

**OSLO ABM  
MEMBER AND TRADING RULES  
Version 1.0**

**Draft November 2009**



## THE RULES

### Introduction

In connection with Oslo Børs' implementation of the trading system **TradElect®**, Oslo Børs has determined to implement a new rulebook replacing in its entirety the Norex Member Rules. The Oslo ABM Member and Trading Rules (the Rules) have been prepared in alignment with the new rulebook with adequate amendments and adjustments.

The Rules were approved by the Board of Directors of Oslo Børs ASA on [ ] and shall come into force simultaneously with the launch of **TradElect®** 15 February 2010. The Rules comprise a complete set of rules on membership conditions and trading rules in relation to fixed interest securities.

The Rules is in relation to layout and content based on the on the London Stock Exchange's rules, however **the Marketplace** has sought in cooperation with its members to make the amendments required in order to accommodate the rules to Norwegian trading practices and legislation.

The Rules has been prepared in an English version only.

The latest updated version of the Rules is at any given time available on [www.osloabm.no](http://www.osloabm.no).

Below we will for the reader's easy reference provide a short description of the structure and content of the Rulebook.

### Structure and content

The Rulebook consists of the following main sections:

Section	Rules beginning	Content
Definitions	~	Definitions applicable to these rules
Core Rules	1000	Ongoing requirements for <b>ABM member firms</b> and rules that apply at all times
Order Book Trading Rules	2000	Rules applying when trading on an order book
Off Order Book Trading Rules	3000	Rules applying when trading away from an order book
Settlement Rules	4000	Rules applying to settlement
Compliance	C series	Compliance procedures

Supplementary guidance to the rules are, when applicable, located immediately after the relevant rule in the Rulebook. Rules with supplementary guidance are flagged with the notation "**G**". The **ABM member firms** are equally bound by the supplementary guidance set out in the Rulebook and should accordingly always consult the applicable guidance when considering a rule.

Words written in bold in the Rules are defined in the definitions chapter of the Rules.

In general, the Rulebook contains relevant legal provisions (the rights and obligations that Oslo ABM and the **ABM member firms** are subject to) while descriptions of trading functionality available in **TradElect®** can be found in supplementary documentation. Accordingly, attached to the Rules is 'Market Model – Oslo Børs Fixed Income. This document sets out the more specific trading conditions and characteristics of the market. The **market model** document will be continuously updated in order to ensure that they fully and accurately describe the operation of tradable instruments in the various sectors and segments of Oslo ABM. The **market model** document is part of the Rules and is equally binding on the **ABM member firms**. The latest updated version of the market model document will at any given time be found on our website together with the Rules.

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Oslo ABM is a market for listing and trading fixed interest securities. Oslo ABM is not authorised as a regulated market or an MTF as defined in the Exchange Act<sup>1</sup> and the Securities Trading Act<sup>2</sup>. Oslo ABM is operated and organised by Oslo Børs ASA.

<sup>1</sup> Act of 29 June 2007 No 74.

<sup>2</sup> Act of 29 June 2007 No 75.

## DEFINITIONS

<b>ABM member firm</b>	a partnership, corporation, legal entity or sole practitioner admitted to Oslo ABM membership and whose membership has not been terminated. For the purposes of the <b>compliance procedures</b> , <b>ABM member firm</b> shall include a former <b>ABM member firm</b> where appropriate
<b>admitted to trading</b>	admission to trading on Oslo ABM
<b>agency cross</b>	a trade by which an <b>ABM member firm</b> acting as an <b>agent</b> matches the buy and sell orders of two or more non-members at the same price and on the same terms
<b>agent</b>	an <b>ABM member firm</b> acting on behalf of a <b>customer</b> or <b>counterparty</b> in an agency capacity
<b>associate</b>	in relation to any <b>person</b> , means that <b>person's</b> associate as defined in Section 2-5 of the <b>Securities Trading Act</b>
<b>business day</b>	any day on which <b>the Marketplace</b> is open for dealing
<b>buyer</b>	an <b>ABM member firm</b> purchasing securities from another <b>ABM member firm</b> ;
<b>choice</b>	a situation where the <b>best bid</b> and <b>best offer</b> for a security are the same
<b>compliance procedures</b>	the 'C' series of these rules which sets out the rules and procedures for disciplinary proceedings and disciplinary and non-disciplinary appeals
<b>counterparty</b>	a <b>person</b> who is not a <b>customer</b> with whom an <b>ABM member firm</b> undertakes a trade <b>on Exchange</b>
<b>current market value</b>	means prices, which upon a comprehensive assessment, reflect the current pricing of the instrument in question.
<b>customer</b>	a <b>person</b> for whom an <b>ABM member firm</b> undertakes a trade or otherwise performs services <b>on Exchange</b>
<b>deferred publication</b>	a facility for <b>ABM member firms</b> to delay the publication of a trade for a period of time
<b>EEA</b>	the European Economic Area
<b>employee</b>	in relation to an <b>ABM member firm</b> a director, partner or principal or <b>person</b> employed in or about the firm's business as an <b>ABM member firm</b> , whether under a contract of service or for services (including a training contract) and any <b>person</b> seconded to work in or about that business
<b>fine</b>	a monetary penalty levied by <b>the Marketplace</b> other than a <b>fixed penalty</b>

<b>fixed interest security</b>	a security which carries a right to a stated rate of interest or dividend on an annual or other periodic basis and which is <b>admitted to trading</b>
<b>fixed penalty</b>	a penalty, set out in a <b>notice</b> , of a stated amount of money for each instance of a breach of a specific rule
<b>foreign</b>	non-Norwegian
<b>investment services</b>	business related to specified investments in <b>Norway</b> as set out in Section 2-1 of the Securities Trading Act
<b>ISIN</b>	the international security identification number
<b>Listing Rules</b>	the provisions regarding listing in the issuer rules of Oslo ABM
<b>manual trades</b>	<b>on Exchange</b> trades that are not <b>automated trades</b> or <b>member authorised connection</b> trades and which are not submitted to <b>TradElect®</b> through <b>order routing</b>
<b>Market enforced cancellation</b>	the cancellation by <b>the Marketplace</b> of a trade reported to <b>TradElect®</b> , either in response to a request from a party to the trade or undertaken unilaterally by <b>the Marketplace</b> . Discretion as to whether or not to cancel a trade lies solely with <b>the Marketplace</b>
<b>Market price list</b>	the documents published by <b>the Marketplace</b> , from time to time, setting out charges and fees for: <ul style="list-style-type: none"> <li>(a) membership of <b>the Marketplace</b>;</li> <li>(b) use of <b>TradElect®</b>;</li> <li>(c) trades reported to <b>the Marketplace</b>; or</li> <li>(d) other services and products provided by <b>the Marketplace</b></li> </ul>
<b>Market model</b>	Market Model – Oslo Børs Fixed Income
<b>Marketplace</b>	Oslo ABM, as operated and organized by Oslo Børs ASA, including, where the context so permits, any committee, sub-committee, employee or officer of Oslo Børs to whom any function of Oslo Børs may for the time being be delegated
<b>market situation</b>	a general term used to describe one or more issues that may impact the orderliness of trading multiple securities
<b>member ID</b>	the highest level of identification of an <b>ABM member firm</b> in the trading system
<b>membership profile</b>	the trading and non trading profile of an <b>ABM member firm</b> as held by <b>the Marketplace</b>
<b>Norway</b>	the Kingdom of Norway
<b>notice</b>	any notice issued by <b>the Marketplace</b> from time to time to <b>ABM member firms</b> generally or to any class of <b>ABM member firms</b>

<b>offer price</b>	the price at which an <b>ABM member firm</b> is prepared to sell fixed income securities
<b>on Exchange</b>	a trade executed under the Rules of <b>the Marketplace</b> as defined by rule 3000
<b>order book</b>	a facility operated by <b>the Marketplace</b> for the electronic submission of orders in <b>order book securities</b> .
<b>order book security</b>	a security which <b>the Marketplace</b> has admitted to trading on an <b>order book</b>
<b>person</b>	an individual, corporation, partnership, association, trust or other entity as the context admits or requires
<b>principal</b>	an <b>ABM member firm</b> or other <b>person</b> acting as principal
<b>registrar</b>	the keeper of a register of securities
<b>relevant contracts</b>	any contracts arising between <b>the Marketplace</b> and an <b>ABM member firm</b> , including but not limited to the Membership Application Form
<b>Securities Trading Act</b>	Securities Trading Act of 29 June 2007 No 75
<b>Securities Trading Regulations</b>	Securities Trading Regulations of 29 June 2007 No 876
<b>seller</b>	an <b>ABM member firm</b> selling securities to another <b>ABM member firm</b>
<b>settlement agent</b>	a <b>person</b> providing settlement services
<b>settlement procedures</b>	the '4000' series of these rules regarding settlement of <b>on Exchange</b> trades
<b>Exchange Act</b>	Exchange Act of 29 June 2007 No 74
<b>Stock Exchange market contract</b>	any <b>on Exchange</b> trade
<b>stock situation</b>	<i>an event whereby a holder of securities may be entitled to other securities pursuant to a takeover offer, scheme of arrangement, conversion, redemption or other event affecting those securities</i>
<b>subsidiary</b>	as defined in section 1-3 second subsection of the Public Limited Companies Act of 13 June 1997 No. 45
<b>TradElect®</b>	the trading system operated by <b>the Marketplace</b>
<b>trade report</b>	a report of the details of a trade effected <b>on Exchange</b> which is made to <b>TradElect®</b> and which <b>the Marketplace</b> may publish subject to certain criteria
<b>trade reporting period</b>	the period each day between 08:15 and 16:00 CET when TradElect accepts <b>trade reports</b> .
<b>trader group</b>	the level at which authorisation and / or role enablement for trading actions in a particular Market is performed in the trading system

**warning notice**

a letter issued by **the Marketplace** to an **ABM member firm** outlining any relevant rule breach

# CORE RULES

## ABM member firms

### Categories of Membership [1000]

G	1000	The <b>Marketplace</b> may permit membership under one of the following categories:
	1000.1	an <b>ABM member firm</b> ;
	1000.2	a limited <b>ABM member firm</b>

*Guidance to Rule:*

*A limited **ABM member firm** may trade in certain segments, sectors or securities as further defined by **the Marketplace**.*

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### Authorisation [1010-1015]

G	1010	An <b>ABM member firm</b> must at all times be authorised under relevant Norwegian, or appropriate EEA legislation, or in the view of <b>the Marketplace</b> be otherwise sufficiently regulated, in respect of capital adequacy, and fitness and probity.
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*Guidance to Rule:*

***The Marketplace** will consider a **person** to be appropriately authorised or sufficiently regulated if that **person** is:*

- 1. authorised under the **Securities Trading Act***
- 2. an exempted **person** under the **Securities Trading Act***
- 3. authorized as credit institution, financial institution, insurance company or fund manager*
- 4. a similar foreign undertaking authorised or permitted to carry on the equivalent of an investment service in its home state, and to provide such services cross-border into Norway*

*An applicant which is seeking authorisation under **Securities Trading Act** may be considered but any decision to grant membership based on this will be subject to authorisation being granted and will not become effective until that condition is satisfied.*

***The Marketplace's** assessment of an **ABM member firm's** authorisation may include, but is not limited to, consideration of:*

- the scope of its authorisation or permission; and*
- evidence of satisfactory regulation of the applicant's financial integrity and fitness and probity.*

*Where **the Marketplace** deems it necessary to protect the integrity of **the Marketplace's** markets, action may be taken under rule 1015 without prior notice to the **ABM member firm** concerned.*

*Section 26 of the Exchange Act requires investment firms and credit institutions to have a prudent level of own funds, an appropriate organization, sufficient technical systems and otherwise be deemed fit to participate in trading in relation to the obligations that membership represents. Other legal or physical persons must be deemed a fit person and have sufficient expertise in respect of trading and transactions, sufficient organizational arrangements in*

place (where appropriate) and sufficient financial resources in relation to the position the person intends to assume in the market. Oslo Børs will apply similar principles to entities applying for membership on ABM.

1015	If, at any time, an <b>ABM member firm</b> does not comply with rule 1010 or is sanctioned by an authority responsible for the supervision or regulation of <b>investment services, the Marketplace</b> may:
1015.1	restrict the scope of <b>on Exchange</b> business conducted by the <b>ABM member firm</b> ; or
1015.2	terminate the membership of the <b>ABM member firm</b> .

**Suitability** [1020-1025]

1020	An <b>ABM member firm</b> must, to ensure compliance with these rules, at all times have:
1020.1	a current and valid membership in a central securities depository where the financial instruments traded on <b>the Marketplace</b> are settled;
1020.2	adequate trade execution, recording, reporting and settlement procedures and systems, and, if relevant, order management procedures and systems;
1020.3	sufficient staff with adequate knowledge, experience, training and competence;
1020.4	adequate internal procedures and controls; and
1020.5	one or more compliance officers who shall be identified to <b>the Marketplace</b> and be competent to advise the <b>ABM member firm</b> and its <b>employees</b> on the application of these rules.

Guidance to Rule:

*In determining whether an **ABM member firm** has met the requirements of rule 1020, **the Marketplace** may require information regarding the level of training and qualifications of individual traders, including the taking of any relevant examinations.*

G 1021	Where <b>the Marketplace</b> has reason to believe that an <b>ABM member firm</b> is not conducting, or may not conduct, its operations in a business-like manner, and that requirements or restrictions are reasonably necessary to ensure that it does so, <b>the Marketplace</b> may at any time:
1021.1	suspend, either in part or in full, an <b>ABM member firm's</b> membership of <b>the Marketplace</b> or its access to any of <b>the Marketplace's</b> services;
1021.2	impose on the <b>ABM member firm</b> requirements relating to the <b>ABM member firm's</b> level of staffing, training, internal procedures and controls or any other matter relevant to the continuing suitability of the <b>ABM member firm</b> ; or
1021.3	restrict the scope of <b>on Exchange</b> business conducted by the <b>ABM member firm</b> .

G 1022	In accordance with notification rule 1050, an <b>ABM member firm</b> shall notify <b>the Marketplace</b> immediately of any matter that is material to the <b>ABM member firm's</b> suitability as an <b>ABM member firm</b> .
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Guidance to Rule:

*Such matters shall include, but are not limited to:*

- (i) *the presentation of a petition for the debt settlement proceedings or bankruptcy of the **ABM member firm** or of a company which is a subsidiary or holding company of the **ABM member firm**;*
- (ii) *the appointment of a receiver, administrator or trustee of the **ABM member firm**;*
- (iii) *the making of a composition or arrangement with creditors of the **ABM member firm**;*
- (iv) *where the **ABM member firm** is a partnership, an application or the giving of notice to dissolve the partnership;*
- (v) *where the **ABM member firm** is a sole trader, the presentation of a petition for a bankruptcy order;*
- (vi) *the imposition of disciplinary measures or sanctions on the **ABM member firm** or any employee by any statutory, professional or other body exercising a regulatory or*

- disciplinary jurisdiction, whether within Norway or elsewhere;*  
 (vii) *an event equivalent to those identified in (i) to (vi) above under foreign legislation; and*  
 (viii) *any material change to any matter previously notified to **the Marketplace** that is pertinent to **the Marketplace**'s consideration of an **ABM member firm**'s authorisation.*

1023	An <b>ABM member firm</b> shall be bound by and observe:
1023.1	these rules (as amended from time to time);
1023.2	any rules and procedures set out in any supplementary documentation issued by <b>the Marketplace</b> under these rules;
1023.3	the provisions of any <b>notice</b> ; and
1023.4	any requirement, decision or direction of <b>the Marketplace</b> .

*Guidance to Rule:*

*Requirements, decisions and directions of **the Marketplace** mentioned in rule 1023.4 must be made pursuant to these rules.*

1024	An <b>ABM member firm</b> shall take all reasonable steps to ensure that its <b>employees</b> comply with all applicable obligations arising under these rules.
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1025	A former <b>ABM member firm</b> shall be bound by these rules in respect of all activities which took place prior to termination of membership (and which were subject to these rules) until the latest of:
1025.1	one year after it ceases to be an <b>ABM member firm</b> ;
1025.2	the date on which all of its <b>on Exchange</b> trades are settled and completed; or
1025.3	the date on which all outstanding subscriptions, charges or other sums due to <b>the Marketplace</b> have been paid in full.

**Resignation of membership** [1030-1033]

1030	An <b>ABM member firm</b> may resign by giving <b>the Marketplace</b> at least three months written notice.
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1031	<b>The Marketplace</b> may postpone the effective date of resignation and may impose other measures that it considers necessary for the protection of investors who may be <b>customers</b> or <b>counterparties</b> of the <b>ABM member firm</b> when the resignation would have otherwise become effective. The <b>ABM member firm</b> shall supply, when required by <b>the Marketplace</b> , such information concerning the circumstances of the resignation as shall, in the opinion of <b>the Marketplace</b> , be necessary for it to determine whether to exercise its powers under this rule.
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G 1032	<b>The Marketplace</b> may, in its absolute discretion, refuse to accept a notice of resignation given by an <b>ABM member firm</b> if <b>the Marketplace</b> considers that any matter affecting the <b>ABM member firm</b> should be investigated.
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G 1033	An <b>ABM member firm</b> that has ceased to carry on business activities for which it was deemed suitable for membership may have its membership terminated with immediate effect or otherwise by <b>the Marketplace</b> .
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**Notifications** [1050-1051]

**Immediate notifications**

G 1050	An <b>ABM member firm</b> shall, immediately upon becoming aware of any circumstances which have, will or may lead to a contravention of any of the rules, including system problems, notify <b>the Marketplace</b> of such circumstances in as much detail as is available to it. Failure of an <b>ABM member firm</b> to notify <b>the Marketplace</b> in such circumstances may result in a contravention of the rules by the <b>ABM member firm</b> .
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Guidance to Rule:

An **ABM member firm** system problem is any in-house technical difficulty which prevents an **ABM member firm** from accessing, viewing data from or submitting data to **TradElect**<sup>®</sup>.

Such notifications should be made to the Market Administration Department on +47 22 34 19 45.

#### **Advanced notifications**

G 1051	An <b>ABM member firm</b> shall notify <b>the Marketplace</b> in writing, at least 21 calendar days in advance of the proposed effective date, of any proposed changes to its <b>membership profile</b> .
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Guidance to Rule:

**The Marketplace** would expect notification of, at a minimum, the following profile changes:

- name and address of the **ABM member firm**;
- senior executive officer or compliance officer of the **ABM member firm**;
- scope of trading activity in relation to **on Exchange** business, including trading codes;
- access to the **TradElect**<sup>®</sup>;
- scope of settlement arrangements in relation to **on Exchange** business including settlement codes; and

Such notifications should be made to the Market Administration Department at [ma@oslobors.no](mailto:ma@oslobors.no).

#### **Trade confirmations** [1060]

G 1060	An <b>ABM member firm</b> shall not inform a <b>customer</b> that a trade is subject to the Oslo ABM Member and Trading Rules unless the trade is <b>on Exchange</b> .
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Guidance to Rule:

The rule ensures that a **customer** is not misinformed that a trade is subject to the rules of **the Marketplace** when it is not. An **ABM member firm** may however state on its business letters, notices and other publications that it is a member of **the Marketplace** and may where it issues a confirmation inform a **customer** that a trade is subject to the rules of **the Marketplace**.

#### **Trade records** [1070]

1070	An <b>ABM member firm</b> shall retain a record of each <b>on Exchange</b> trade entered into by it which is subject to these rules for at least five years. Any such record shall be produced for inspection to <b>the Marketplace</b> on demand and, where it is not retained in legible form, must be capable of being reproduced in that form.
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#### **Language requirement** [1080]

1080	Every document that is required to be provided to <b>the Marketplace</b> under these rules shall be in Norwegian, English, Swedish or Danish.
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#### **Voice recording** [1090-1091]

G 1090	Voice recording equipment shall be installed, maintained and used with respect to trading activities in accordance with the <b>Securities Trading Act</b> .
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1091	Recordings made under rule 1090 shall be retained for at least three years from the day the recording was made.
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Guidance to Rule:

The voice recording requirements are set out in Section 10-17 of Securities Trading Act, cf.

Chapter 10 VIII of the **Securities Regulation**, which applies both to Norwegian and **foreign ABM member firms**, cf. Section 9-26 of the **Securities Trading Act**.

**Trader groups** [1092]

1092	<b>ABM member firms</b> are required to identify the following types of trading activity by designated <b>trader groups</b> : <b>Manual trades</b>
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## ABM member firm services

**Settlement agent** [1100]

G 1100	An <b>ABM member firm</b> may act as, or use the services of, a <b>settlement agent</b> to settle <b>on Exchange</b> business.
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*Guidance to Rule:*

**ABM member firms** must make their own arrangements for settling their **on Exchange** trades. An **ABM member firm** may, but is not obliged to, employ one or more **settlement agents**.

## Compliance and enforcement

**Compliance and enforcement** [1200]

1200	<b>The Marketplace</b> may, at its discretion, waive the enforcement of these rules.
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**Information, monitoring and investigation** [1210-1214]

G 1210	An <b>ABM member firm</b> , as well as officers and employees of the <b>ABM member firm</b> shall, notwithstanding any duty of confidentiality, furnish <b>the Marketplace</b> with any information necessary for <b>the Marketplace</b> to be able to comply with its duties pursuant to relevant legislation. <b>The Marketplace</b> may request information from an <b>ABM member firm</b> , or interview any <b>employee</b> of an <b>ABM member firm</b> , about any matter which it considers may relate to these rules or to the integrity of <b>the Marketplace's</b> markets.
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*Guidance to Rule:*

*In relation to any request for information or interview, **the Marketplace** would expect the following standards to be met:*

- *the provision of accurate information in a timely manner about the **ABM member firm's** business and trades in a format, electronic or otherwise, specified by **the Marketplace**; or*
- *the interview of any **employee**, or agent, of an **ABM member firm**, which will be recorded in writing.*

1211	An <b>ABM member firm</b> shall comply or procure compliance with any requirement of <b>the Marketplace</b> made pursuant to these rules.
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1212	An <b>ABM member firm</b> is responsible to <b>the Marketplace</b> for the conduct of its <b>employees</b> and agents. Such conduct shall be treated for the purposes of these rules as conduct of the <b>ABM member firm</b> .  <b>The Marketplace</b> may at any time require an <b>ABM member firm</b> to disclose the identity of the <b>employee</b> placing an order in <b>TradeElect</b> <sup>®</sup> . The <b>ABM member firm</b> should disclose the information immediately upon demand.
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1213	An <b>ABM member firm</b> shall not knowingly provide <b>the Marketplace</b> with any information (including information for the purpose of becoming an <b>ABM member firm</b> ) which is false, misleading or inaccurate and shall comply or procure compliance with a request by <b>the Marketplace</b> for explanation or verification of information provided to <b>the Marketplace</b> .
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1214	To the extent permitted by Section 14 of <b>the Exchange Act</b> , <b>the Marketplace</b> may disclose information and documents:
1214.1	to co-operate, by the sharing of information and documents and otherwise, with any recognised exchange or clearing house which clears and/or settles <b>on Exchange</b> trades and any authority, body or <b>person</b> in <b>Norway</b> or elsewhere having responsibility for the supervision or regulation of any <b>investment services</b> or other financial service or for law enforcement purposes;
1214.2	for the purpose of enabling it to institute, carry on or defend any proceedings including any court proceedings;
1214.3	for any purpose referred to in <b>relevant rules and regulations</b> ,
1214.4	under compulsion of law;
1214.5	for the purpose of enabling <b>the Marketplace</b> to discharge its functions having regard in particular to the protection of investors and the maintenance of high standards of integrity and fair dealing; and
1214.6	for any other purpose with the consent of the <b>person</b> from whom the information was obtained and, if different, the <b>person</b> to whom it relates

**Imposition of sanctions** [1215-1217]

1215	If <b>the Marketplace</b> considers that an <b>ABM member firm</b> has contravened any of these rules it may impose sanction(s) in accordance with the <b>compliance procedures</b> .
1216	<b>The Marketplace</b> may bring disciplinary proceedings against a former <b>ABM member firm</b> whilst the former <b>ABM member firm</b> is bound by these rules.

## Charges and fees

**Exchange charges** [1300-1302]

1300	An <b>ABM member firm</b> shall pay to <b>the Marketplace</b> :
1300.1	applicable annual fees and trading fees set out in <b>the Marketplace</b> commercial terms and the relevant <b>price list</b> ;
1300.2	any other sums due in accordance with <b>relevant contracts</b> between <b>the Marketplace</b> and the <b>ABM member firms</b> ; and
1300.3	other sums notified by <b>the Marketplace</b> .
1301	Unless otherwise specified by <b>the Marketplace</b> , any subscriptions, charges or other sums due to <b>the Marketplace</b> shall be paid in full within 30 calendar days from the date of the invoice.
1302	In order to pay charges and sums due to <b>the Marketplace</b> , <b>the Marketplace</b> may require an <b>ABM member firm</b> to execute and maintain in force a direct debit mandate in <b>the Marketplace's</b> favour on a bank account in Norway.
1303	Where an <b>ABM member firm</b> fails to pay in accordance with these rules other than in the case of legitimate dispute, <b>the Marketplace</b> may terminate its membership without prejudice to any other action which <b>the Marketplace</b> may take.

## General conduct

**Misleading acts, conduct and prohibited practices** [1400 – 1400.6]

G	1400	An <b>ABM member firm</b> shall not, in respect of its <b>on Exchange</b> business:
	1400.1	do any act or engage in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price or value of, any security;
	1400.2	cause a fictitious trade or a false price to be input into <b>TradElect</b> <sup>®</sup> ;
	1400.3	effect a trade at any price which differs to an unreasonable extent from any firm price displayed on <b>TradElect</b> <sup>®</sup> in that security;
	1400.4	do any act or engage in any course of conduct which is likely to damage the fairness or integrity of <b>the Marketplace's</b> markets;
	1400.5	do any act or engage in any course of conduct which causes, or contributes to, a breach of <b>the Marketplace's</b> rules by another <b>ABM member firm</b> ; or
	1400.6	cause an order or a trade which do not reflect the <b>current market value</b> of that security to be put into <b>TradElect</b> <sup>®</sup> .

*Guidance to Rule:*

Order book conduct

An **ABM member firm** is at all times bound by suitability rule 1020.

An **ABM member firm** submitting an order to **TradElect**<sup>®</sup> is responsible for that order under the above Rule.

*Entry and deletion of orders*

All orders entered on to the **order book** are firm. While **the Marketplace** understands that trading decisions of **ABM member firms** may change, **ABM member firms** should not enter orders with the intention of deleting or otherwise amending them. This can give a potentially misleading impression of the level of liquidity in the market or the likely auction uncrossing price and volume to other participants. Such activity may constitute a breach of rule 1400.

Current market value

All orders placed in **TradeElect**<sup>®</sup> must reflect the **current market value** of the instrument in question and constitute genuine orders and trades.

**Inside information rules, good business conduct etc. [1405-1409 ]**

1405	<p>Subscription for, purchase, sale or exchange of fixed interest securities or incitement to such dispositions, must not be undertaken directly or indirectly for its own account or any other party's account by the <b>ABM member</b>, its officers or <b>employees</b> who are privy to inside information. This also applies to entering into, buying, selling, subscription rights, or exchanging options, or forward/futures contracts or equivalent rights linked to fixed interest securities or inciting such dispositions. Neither the <b>ABM member</b> nor anyone representing the <b>ABM member</b> shall have any involvement in trading in fixed interest securities for a customer if the <b>ABM member</b> or its representative is aware or should be aware that the customer is privy to inside information.</p> <p>Inside information means any information of a precise nature relating to financial instruments, the issuers thereof or other circumstances which has not been made public and is not commonly known in the market and which is likely to have a significant effect on the price of those financial instruments or of related financial instruments.</p> <p>Information of a precise nature means information which indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur and which is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of the financial instruments or related financial instruments.</p> <p>Information likely to have a significant effect on the price of financial instruments or of related financial instruments means information of the kind which a reasonable investor would be likely to use as part of the basis of his investment decisions.</p>
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The first paragraph applies only to the misuse of information as mentioned in that paragraph. The first paragraph does not prevent the normal performance of option or futures/forward contracts previously entered into upon the expiry of such contracts.

1406 The **ABM member**, its officers or **employees** who are privy to such inside information as defined in section 1405 must not pass such information to unauthorised parties. Any person with access to inside information is under a duty to show due care when handling such information so that the information does not come into the possession of unauthorised parties or be otherwise misused.

1407 Persons who are privy to inside information must not give advice to others about trading in the fixed interest securities to which the information pertains or in financial instruments related to the fixed interest securities.

1408 No one may use unreasonable business practices when trading in fixed interest securities or financial instruments linked to fixed interest securities. Good business practice must always be observed in all communications with the public at large or specific individuals that contain an offer or a solicitation to buy, sell or subscribe for fixed interest securities or that are in any other way intended to promote purchases and sales of fixed interest securities.

1409 ABM members must observe good market practice

**Market manipulation** [1410]

G 1410 An **ABM member firm** trading in a fixed interest security shall not do any act or engage in any course of conduct which may constitute market manipulation for the purposes of Section 3-8 of **Securities Trading Act**.

*Guidance to Rule:*

*In its efforts to avoid possible manipulation situations and should an **ABM member firm** have concerns about whether a particular trading strategy might be called into question by **the Marketplace**, they should contact the Market Surveillance Department on +47 22 34 19 11, as far in advance as possible, to discuss the proposed strategy. All such enquiries will be treated in the strictest confidence by **the Marketplace**.*

**System testing** [1420]

G 1420 An **ABM member firm** shall not submit orders or **trade reports** to **TradElect**<sup>®</sup> for the purpose of testing any systems or controls.

*Guidance to Rule:*

***The Marketplace** expects **ABM member firms** to test their systems or controls prior to submitting orders or **trade reports** to **TradElect**<sup>®</sup>. To enable this testing, **the Marketplace** offers **ABM member firms** a separate connection to a testing environment packaged within a number of services such as the Customer Development Service, Conformance Testing, High Volume Testing and Participant Test Weekends, in addition to the use of specific test segments on **TradElect**<sup>®</sup>. **ABM member firms** are encouraged to contact **the Marketplace** to discuss their testing requirements. **Exchange** approved testing undertaken by **ABM member firms** (including **the Marketplace** test segment on **TradElect**<sup>®</sup>) is not prohibited by this rule.*

*Testing on the **TradElect**<sup>®</sup> is prohibited as it has the potential to impact the market, particularly as testing may result in unusually priced and/or sized orders or trade reports being entered. **The Marketplace** relies on **ABM member firms** to submit only bona fide business to **TradElect**<sup>®</sup>. Submitting orders or **trade reports** to **TradElect**<sup>®</sup> for the purpose of testing an **ABM member firm's** or its direct market access customer's systems or controls is not an acceptable market practice.*

*This rule is not intended to preclude an **ABM member firm** from:*

- (a) *pursuing a bona fide trading strategy, as **principal** or on behalf of a **customer**, or from effecting trades in the normal course of its business. To ensure that the quality of **TradElect**<sup>®</sup> and the trading service is maintained, an **ABM member firm** should, on request, be able to demonstrate to **the Marketplace** that, in submitting an order or*

*trade report or pursuing a particular trading strategy, it acted pursuant to a bona fide trading strategy and not in order to test its systems or controls; or*

**ABM member firms** that require further information on how to conduct testing with **the Marketplace** should contact the Market Administration Department on +47 22 34 19 45.

## Systems and trading

### ABM member firm system problems [1500]

G 1500	Where an <b>ABM member firm</b> identifies a system problem it shall inform <b>the Marketplace</b> in accordance with notification rule 1050 and follow any subsequent instructions from <b>the Marketplace</b> . An <b>ABM member firm</b> may request the deletion of orders.
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*Guidance to Rule:*

*For the purposes of this rule, a system problem would include, but not be restricted to, one preventing:*

- an **ABM member firm** accessing its orders on **TradElect**<sup>®</sup>;
- an **ABM member firm** submitting a **trade report**;

Dealing during a systems failure:

*While an **ABM member firm** is experiencing a system failure it is not precluded from placing orders in the relevant fixed interest securities. However, the **ABM member firm** must ensure that any **on Exchange** trades are reported to **the Marketplace** in compliance with the rules.*

Orders:

***ABM member firms** are reminded that, while orders remain on **TradElect**<sup>®</sup> they are firm. Accordingly, it is essential that an **ABM member firm** contact **the Marketplace** as soon as possible when it experiences a system failure, especially if it wishes to have its orders deleted from the book.*

*Once the systems problem is rectified, the **ABM member firm** should contact the Market Administration Department on +47 22 34 19 45 to notify them of this fact. The **ABM member firm** can recommence order input to **TradElect**<sup>®</sup> as soon as the systems problem is rectified.*

Order deletion:

***ABM member firms** have primary responsibility for deleting their own orders. Where this is not possible, **the Marketplace** will aim to provide a back-up service to delete orders at **member ID** or at **Trader Group** level.*

*When contacting **the Marketplace** to request the deletion of an order, the **ABM member firm** must provide the following information:*

- the name of the **ABM member firm**;
- the **ABM member firm's** mnemonic;
- the **ABM member firm's** trader group;
- the identity of the caller and a contact number; and  
the reason for the request

*For single order deletions (up to a maximum of five), the **ABM member firm** must also provide the order code. If this is not available, the **ABM member firm** should provide:*

- the name of the security;
- whether it is a buy or a sell;
- the price and size; and
- the time the order was entered.

*If an **ABM member firm** requests the deletion of more than one order in a single fixed interest security, each of the orders will count towards the maximum allowed number of five order deletions. The Market Surveillance Department will normally delete all orders within a*

particular segment. However, upon application, the Market Surveillance Department will consider the deletion of individual orders providing the total of individual orders does not exceed five.

For mass order deletions, the **ABM member firm** must provide the following information:

- whether it wants all orders and deleted; and
- the specific segments to which the deletions should apply.

**ABM member firms** should be aware that all parked orders will be deleted during a mass order deletion performed by **the Marketplace**.

The Market Surveillance Department will attempt to delete orders as soon as possible after receipt of a valid request to do so.

Trade reporting:

Where an **ABM member firm** has a system problem that prevents it from submitting a **trade report** (where it has the responsibility to do so), the **ABM member firm** must immediately upon execution of the trade inform **the Marketplace**.

**The Marketplace** will determine what trade details it requires until such time as the problem is resolved. Such trades must be re-reported by the **ABM member firm** once the system problem has been resolved.

If **the Marketplace** is not informed of an **ABM member firm's** trade reporting difficulties, it will treat resultant late trade reports as breaches of rule 3020.

**Regulatory suspensions (trading halt) [1510-1513]**

G	1510	<b>The Marketplace</b> may prohibit any trade or class of trades from being dealt <b>on Exchange</b> .
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*Guidance to Rule:*

Examples of a regulatory suspension are:

- a suspension imposed by the competent authority or market operator for the venue (or one of the venues) of listing; or
- a suspension for orderly market reasons imposed by **the Marketplace**.

When a fixed interest security is suspended by **the Marketplace**, **the Marketplace** will delete any orders present in **TradElect**<sup>®</sup> in the suspended security.

Please note that Section 25 of the Exchange Act does not apply to regulatory suspensions pursuant to the Rule 1510-1513.

	1511	An <b>ABM member firm</b> shall not effect a trade in fixed interest securities in respect of which trades are prohibited under these rules or which are the subject of a <b>notice</b> or order suspending trading <b>on Exchange</b> other than in accordance with rule 1513.
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G	1512	Where an <b>ABM member firm</b> learns of a regulatory suspension declared by a venue of listing other than Oslo ABM on which a fixed interest security on <b>TradElect</b> <sup>®</sup> is listed, it should promptly notify <b>the Marketplace</b> and any other <b>ABM member firms</b> which approach it to deal in the affected fixed interest security on <b>TradElect</b> <sup>®</sup> .
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*Guidance to Rule:*

Where fixed interest securities traded on **the Marketplace** are primary listed on a foreign regulated market or exchange, the treatment of suspensions must be co-ordinated with the actions of primary market or exchange and the needs of the market.

G	1513	An <b>ABM member firm</b> may apply to <b>the Marketplace</b> for permission to effect trades in a fixed interest security in which trading is suspended by <b>the Marketplace</b> . Permission must be obtained in respect of each proposed <b>on Exchange</b> trade.
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*Guidance to Rule:*

Normally permission to effect trades in suspended fixed interest securities is only granted to enable the **ABM member firm** to:

- (i) fill a short position which was acquired before the suspension or prohibition was imposed;
- (ii) complete a derivative contract;
- (iii) wind-up a deceased **person's** estate; or
- (iv) .

Applications for permission to deal under this rule should be addressed to the Market Administration Department on +47 22 34 19 45 as far in advance of the planned trade date as possible.

#### **Market situations** [1520]

G	1520	<b>The Marketplace</b> may impose a temporary trading suspension or trading halt for a particular market, market segment, market sector or tradable instrument as <b>market situations</b> dictate.
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*Guidance to Rule:*

A **market situation** is most commonly used where an issue impacts a segment or market rather than a single tradable instrument.

If **ABM member firms** representing 75 % or more of trading in a market have system problems as mentioned in rule 1500 this will be considered a **market situation**.

If **ABM member firms** representing 25 % or less of trading in a market have system problems as mentioned in rule 1500 this will not be considered a **market situation**.

If **ABM member firms** representing between 25 % and 75 % of trading in a market have system problems as mentioned in rule 1500 **the Marketplace** will on a case-by-case basis determine whether this is to be considered as a **market situation**.

In connection with market situations, **the Marketplace** may inter alia

- suspend trading operations;
- limit trading operations;
- change the opening/closing of trading operations;
- limit the number of electronic connections per **ABM member firm**;
- generally limit the number for volume of trades or orders per electronic connection;
- limit the number or volume of trades or orders in one or more electronic connections;
- close one or several electronic connections.

#### **Conditional trades** [1540]

G	1540	An <b>ABM member firm</b> shall not effect a trade on <b>Exchange</b> subject to a condition precedent or condition subsequent without the prior consent of <b>the Marketplace</b> .
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*Guidance to Rule:*

Applications for permission to deal should be addressed to the Market Surveillance department tel. +47 22 34 19 11 as far in advance of the planned trade date as possible.

## **Limitation of Liability**

#### **Limitation of liability** [1600.1 – 1600.6]

1600	1600.1	<b>ABM member firms</b> and <b>the Marketplace</b> shall not be liable for damages incurred in connection with performance of their respective functions as regulated in the Rules, provided normal care is exercised.  <b>ABM member firms</b> and <b>the Marketplace</b> shall under no circumstances be liable in the circumstances set out in rules 1600.2 to 1600.6 below.
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1600.2 **ABM member firms and the Marketplace** shall not be liable for damages incurred due to force majeure or other extraordinary events.

Force majeure or any other extraordinary event shall be deemed to exist where the **ABM member firm or the Marketplace** or any subcontractor thereof or other entity exercising functions as regulated in the Rules is prevented, in whole or in part, from performing its obligations under the Oslo ABM Member and Trading Rules or where such performance may be deemed to be unreasonably burdensome due to national or foreign legislation, the actions of national or foreign governmental authorities, provisions or other measures from bodies within the European Economic Area (EEA), electricity outages, fire, water damages, telecommunications outages, strikes, blockades, lockouts, boycotts, natural disasters, acts of war, or other similar circumstances beyond the control of such party. The reservation in respect of strikes, blockades, lockouts and boycotts shall apply notwithstanding that the **ABM member firm or the Marketplace** is the object of, or executes, such measures.

In the event the **ABM member firm or the Marketplace** is prevented, in whole or in part, from executing measures pursuant to the Oslo ABM Member and Trading Rules as a consequence of circumstances set forth in the paragraph above, such performance may be postponed until such time as the impediment has terminated. In the event the **ABM member firm or the Marketplace** is prevented from making or receiving payment as a consequence of such circumstances, the parties shall not be liable for penalty interest (forsinkelsesrente), cf. law on penalty interest (forsinkelsesrenteloven) dated 17 December 1976 no 100.

1600.3 The **ABM member firm and the Marketplace** shall under no circumstances be liable for indirect or consequential damages, such as for example loss of data, lost profits or gains.

1600.4 **The Marketplace** shall under no circumstances be liable for damages incurred as a consequence of, or in conjunction with, the dissemination of public or non-public market information. **The Marketplace** shall not be obligated to notify or correct errors in **public** or non-public market information unless, in the opinion of **the Marketplace**, such notification or correction is reasonable and may be deemed to be of significance to the **ABM member firm**.

1600.5 **The Marketplace** shall under no circumstances be liable for damages incurred as a consequence of, or in conjunction with, any measures implemented by **the Marketplace** in connection with **market situations** pursuant to rule 1520.

1600.6 A claim for damages may be reduced or eliminated where the injured party has, through its own actions, caused or contributed to its loss or failed to mitigate its loss, whether directly or indirectly.

## Amendments to the Rules

1700

Amendments to the rules will enter into force one month after the amendments have been notified to the **ABM member firms** and published on **the Marketplace's** website. **The Marketplace** may in special circumstances shorten or prolong the one month period.

**The Marketplace** shall consult **ABM member firms** and other interested parties with a reasonable consultation period before amendments are announced save where such consultation is clearly unnecessary or impractical.

The procedure for making amendments to these rules may be waived where the amendments are the result of legislation, regulation, legal ruling, administrative decision or in other special cases.

# ORDER BOOK TRADING RULES

## Trades

### On Exchange trades [2000]

2000	A trade is <b>on Exchange</b> if the initial order was placed on the Oslo ABM <b>order book</b> .
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## Order entry

### Access to TradElect® and the responsibility of ABM member firms [2100-2109]

2100	Each order submitted to TradElect® shall be firm.
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G	2101	Any obligations and liabilities arising from the submission of electronic messages and orders to TradElect® under an <b>ABM member firm's</b> trading codes are the responsibility of that <b>ABM member firm</b> . The <b>ABM member firm</b> shall, at all times, have sufficient order management systems, procedures and controls designed to prevent the entry of erroneous orders to TradElect®.
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#### *Guidance to Rule:*

An **ABM member firm** is at all times bound by suitability rule 1020.

In determining whether an **ABM member firm** has met the requirements of rule 2101, **the Marketplace** may require information regarding the level of training and qualifications of individual traders, including the taking of any relevant examinations.

An **ABM member firm** submitting an order to TradElect® is responsible for that order.

#### Erroneous orders

An erroneous order is an order entered mistakenly where there was no intention to trade in the fixed interest security or an order where the terms entered, mistakenly, did not represent the intended transaction. For the avoidance of doubt the terms of an order include both price and size.

In determining whether an order is erroneous, **the Marketplace** will ask the **ABM member firm** for details of the background to the order. Below is a non-exhaustive list of scenarios where **the Marketplace** may query an order with an **ABM member firm**:

- orders that exceed **the Marketplace's** price monitoring thresholds.

**ABM member firms** should ensure that their systems are designed to identify and prevent the entry of erroneous orders to TradElect®. In determining whether an **ABM member firm's** systems are adequate in this regard, **ABM member firms** should consider the use of controls and system alerts, which may be based on some or all of the following:

- the last order book traded price (from the previous day if appropriate);
- the current spread in the market;
- trader, security-specific or firm-wide size and price limits;
- the likely movement in the price of the security if the order is submitted; and
- a minimum order size of a certain financial consideration per order.

The above list is not exhaustive and **ABM member firms** are likely to wish to develop their

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own bespoke controls and system alerts to prevent the entry of orders which, because of their price, size and nature, could impact on the smooth running of the market.

**ABM member firms** should aim to prevent the entry of all erroneous orders, and system alerts should be able to prevent the entry of orders containing errors which, because of their size and nature, may impact on the smooth running of the market.

The parameters for any such alerts should be determined by each **ABM member firm**, with reference to the nature of its business. Parameters should be set at levels such that, if no alert is generated in relation to any particular order, then the **ABM member firm** should be satisfied with the price(s) achieved.

**ABM member firms'** procedures and controls should be designed to ensure that orders are entered correctly and that any alerts generated are responded to appropriately.

**ABM member firms** should be aware that in deciding what action to take against an **ABM member firm** for the submission of any apparently erroneous order, **the Marketplace** will consider both the potential and the actual market impact. It will also have regard to the relative frequency with which the **ABM member firm** submits such orders.

G	2102	An <b>ABM member firm</b> should use the correct dealing capacity indicator, as described in the Market model, when submitting orders to <b>TradElect</b> <sup>®</sup> .
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G	2107	<b>The Marketplace</b> reserves the right to restrict or segregate an <b>ABM member firm's</b> access to and use of <b>TradElect</b> <sup>®</sup> as it sees fit.
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Guidance to Rule:

**The Marketplace** may decide to segregate an **ABM member firm's** access to and use of **TradElect**<sup>®</sup> in order to protect market orderliness or for other regulatory reasons.

As set out in the Market Model, Oslo ABM requires that some specific types of trading activity are identified by special **trader groups**. Otherwise, **the Marketplace** does not mandate how an **ABM member firm** should segregate its **order book** business at **trader group** level. **The Marketplace** reserves the right to do this as it sees fit. Typically, this would be where it suspects an **ABM member firm's** controls to be inadequate or inappropriate, or, more generally, where it considers this to be in the interest of maintaining a fair and orderly market.

For instance, where an **ABM member firm** chooses to use only one or a limited number of **trader groups** for its order flow, and the **ABM member firm** has repeated problems in relation to erroneous orders being entered by an **order routing customer**, **the Marketplace** may require that all orders from that **customer** are assigned to a specific **trader group**.

2108	<b>The Marketplace</b> reserves the right to delete any order submitted to <b>TradElect</b> <sup>®</sup> where <b>the Marketplace</b> believes it necessary in order to preserve market orderliness.
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2109	When using <b>TradElect</b> <sup>®</sup> an <b>ABM member firm</b> shall comply with the procedural, operational and technical requirements of <b>the Marketplace's</b> systems and networks as specified by <b>the Marketplace</b> from time to time.
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**Market enforced cancellation of erroneous trades [2120-2121]**

G	2120	<b>The Marketplace</b> views all trades undertaken under its rules as firm. However, <b>the Marketplace</b> may, in exceptional circumstances, undertake a <b>Market enforced cancellation</b> of a trade entered into <b>TradElect</b> <sup>®</sup> , either at the request of an <b>ABM member firm</b> or of its own volition. In considering an <b>ABM member firm's</b> request for a <b>Market enforced cancellation</b> , <b>the Marketplace</b> will have regard to a number of factors that are set out in the guidance below, and whether:
	2120.1	the request for a <b>Market enforced cancellation</b> is submitted to the Market Surveillance Department within a time period specified by <b>the Marketplace</b> in the guidance to this rule;
	2120.2	the <b>ABM member firm</b> requesting <b>the Marketplace enforced cancellation</b> provides appropriate information to the Market Surveillance Department as set out in the guidance below.;

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Guidance to Rule:

**The Marketplace** may, in its absolute discretion, cancel trades across all its markets, either in response to a request from an **ABM member firm** or of its own volition. **The Marketplace's** decision regarding a **Market enforced cancellation** is final.

Generally, **the Marketplace** will only consider an **ABM member firm's** request for a **Market enforced cancellation** when it considers, in its sole discretion, that to cancel the trade is in the best interests of the overall market.

Criteria for the consideration of a **Market enforced cancellation**

When considering an **ABM member firm's** request for a **Market enforced cancellation**, **the Marketplace** will generally have regard to the following non-exhaustive list of considerations:

- time elapsed since the trade(s) – any requests from **ABM member firms** to cancel trades should be made to the Market Surveillance Department as soon as possible and in any event within the end of the trade time.
- erroneous nature of the trade - any trades to be cancelled must be manifestly erroneous in the judgement of **the Marketplace**.

# OFF ORDER BOOK TRADING RULES

## Trades

### On Exchange trades [3000]

G	3000	A trade is <b>on Exchange</b> if one or both of the parties to the trade is an <b>ABM member firm</b> (whether as <b>agent</b> or as <b>principal</b> ) and the trade is effected in a fixed interest security <b>admitted to trading</b> on Oslo ABM.
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*Guidance to Rule:*

Where an **ABM member firm** is interposed between two principal trades entered at the same time and price and one trade has been reported for publication, there is no obligation to report the second leg to **the Marketplace**.

### Requirement to trade report [3010-3013]

#### **Obligation to trade report**

G	3010	A trade report shall be submitted to <b>the Marketplace</b> in respect of every <b>on Exchange</b> trade to which an <b>ABM member firm</b> is a party in accordance with the trade reporting responsibility rule 3012.
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*Guidance to Rule:*

Every **on Exchange** trade must have a **trade report**, whether it is to be published or not, with each trade representing a distinct market contract that will have the protection of **the Marketplace's** rules, including settlement. The absence of a **trade report** therefore means either:

1. the trade is an "off Exchange" trade; or
2. where there is other supporting evidence that a trade was intended to be **on Exchange**, a breach of **the Marketplace's** trade reporting responsibility rules.

**On Exchange agency crosses**, where there is only one contract, require a single **trade report**.

For the purposes of this rule, a trade is considered concluded or executed as soon as:

- (a) the terms of the trade with regard to the price and volume are agreed between the buyer and the seller; or
- (b) where a trade includes multiple legs and where an agreement on the terms of each of the legs is a pre-condition to the completion of the trade, the trade is completed when all the legs have been put in place and agreed

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G	3012	The following <b>trade reporting</b> responsibility rules apply, unless otherwise agreed in accordance with rule 3013:
	3012.1	a trade between an <b>ABM member firm</b> and a non-member, the <b>ABM member firm</b> reports;
	3012.2	a trade between two <b>ABM member firms</b> , the selling <b>ABM member firm</b> reports.

*Guidance to Rule:*

#### Rule 3012.1

This would include an **agency cross** where the orders are matched by the **ABM member firm**.

G	3013	In relation to rule 3012, where two <b>ABM member firms</b> agree at or prior to the time of the trade, the responsibility for trade reporting may be delegated to the other <b>ABM member firm</b> .
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*Guidance to Rule:*

*The rule recognises that **ABM member firms** may wish to delegate the trade reporting responsibility to the other **ABM member firm**. This may arise where an **ABM member firm** trades infrequently and hence wishes to always delegate the reporting process or where the non reporting **ABM member firm** wishes to gain protection under the **deferred publication** facility but the reporting **ABM member firm** does not.*

*See guidance for trade types under rule 3040.*

**Standard trade report deadlines** [3020-3021]

G	3020	Where a trade is executed during the <b>trade reporting period</b> , a <b>trade report</b> shall be submitted to <b>TradElect</b> <sup>®</sup> as close to real time as possible to, and in any case within 5 minutes of execution.
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*Guidance to Rule:*

***ABM member firms** should ensure that **trade reports** are submitted to **the Marketplace** as close to instantaneously as technically possible.*

***TradElect**<sup>®</sup> will instantaneously publish a **trade report** unless **deferred publication** is requested via the trade type indicator .*

	3021	Where a trade is effected outside the <b>trade reporting period</b> , a <b>trade report</b> shall be submitted at the start of the next <b>trade reporting period</b> and in any case within 09:00 CET.
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**Trade Publication** [3030-3035]

**Deferred publication**

G	3030	An <b>ABM member firm</b> may elect to use the deferred publication facility for all <b>manual trades</b> .
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*Guidance to Rule:*

*An **ABM member firm** may elect to delay the publication of a fixed interest securities trade by submitting a trade report with the relevant trade type.*

	3032	An <b>ABM member firm</b> may release a <b>deferred publication</b> trade for publication at any time prior to automatic publication.
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**Publication**

	3034	<b>The Marketplace</b> shall publish details of trades derived from <b>trade reports</b> as specified in the Market model.
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	3035	An <b>ABM member firm</b> may provide information in relation to an <b>on Exchange</b> trade elsewhere so long as such <b>ABM member firms</b> ensure that <b>on Exchange</b> trades are identified as such.
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**Required content of trade reports** [3040]

G	3040	An <b>ABM member firm</b> must ensure that the content of a <b>trade report</b> is accurate and entered in accordance with the guidance to this rule and the <b>Market model</b> .
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*Guidance to Rule:*

**Counterparty ID**

*Where the **customer** or **counterparty** is an **ABM member firm** that employs a **settlement agent**, the **member ID** for the **ABM member firm** must be used and not the **member ID** of*

the **settlement agent**.

Date and time of the trade

The time of execution of a 'give up', which should be shown as the trade time on the **trade report** for the 'give up', is the time at which the 'give up' is agreed between the two **ABM member firms** involved.

**ABM member firms** shall submit the exact date and time of when a trade is agreed to the nearest second. Therefore, the trade time submitted on a **trade report** should not automatically default to 00 seconds or any other automatic default of time traded.

Buy or Sell

The reporting party must state whether they are the buyer or the seller.

Trade type

Each **trade report** can only have one trade type indicator. An **ABM member firm** must therefore decide the most appropriate indicator in relation to the trade.

Price and Size of the trade

All **trade reports** must be the gross price (excluding any commission).

Dealing capacity of the **ABM member firm**

The dealing capacity must be either "A" for **agent**, or "P" for **principal**.

Converted currency

The converted currency indicator should be used if the execution is done in another currency and converted into the currency as stipulated by **TradElect**<sup>®</sup>.

Reporting condition

Where the terms of a trade conflict with the market conditions prevailing at the time of the trade, the reporting condition should be included. Examples where the reporting condition should be used include, but are not limited to:

- where the trade is for non standard settlement; or
- where a **negotiated trade** is subject to conditions other than the current market price of the fixed income instrument.

Unique trade identifier

Where a firm wishes to include a **unique trade identifier** this should be entered in the buy client reference field where the trade is a purchase or in the sell client reference field where the trade is a sale.

**Trade report corrections** [3050-3052]

3050	If an <b>ABM member firm</b> becomes aware of a <b>trade report</b> it has submitted in error, or of an error in a <b>trade report</b> submitted by it under the Rules, it shall immediately submit a correction to <b>TradElect</b> <sup>®</sup> .
3051	A correction to a <b>trade report</b> is to be made as soon as possible and in any case within the end of the trade reporting period. The correction shall be effected by cancelling the <b>trade report</b> , and if correcting an error to the <b>trade report</b> , submitting a new <b>trade report</b> .

# SETTLEMENT

## Obligation to settle [4000]

4000	An <b>ABM member firm</b> shall ensure that every <b>on Exchange</b> trade effected by it is duly settled.
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### *Guidance to Rule:*

*An **ABM member firm** is responsible for ensuring the delivery of financial instruments on the agreed settlement due date for all its **on Exchange** business in accordance with the rules of the relevant central securities depository, cf. Rule 1020.*

## Time of settlement [4010-4013]

4010	A three day settlement schedule (T+3) shall apply to trades unless otherwise stated in rule 4011, 4012 or 4013.
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4011	For trades in <b>fixed interest securities</b> with an initial period of time to maturity of 12 months or less a two day settlement schedule (T+2) shall apply.
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4012	The parties to <b>manual trades</b> may agree upon a deviating settlement schedule.
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4013	<b>The Marketplace</b> may decide upon a modification of the settlement schedule where special cause exists and in consultation with the party maintaining the register in respect of the instrument in question.
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# COMPLIANCE PROCEDURES

## Disciplinary process

Where the **Marketplace** believes there has been a breach of these rules by an **ABM member firm**, the **Marketplace** may commence disciplinary action against such **ABM member firm** in accordance with the provisions set out below. There are a number of factors which the **Marketplace** takes into account when considering what disciplinary action to take in relation to a rule breach.

- The seriousness, size and nature of the rule breach
- How the rule breach came to light
- The actual or potential market impact of the rule breach, and any other repercussions
- The extent to which the rule breach was deliberate or reckless
- The general compliance history of the **ABM member firm**, and specific history regarding the rule breach in question
- Consistent and fair application of the rules (any precedents of previous similar rule breaches)
- The responsiveness and conduct of the **ABM member firm** in relation to the matter under investigation.

The **Marketplace's** approach to regulation is aimed at maintaining the integrity, orderliness, transparency and good reputation of its markets and changing **ABM member firms'** behaviour in those markets where necessary. The **Marketplace** will investigate the facts of each case, seeking to understand why the rule breach occurred and will assess whether any remedial action the **ABM member firm** has taken is adequate to prevent similar future occurrence.

C100	Where an <b>ABM member firm</b> breaches law, regulations, these rules, good business practices, or otherwise demonstrates unsuitability to be a member, Oslo ABM may report the <b>ABM member firm</b> to the relevant authorities.
C101	<b>The Marketplace</b> may, in respect of any such breach: (i) Issue a warning to the <b>ABM member firm</b> ; (ii) Suspend the <b>ABM member firm</b> from participation in trading; (iii) Call attention to the situation by issuing public criticism (iv) Terminate the membership or withdraw the right to participate in trading, provided that the breach is material.
C102	The <b>ABM member firm</b> shall be informed that sanctions are under consideration and of the circumstances on which this is based. The <b>ABM member firm</b> shall have reasonable time to express its views before Oslo ABM makes its decision.
C103	An <b>ABM member firm</b> in respect of whom a decision is taken regarding termination of membership or withdrawal of authorisation, shall be notified in writing of the decision and the grounds for the decision.
C104	A decision to impose sanctions and the reasons for the decision shall be published by Oslo ABM unless there are particular reasons for not doing so.