, and we are now working on finalising the rules. The new Member and Trading Rules will be distributed in mid-January 2010.

Introduction of new Member Rules also means that members will have to enter into new membership agreements with Oslo Børs. New membership agreements will be distributed together with the new Member Rules.

### **Oslo Børs FixGateway**

Oslo Børs FixGateway is a new integrated service offered by Oslo Børs for providing a consolidated trade feed from TradElect. Oslo Børs FixGateway is a Drop Copy solution that allows trades sourced from both FIX and Native SETS interfaces in TradElect to be delivered to the customer in a consolidated feed. If you would like to see a full list of all your own trades, or if you would like to see all your customers' trades - as for Backoffice/Custodian, this can be achieved by using Oslo Børs FixGateway. For further information on the service, please see the OB FixGateway brochure that will be available on the 'Delta' website.

### **Revised draft version of the Standard Terms for Clearing Trades in Equity Market Instruments**

Oslo Clearing has evaluated the comments received on the consultation draft of the Standard Terms for Clearing Equity Market Instruments. Oslo Clearing has issued a revised version of the Standard Terms for Clearing with the objective of finalising the Standard Terms by the end of 2009. The [revised version](#) is available on the 'Delta' website and also on the Oslo Clearing website.

Oslo Clearing will hold two consultation meetings regarding the revision of the rulebook. The meetings will be on 10 and 14 December from 10AM to 1PM in the Auditorium in Biskop Gunnerus gate 14 in Oslo. Invitations have been sent to relevant parties, but if others wish to attend the meetings, please contact Christian Sjøberg, tel +47 2317 9609, [cs@osloclearing.no](mailto:cs@osloclearing.no) for more information and registration.

### **New timetable for the introduction of central counterparty clearing (CCP)**

The date for the launch of CCP clearing in the Norwegian equities market has been moved to 30 April 2010. The date has been moved back following an overall evaluation of

our timetable in light of the large number of projects currently underway in the Nordic region in respect of changes to the financial infrastructure that affect all participants in the securities industry. The revised timetable is also intended to meet the preference expressed by market participants for test periods closer to the start of production in 2010.

Prior to the start of production, two market-wide tests will take place in weeks 9 - 10 and in weeks 14 - 15 of 2010. In addition to these test periods, it will be possible to carry out free testing by prior agreement during the period from and including week 4 up to and including week 12. A detailed test plan was issued on 1 December and is also published on our information website 'Delta', see [CCP for equities - News and Notes](#).

**Price model for central counterpart clearing**

Oslo Clearing will offer one of the market's most flexible pricing models for CCP clearing. Members will be able to select their preferred fee structure, and will have the opportunity to change to a different fee structure each month. In addition to a transaction-based fee structure, Oslo Clearing will offer a purely value-based clearing fee structure calculated in basis points (bps). This type of fee is particularly suitable for customers that carry out a high proportion of algorithmic equities trading.

General clearing members (GCMs) of Oslo Clearing that carry out clearing for non-clearing members (NCMs) can in addition choose between value-based or transaction-based fees for their customers.

Oslo Clearing's new pricing model will be as follows:

|  | Fee structure                               |   |   |
|--|---|---|---|
|  | 1   | 2   | 3   |
| <b>Monthly membership fee</b>                        | NOK 5,000                                   | NOK 20,000                                  | NOK 75,000                                  |
| <b>Value-based or Transaction-based clearing fee</b> | 0.160 BPS<br>or<br>NOK 1.25 per transaction | 0.080 BPS<br>or<br>NOK 0.75 per transaction | 0.065 BPS<br>or<br>NOK 0.55 per transaction |
| <b>Settlement fee</b>                                | NOK 20 per transaction                      | NOK 20 per transaction                      | NOK 20 per transaction                      |

In the case of failed trades, the member will incur a fixed fee of NOK 200 plus a variable fee of NIBOR plus 0.5 percentage points on the net outstanding amount. Similarly, if Oslo Clearing fails to deliver its part of the settlement, the member will be entitled to compensation equivalent to NIBOR minus 0.5 percentage point on the net outstanding amount.

## Interoperability

Oslo Børs and Oslo Clearing announced in October 2009 the signing of a memorandum of understanding with LCH.Clearnet for collaboration on clearing. This collaboration and the program of work to prepare a solution for interoperability continue in accordance with the original plans. In view of the uncertainty arising from the appraisal of interoperability being carried out by the European supervision authorities, together with an evaluation of the risk associated with offering interoperability from day one, Oslo Clearing and Oslo Børs have decided that interoperability will not be offered to our members from day one. We cannot at present give a precise date for the introduction of interoperability, since this will depend on decisions by the European supervision authorities. We will provide further information in this respect as soon as it becomes available.

## Time schedule for the implementation of the equities CCP

**Please note: New launch date 30 April 2010.**

### 2009

|                 |   |
|-----------------|---|
| 15 Oct – 30 Nov | Clearing system available for ISV tests |
|-----------------|---|

### 2010

|                |                    |
|----------------|--------------------|
| 3 Mar – 10 Mar | Market-wide test 1 |
|----------------|--------------------|

|                |                    |
|----------------|--------------------|
| 6 Apr – 13 Apr | Market-wide test 2 |
|----------------|--------------------|

|          |        |
|----------|--------|
| 30 April | Launch |
|----------|--------|

Further information, including service description, technical information, rulebook etc. is publicly available on our information website '[Delta](#)', accessible from both the Oslo Clearing and the Oslo Stock Exchange websites.

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## Timetable for the new trading system (SOLA) for derivatives

Oslo Børs and EDX will both use this new trading system for derivatives. Oslo Børs and EDX will follow a harmonised timetable, and the information provided below applies to firms that are derivatives members of Oslo Børs.

### 2009

|            |                                  |
|------------|----------------------------------|
| 21 October | Integrated test system available |
|------------|----------------------------------|

|            |   |
|------------|---|
| 7 November | First dress rehearsal (weekend test) with full trading* |
|------------|---|

|             |   |
|-------------|---|
| 14 November | Conformance carried out and second dress rehearsal with full trading* |
|-------------|---|

|             |  |
|-------------|--|
| 21 November | Third dress rehearsal with full trading* |
|-------------|--|

|                |                    |
|----------------|--------------------|
| 5 - 6 December | Go-Live weekend ** |
|----------------|--------------------|

|            |   |
|------------|---|
| 7 December | SOLA comes into effect for trading in derivatives on Oslo Børs and EDX and HSVF comes into effect |
|------------|---|

|             |                                     |
|-------------|-------------------------------------|
| 18 December | Click system ceases to be available |
|-------------|-------------------------------------|

### 2010

|         |                             |
|---------|-----------------------------|
| 14 June | OCDF ceases to be available |
|---------|-----------------------------|

\*Dress rehearsals do not include the clearing system SECUR

\*\*Mandatory for members that have not participated in previous dress rehearsals

## **Timetable for the new trading system for cash equities and fixed income (TradElect) and the new system for market data feed (Infolect)**

### **2009**

|              |   |
|--------------|---|
| June         | Market models for equities and fixed income published   |
| August       | Upgraded communication network available for all customers                                    |
| 17 August    | Oslo Børs Service and Technical Description issued  |
| 7 September  | Customer Testing Service go-live with Oslo Børs market models                                 |
| 10 September | Customer Testing Guide issued   |
| 21 September | Conformance testing service go-live. Conformance testing must be completed by 12 December     |
| 30 September | Consultation on trading and member rules for cash equities and fixed income to be distributed |
| 2 November   | Deadline for commenting on the consultation   |
| 1 December   | Dress Rehearsal Guide issued  |
| 12 December  | First mandatory Dress Rehearsal (weekend test)  |

### **2010**

|             |  |
|-------------|--|
| January     | Trading and member rules finalised   |
| 16 January  | Second mandatory Dress Rehearsal (weekend test)  |
| 30 January  | Third mandatory Dress Rehearsal (if required, depending on customer readiness)   |
| 15 February | TradElect comes into effect for trading in cash equities and fixed income on Oslo Børs, Oslo Axess and Oslo ABM<br>Infolect comes into effect for distribution of market data feed for equities and fixed income |

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### Updated information is available on our website

We frequently add new information to our web pages so that everyone can access the latest versions of the relevant documents and timetables.

Visit [http://www.oslobors.no/ob\\_eng/Oslo-Boers/Trade/Delta](http://www.oslobors.no/ob_eng/Oslo-Boers/Trade/Delta)

## Customer contacts at Oslo Børs

### Enquiries relating to the migration to TradElect can be addressed to:

|                      |  |               |
|----------------------|--|---------------|
| Annar Schiander      | <a href="mailto:annar.schiander@oslobors.no">annar.schiander@oslobors.no</a>         | +47 2234 1726 |
| Astrid Løken Øyehaug | <a href="mailto:astridloken.oyehaug@oslobors.no">astridloken.oyehaug@oslobors.no</a> | +47 2234 1777 |

### Enquiries relating to the migration to SOLA can be addressed to:

|                       |  |               |
|-----------------------|--|---------------|
| Preben Danielsen      | <a href="mailto:preben.danielsen@oslobors.no">preben.danielsen@oslobors.no</a>         | +47 2234 1786 |
| Sara Lillefloth       | <a href="mailto:sara.lillefloth@oslobors.no">sara.lillefloth@oslobors.no</a>           | +47 2234 1747 |
| Jesper von Zweigbergk | <a href="mailto:jesper.vonZweigbergk@oslobors.no">jesper.vonZweigbergk@oslobors.no</a> | +47 2234 1950 |

### Enquiries relating to the migration to Infolect can be addressed to:

|                 |  |               |
|-----------------|--|---------------|
| Vidar Nordtømme | <a href="mailto:vidar.nordtomme@oslobors.no">vidar.nordtomme@oslobors.no</a> | +47 2234 1753 |
| Line Mauseth    | <a href="mailto:line.mauseth@oslobors.no">line.mauseth@oslobors.no</a>       | +47 2234 1815 |

## Customer contacts at Oslo Clearing

### Enquiries related to the CCP service can be addressed to:

|                   |  |               |
|-------------------|--|---------------|
| Christian Sjøberg | <a href="mailto:christian.sjoberg@osloclearing.no">christian.sjoberg@osloclearing.no</a> | +47 2317 9609 |
| Torkil Lehn       | <a href="mailto:torkil.lehn@osloclearing.no">torkil.lehn@osloclearing.no</a>             | +47 2317 9617 |

### Technical support

Technical support related to the migration to new trading systems at Oslo Børs is available from 08:00 to 16:00 CET.

Phone: **+47 22 34 18 18**

E-mail: [technicalsupport@oslobors.no](mailto:technicalsupport@oslobors.no)