



OSLO BØRS

OSLO STOCK EXCHANGE

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# Merkur Market Member and trading rules

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## DOCUMENT HISTORY

Version	Date	Description
1.0	29.09.2015	Migration of Burgundy MTF rulebook to MERKUR MARKET
1.1	07.12.2015	Minor amendment to wording and scope of C 102
1.2	01.01.2017	Clarification of Rule 3040 ( <b>negotiated trade</b> ) and some other minor amendments.
2.0	03.01.2018	Amendments to the Merkur Market Member and trading rules in preparation for the Markets in Financial Instruments Directive (Directive 2014/65/EU) and general rulebook review
2.1	01.10.2018	Amendment in connection with the entry into force of GDPR.
2.2	01.01.2019	Update of references in connection with the repeal of the Stock Exchange Act and the Stock Exchange Regulations and amendments to the Securities Trading Act and the Securities Regulations entering into effect as of 1 January 2019.

## THE RULEBOOK

### Introduction

The Rulebook applies to MERKUR MARKET, an MTF operated by Oslo Børs ASA. The Rulebook comprises a complete set of rules on membership conditions and trading rules in relation to both trading in equities and fixed income securities as further described below.

The Rulebook is in relation to layout and content based on the rule book for Oslo Børs/Oslo Axess and Nordic ABM rules, however the **Marketplace** has sought in cooperation with its members to make the amendments required in order to accommodate the rules to market trading practices, current and anticipated legislation.

### Instruments

In order for a Financial Instrument to be eligible for trading on MERKUR MARKET, the Financial Instrument must fulfill the requirements determined by the **Marketplace** at any given time. A Financial Instrument or the underlying asset of a Financial Instrument may be subject to a corporate action. Information about corporate actions in Financial Instruments, such as *shares* or equivalent instruments, is normally disseminated to the market by the issuer of the Instrument.

Additions and removals of tradable Financial Instruments on **MERKUR MARKET** and other changes affecting the trading and the Financial Instruments traded on the MTF will be communicated to the members. The Rulebook has been prepared in an English version only. The latest updated version of the Rulebook is at any given time available on [www.oslobors.no](http://www.oslobors.no).

For information on how Oslo Stock Exchange process personal data, please see the privacy policy on [www.oslobors.no](http://www.oslobors.no).

### 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 MERKUR MARKET member firms 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
Market Making Rules	4000	Rules applying to market making
Settlement and Clearing Rules	5000	Rules applying to settlement and clearing
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 **MERKUR MARKET 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. A breach of the guidance is evidence of a breach of the rule.

As a starting point all of the Rules apply equally to both trading in **equities** and **fixed income securities**. Where a rule is only relevant to trading in **equities** or **fixed income securities** this is expressly stated in the wording of the rule.

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

Trading outside the **order book** in **securities admitted to trading** may be conducted on **Marketplace** or **off Marketplace**. If the parties agree that the trade should be **on Marketplace**, they are required to report the trade as **manual trade** in accordance with the Off Order Book Trading Rules. Such **on Marketplace** off book trades are regulated by these Rules. **Off Marketplace off book** trades, however, are not subject to these Rules. The parties may nevertheless report an **off Marketplace off book** trade to **Oslo Børs' APA** as a **manual trade**.

Reported **manual trades** in **equities**, which are not brought **on Marketplace**, must not duplicate an **on Marketplace trade report** or a transaction reported through another **APA** unless the code 'DUPL' is inserted in a reprint field to enable recipients of the data to differentiate between the original trade report and any duplicates of that report. Hence, the reporting entity should certify either;

- a) that it only reports a transaction in a particular financial instrument through one **APA**;
- b) to use an identification mechanism which flags one report as the original one ('ORGN'), and all other reports of the same transaction as duplicates ('DUPL').

In general, the Rulebook contains relevant legal provisions (the rights and obligations that the **Marketplace** and the **MERKUR MARKET member firms** are subject to while descriptions of trading functionality available in the **trading system** can be found in supplementary documentation. Accordingly, attached to the Rulebook are 'MERKUR MARKET Market Model Fixed Income' and 'MERKUR MARKET Market Model Equities'. These documents set out the more specific trading conditions and characteristics of the two respective markets. The **Market models** will be continuously updated in order to ensure that they fully and accurately describe the operation of tradable instruments in the various segments of the **Marketplace's** markets. The **Market models** are part of the Rulebook and are equally binding on the **MERKUR MARKET member firms**. The latest updated version of the **Market models** will at any given time be found on our website together with the Rulebook.

By reporting an **off Marketplace off book** trade to **Oslo Børs' APA**, the member has accepted the terms of the Oslo Børs' Approved Publication Arrangement. These trades are subject to these rules except sections 1.6, 1.7, 2, 3.1.1, 3.1.2, 4 and 5.

Oslo Børs ASA may assign part or all of its rights and obligations according to the Trading Participant Agreement and the Rules, to any company which undertakes to operate the trading system and has the appropriate regulatory approvals to do so. Such a transfer or assignment of rights and obligations will be notified to the Trading Participants and will enter into force at the earliest one (1) month following such notice.

The Trading Participant is not entitled to transfer or assign its rights and obligations according to the Trading Participant Agreement and the Rules, without prior written approval by Oslo Børs ASA.

## DEFINITIONS

<b>admitted to trading</b>	admission to trading on the <b>Marketplace's</b> markets
<b>agency cross</b>	a trade by which a <b>MERKUR MARKET 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>	a <b>MERKUR MARKET member firm</b> acting on behalf of a <b>customer</b> or <b>counterparty</b> in an agency capacity
<b>algorithmic trading</b>	means trading in financial instruments where a computer algorithm automatically determines individual parameters of <b>orders</b> such as whether to initiate the <b>order</b> , the timing, price or quantity of the <b>order</b> or how to manage the <b>order</b> after its submission, with limited or no human intervention [as defined in <b>MiFID</b> article 4 (39)]
<b>any other trading capacity</b>	dealing capacity other than <b>dealing on own account</b> and <b>matched principal</b> . <b>Any other trading capacity</b> includes an <b>agency cross</b> .
<b>APA</b>	Approved Publication Arrangement, cf. Article 4(1)(6) of MiFID
<b>automatic trades</b>	trades effected automatically on an <b>Marketplace order book</b> , cf. Rule 2000
<b>bid price</b>	the price at which a <b>MERKUR MARKET member firm</b> is prepared to buy <b>securities</b>
<b>business day</b>	any day on which the <b>Marketplace</b> is open for trading
<b>buyer</b>	(a) a <b>MERKUR MARKET member firm</b> purchasing securities from another <b>MERKUR MARKET member firm</b> or <b>customer</b> ; or  (b) in the case of a <b>central counterparty trade</b> a <b>matched buyer</b> .
<b>central counterparty</b>	a body that assumes the risk for <b>central counterparty trades</b> by acting as the selling party to a <b>matched buyer</b> and as the buying party to a <b>matched seller</b> or their <b>clearing member</b> , as appropriate
<b>central counterparty contract</b>	any contract arising between <b>clearing members</b> and a <b>central counterparty</b> , resulting from a <b>central counterparty trade</b>
<b>central counterparty rules</b>	the rules, general regulations, default rules and procedures of a <b>central counterparty</b>

<b>central counterparty security</b>	shares, equity certificates, depositary receipts, <b>Marketplace traded funds</b> and any other instruments which have been designated by the <b>Marketplace</b> and a <b>central counterparty</b> as eligible for central counterparty processing
<b>central counterparty trade</b>	an electronically matched order on the <b>trading system</b> in a <b>central counterparty security</b>
<b>clearing agreement</b>	an agreement entered into between the <b>Marketplace</b> and a <b>central counterparty</b> regulating the relationship between the <b>Marketplace</b> and the <b>central counterparty</b> in relation to the <b>central counterparty's</b> clearing of trades dealt in <b>central counterparty securities</b>
<b>clearing declaration</b>	a declaration which shall be submitted to the <b>central counterparty</b> by a <b>General Clearing Member</b> for each of its <b>Non Clearing Members</b> stating that the <b>General Clearing Member</b> accepts that all of the <b>Non Clearing Member's central counterparty trades</b> will be cleared by the <b>General Clearing Member</b> on behalf of the <b>Non Clearing Member</b> in accordance with the terms of the <b>General Clearing Member's clearing membership agreement</b>
<b>clearing member</b>	a <b>General Clearing Member</b> or a <b>Direct Clearing Member</b>
<b>clearing membership agreement</b>	the agreement entered into between a <b>central counterparty</b> and a <b>clearing member</b> under which, amongst other things, a <b>central counterparty</b> agrees to make available clearing services in respect of <b>central counterparty contracts</b>
<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 a <b>MERKUR MARKET member firm</b> undertakes a trade <b>on Marketplace</b> and including (where applicable) a <b>central counterparty</b>
<b>current market value</b>	means prices, which upon a comprehensive assesment, reflect the current pricing of the <b>Instrument</b> in question.
<b>customer</b>	a <b>person</b> for whom a <b>MERKUR MARKET member firm</b> undertakes a trade or otherwise performs services <b>on Marketplace</b>
<b>dealing on own account</b>	means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments

<b>deferred publication</b>	a facility for <b>MERKUR MARKET member firms</b> to delay the publication of a trade for a period of time dependent on its size as set out in <b>MiFID</b> and reflected and in accordance with the thresholds detailed in the parameters
<b>Direct Clearing Member</b>	a <b>MERKUR MARKET member firm</b> that is party to a valid and subsisting <b>clearing membership agreement</b> with a <b>central counterparty</b> and which may clear with the <b>central counterparty trades</b> dealt by the <b>MERKUR MARKET member firm</b> itself and <b>central counterparty trades</b> dealt by its customers
<b>direct electronic access</b>	an arrangement whereby a <b>member firm</b> provides <b>direct market access</b> and/or <b>sponsored access</b> services
<b>direct market access</b>	a service provided by a <b>MERKUR MARKET member firm</b> through which a <b>customer</b> is able to submit orders to the <b>trading system</b> under the <b>MERKUR MARKET member firm's</b> trading codes and via the <b>MERKUR MARKET member firm's</b> order management systems, but without manual intervention by the <b>MERKUR MARKET member firm</b> (and where the <b>customer</b> can exercise discretion regarding the exact fraction of a second of <b>order</b> entry and lifetime of the <b>order</b> within that timeframe)
<b>EEA</b>	the European Economic Area
<b>EEA regulated market</b>	a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of <b>MiFID</b>
<b>employee</b>	in relation to a <b>MERKUR MARKET member firm</b> a director, partner or principal or <b>person</b> employed in or about the firm's business as a <b>MERKUR MARKET 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>equities</b>	shares, depository receipts, <b>equity certificates</b> , <b>warrants</b> , <b>financial certificates</b> , <b>exchange traded funds</b> , and other instruments that are <b>admitted to trading</b> in any of the segments defined in the <b>Market model equities</b>



<b>equity certificates</b>	equity securities issued by Norwegian savings banks which are not organised as limited liability companies
<b>exceptional circumstances</b>	the meaning given to it in Article 3 of Commission Delegated Regulation (EU) 2017/578
<b>exchange traded fund</b>	a financial instrument <b>admitted to trading</b> in accordance with the Marketplace's ETF Rules
<b>financial certificates</b>	a financial instrument <b>admitted to trading</b> as a financial certificate in accordance with the <b>Marketplace's</b> Warrant and ETN Rules
<b>fixed income security</b>	a security that is <b>admitted to trading</b> in any of the segments defined in the MERKUR MARKET <b>Market model Fixed income</b>
<b>foreign</b>	non-Norwegian
<b>General Clearing Member</b>	a <b>MERKUR MARKET member firm</b> that is party to a valid and subsisting <b>clearing membership agreement</b> with a <b>central counterparty</b> and which may clear with the <b>central counterparty, central counterparty contracts</b> resulting from <b>central counterparty trades</b> dealt by the <b>MERKUR MARKET member firm</b> itself, trades dealt on behalf of its customers or also other <b>MERKUR MARKET member firms'</b> trades, or a non- <b>MERKUR MARKET member firm</b> as mentioned in Rule 1005.
<b>LEI</b>	the Legal Entity Identifier, a unique code based on the ISO standard 17442
<b>liquidity provider</b>	a <b>MERKUR MARKET member firm</b> that has entered into an agreement with an <b>issuer</b> to provide liquidity for a given security
<b>manual trades</b>	trades that are not <b>automatic trades</b>
<b>Market model equities</b>	MERKUR MARKET <b>Market Model Equities</b>
<b>Market model fixed income</b>	MERKUR MARKET <b>Market Model Fixed Income</b>
<b>market maker</b>	in relation to securities designated by the <b>Marketplace</b> , a <b>MERKUR MARKET member firm</b> which is registered as a market maker and is obliged to quote prices in specific securities

<b>market making agreement</b>	the agreement entered into between a member firm and the <b>Marketplace</b> whereby the member firm agrees to act as a market maker in specific securities
<b>Market models</b>	MERKUR MARKET <b>Market model Equities</b> and MERKUR MARKET <b>Market Model Fixed income</b>
<b>Marketplace</b>	MERKUR MARKET, as operated and organised by <b>Oslo Børs ASA</b> , including, where the context so permits, any committee, sub-committee, employee or officer of Oslo Børs ASA to whom any function of Oslo Børs ASA may for the time being be delegated
<b>Marketplace enforced cancellation</b>	the cancellation by the <b>Marketplace</b> of a trade either in response to a request from a party to the trade or undertaken unilaterally by the Marketplace. Discretion as to whether or not to cancel a trade lies solely with the Marketplace
<b>Marketplace price list</b>	the price list of the Marketplace, from time to time, as available on the Marketplace's web-site.
<b>market situation</b>	a general term used to describe one or more issues that may impact the orderliness of trading multiple securities, this may include <b>exceptional circumstances</b>
<b>matched buyer</b>	a <b>MERKUR MARKET member firm</b> on the buy side of an electronically matched order on the <b>trading system</b>
<b>matched principal</b>	a <b>MERKUR MARKET member firm</b> or other <b>person</b> interposing itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where it makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction
<b>matched seller</b>	a <b>MERKUR MARKET member firm</b> on the sell side of an electronically matched order on the <b>trading system</b>
<b>MERKUR MARKET member firm</b>	a partnership, corporation, legal entity or sole practitioner admitted to <b>Marketplace</b> membership and whose membership has not been terminated. For the purposes of the <b>compliance procedures</b> , <b>MERKUR MARKET member firm</b> shall include a former <b>MERKUR MARKET member firm</b> where appropriate

<b>member ID</b>	the highest level of identification of a <b>MERKUR MARKET member firm</b> in the trading system
<b>membership profile</b>	the trading and non trading profile of a <b>MERKUR MARKET member firm</b> as held by the <b>Marketplace</b>
<b>MiFID</b>	Markets in Financial Instruments Directive [Directive 2014/65/EU]
<b>MiFID transparent security</b>	a financial instrument admitted to trading on an <b>EEA regulated market</b>
<b>MiFIR</b>	Markets in Financial Instruments Regulation No. 600/2014
<b>MTF</b>	MERKUR MARKET, a Multilateral Trading Facility, wholly owned by the <b>Marketplace</b> . A MTF means a multilateral system which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provision of MiFiD.
<b>National ID</b>	the identifier set out in Article 6 and Annex II of the Commission Delegated Regulation (EU) 2017/590
<b>negotiated trade</b>	a trade conducted in an <b>EU regulated market equity</b> that is not subject to pre-trade transparency on the <b>trading system</b> and which executed is on terms that are no worse than those that could be achieved on the relevant <b>Marketplace order book</b> at the time of the trade. In an illiquid equity security where there is no spread on the relevant order or quote book at the time of the trade the negotiated trade shall be within a percentage of a suitable reference price as set out in the parameters. In the absence of a suitable reference price the <b>Marketplace</b> will consider whether the trade price is reasonable taking in to account the market conditions at the time of the trade.
<b>Non Clearing Member</b>	a <b>MERKUR MARKET member firm</b> that is not a <b>clearing member</b> in respect of a particular trade
<b>non-MiFID firm</b>	<b>MERKUR MARKET member firms</b> that are not subject to MiFIR and MiFID or legislation implementing MiFIR art 25, 26 and 27
<b>Norway</b>	the Kingdom of Norway
<b>notice</b>	any notice issued by the <b>Marketplace</b> from time to time to <b>MERKUR MARKET member firms</b> generally or to any class of <b>MERKUR MARKET member firms</b>

<b>offer price</b>	the price at which a <b>MERKUR MARKET member firm</b> is prepared to sell <b>securities</b>
<b>off Marketplace off book</b>	a trade reported to <b>Oslo Børs' APA</b>
<b>on Marketplace</b>	a trade executed under the Rules of the <b>Marketplace</b> as defined by Rules 2000 (on book) & 3000 (off book)
<b>order book</b>	a facility operated by the <b>Marketplace</b> for the electronic submission and (where applicable) automatic execution of orders in <b>order book securities</b> .
<b>order book security</b>	a security which the <b>Marketplace</b> has admitted to trading on an <b>order book</b>
<b>Oslo Børs' APA</b>	<b>Oslo Børs' Approved Publication Arrangement</b> , cf. Article 4(1)(6) of MiFID
<b>person</b>	an individual, corporation, partnership, association, trust or other entity as the context admits or requires
<b>principal</b>	a <b>MERKUR MARKET member firm</b> or other <b>person</b> acting as principal
<b>regular trading day</b>	the period of regular trading or order entry, including any closing auction call, as defined from time to time in the <b>Market models</b>
<b>relevant contracts</b>	any contracts arising between the <b>Marketplace</b> and a <b>MERKUR MARKET member firm</b> , including but not limited to the Membership Agreement
<b>relevant market</b>	the trading venue with the highest turnover within the European Economic Area for that financial instrument
<b>Rules</b>	the rules set out in this document
<b>securities</b>	<b>equities</b> and <b>fixed income securities</b>
<b>Securities Trading Act</b>	<b>Norwegian</b> Securities Trading Act of 29 June 2007 No 75
<b>Securities Trading Regulations</b>	<b>Norwegian</b> Securities Trading Regulations of 29 June 2007 No 876
<b>seller</b>	(a) a <b>MERKUR MARKET member firm</b> selling securities to another <b>MERKUR MARKET member firm</b> or <b>customer</b> ; or (b) in the case of a <b>central counterparty trade</b> a <b>matched seller</b> .

<b>settlement agent</b>	a <b>person</b> providing settlement services
<b>settlement procedures</b>	the '5000' series of these Rules regarding settlement of <b>on Marketplace</b> trades
<b>SI trade</b>	a trade report registered by a systematic internaliser as defined by MiFID
<b>sponsored access</b>	a direct technical connection that enables a <b>customer</b> to access the <b>trading system</b> directly under a <b>MERKUR MARKET member firm's</b> trading codes. <b>Orders</b> submitted in this manner do not pass through the order management systems of the sponsoring <b>MERKUR MARKET member firm</b> but will pass through the <b>Marketplace's</b> controls and where the <b>customer</b> can exercise discretion regarding the exact fraction of a second of <b>order</b> entry and lifetime of the <b>order</b> within that timeframe
<b>trade report</b>	a report of the details of an off book trade which is made to the <b>trading system</b> and which may be published subject to certain criteria. A trade report may be either <b>on Marketplace</b> off book or <b>off Marketplace off book</b> .
<b>trade reporting period</b>	the period each day when the <b>trading system</b> accepts <b>trade reports</b> as defined from time to time in the <b>Market models</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
<b>trading day</b>	the <b>regular trading day</b> and the <b>trade reporting period</b>
<b>trading system</b>	the <b>trading system</b> operated by the <b>Marketplace</b> from time to time
<b>transaction reporting fields</b>	means, for <b>non-MiFID firms</b> , certain fields contained in the annex to Commission Delegated Regulation (EU) 2017/590 that the <b>Exchange</b> may require to be submitted for the purposes of meeting its transaction reporting obligation
<b>unique trade identifier</b>	a unique reference assigned to a transaction by either a <b>MERKUR MARKET member firm</b> or, for a transaction where a <b>trade report</b> is generated automatically by the <b>Marketplace's</b> systems, the trade code assigned by the <b>trading system</b> to such <b>trade report</b>
<b>warning notice</b>	a letter issued by the <b>Marketplace</b> to a <b>MERKUR MARKET member firm</b> outlining any relevant rule breach

# 1 CORE RULES

## 1.1 MERKUR MARKET MEMBER FIRMS

### 1.1.1 CATEGORIES OF MEMBERSHIP [1000-1005]

G	1000	The <b>Marketplace</b> may permit membership under one of the following categories:
	1000.1	a full <b>MERKUR MARKET member firm</b> ;
	1000.2	an equity <b>MERKUR MARKET member firm</b>
	1000.3	a fixed income <b>MERKUR MARKET member firm</b>
	1000.4	a limited <b>MERKUR MARKET member firm</b>

#### *Guidance to Rule:*

*For the purposes of these Rules, references to **MERKUR MARKET member firm** includes all categories of membership as defined above, save that an equity **MERKUR MARKET member firm** may trade only in equities, a fixed income **MERKUR MARKET member firm** may trade only in **fixed income securities**, while a limited **MERKUR MARKET member firm** may trade in certain segments or securities as further defined by the **Marketplace**.*

*A membership is approved on application, subject to the procedure, terms and conditions set by the **Marketplace** from time to time. The application process will include a due diligence assessment of the prospective **MERKUR MARKET member firm** undertaken by the **Marketplace**.*

#### **General Clearing Member**

G	1005	An entity which has been accepted as a <b>General Clearing Member</b> by a <b>central counterparty</b> which the <b>Marketplace</b> has entered into a <b>clearing agreement</b> with for clearing of trades on the <b>Marketplace</b> may clear <b>central counterparty securities</b> matched in the <b>trading system</b> without being a <b>MERKUR MARKET member firm</b> with the <b>Marketplace</b> provided that such <b>clearing member</b> has <ul style="list-style-type: none"><li>• entered into a legally valid, binding and subsisting <b>clearing membership agreement</b> with such <b>central counterparty</b>; and</li><li>• signed a legally valid, binding and subsisting declaration to the <b>Marketplace</b> that it shall be bound by the applicable Settlement and Clearing Rules, i.e. the rules beginning with 5000 and the <b>compliance procedures</b>.</li></ul>
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#### *Guidance to Rule:*

*The clearing membership agreement and the declaration must be sent to the **Marketplace** and approved by the **Marketplace** before the clearing member in question may commence clearing of **central counterparty securities**.*

### 1.1.2 AUTHORISATION [1010-1015]

G	1010	A <b>MERKUR MARKET member firm</b> must at all times be authorised under relevant Norwegian, or appropriate <b>EEA</b> or overseas legislation, or in the view of the <b>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** that is a legal entity to be appropriately authorised or sufficiently regulated if that **person** is:

1. an investment firm, as defined under Directive 2014/65/EU, which is authorised or permitted within the meaning of that Directive to carry on a regulated activity, or the equivalent of a regulated activity, in its home state;
2. a credit institution, as defined under Directive 2013/36/EU, which is authorised or permitted within the meaning of that Directive to carry on a regulated activity, in its home state;
3. any other person who:
  - a. is of sufficiently good repute;
  - b. has a sufficient level of trading ability, competence and experience;
  - c. has, where applicable, adequate organisational arrangements; and
  - d. has sufficient resources for the role they are to perform and, where applicable, clearing and settlement arrangements.

An applicant which is seeking authorisation under relevant Norwegian or equivalent foreign legislation 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 a **person's** application for membership may include, but is not limited to, consideration of:

- the scope of its authorisation or applicable exemption, including where relevant, under any applicable local law or regulation;; and
- evidence of satisfactory regulation of the applicant's financial integrity and fitness and probity, and compliance with Rule 1020.

Where the **Marketplace** deems it necessary to protect the integrity of the **Marketplace**, action may be taken under Rule 1013 without prior notice to the **MERKUR MARKET member firm** concerned.

The **Marketplace** may require to perform such due diligence as it sees fit of members who are not credit institutions or investment firms under **EEA** legislation.

The **Marketplace** shall, once a year, conduct a risk-based assessment of the compliance of the **MERKUR MARKET member firms** with the conditions referred to in Commission delegated regulation (EU) 2017/584 art 7 paragraph 1 and check whether the **MERKUR MARKET member firms** are still authorised or otherwise sufficiently regulated in accordance with Rule 1010. The risk-based assessment shall take into account the scale and potential impact of trading undertaken by the **MERKUR MARKET member firm** as well as the time elapsed since the **MERKUR MARKET member firm's** last risk based assessment.

1011	A <b>MERKUR MARKET member firm</b> must hold a valid, issued and duly renewed LEI at all times.
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1012	<b>Non-MiFID member firms</b> must provide the <b>Marketplace</b> with the <b>required transaction reporting fields</b> for their <b>on Marketplace</b> trades in the format and within the timescale prescribed by the <b>Marketplace</b> , from time to time.
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*Guidance to Rule:*

*In addition to Rule 1011, where a customer of a non-MiFID firm is eligible for an LEI code, the non-MiFID firm must ensure it has obtained the LEI from its customer before any trades are executed on Marketplace on behalf of the customer, including by way of direct market access.*

1013	<b>Non-MiFID member firms</b> shall have appropriate controls in place to ensure that the required <b>transaction reporting fields</b> are accurately populated.
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1014	If, at any time, a <b>MERKUR MARKET member firm</b> does not comply with Rule 1010, Rule 1011, rule 1012 or is sanctioned by an authority responsible for the supervision or regulation of regulated activity, the <b>Marketplace</b> may:
1014.1	restrict the scope of <b>on Marketplace</b> business conducted by the <b>MERKUR MARKET member firm</b> ; or
1014.2	terminate the membership of the <b>MERKUR MARKET member firm</b> in accordance with the <b>compliance procedures</b> .

### 1.1.3 SUITABILITY [1020-1026]

G 1020	A <b>MERKUR MARKET member firm</b> must, to ensure compliance with these Rules, at all times have:
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 the <b>Marketplace</b> and be competent to advise the <b>MERKUR MARKET member firm</b> and its <b>employees</b> on the application of these Rules.

*Guidance to Rule:*

*The **Marketplace** may undertake an assessment of a member firm’s compliance with these rules at any time, including a member firm’s compliance with the requirements set out in Commission Delegated Regulation (EU) 2017/584. In order to support this assessment, the **Exchange** will ask for such reasonable information it deems fit from a member firm. Where this is the case, member firms are required to respond in a timely and complete manner.*



1021	Where the <b>Marketplace</b> has reason to believe that a <b>MERKUR MARKET member firm</b> is not conducting, or may not conduct, its operations in accordance with Rule 1300, 1305 and 1310, and that requirements or restrictions are reasonably necessary to ensure that it does so, the <b>Marketplace</b> may at any time:
1021.1	suspend, either in part or in full, a <b>MERKUR MARKET member firm's</b> membership on the <b>Marketplace</b> in accordance with the <b>compliance procedures</b> or its access to any of the <b>Marketplace's</b> services; or
1021.2	restrict the scope of <b>on Marketplace</b> business conducted by the <b>MERKUR MARKET member firm</b> .

G 1022	In accordance with notification Rule 1050, a <b>MERKUR MARKET member firm</b> shall notify the <b>Marketplace</b> immediately of any matter that is material to the <b>MERKUR MARKET member firm's</b> suitability as a <b>MERKUR MARKET 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 debt settlement proceedings or bankruptcy of the **MERKUR MARKET member firm** or of a company which is a subsidiary or holding company of the **MERKUR MARKET member firm**;*
- (ii) the appointment of a receiver, administrator or trustee of the **MERKUR MARKET member firm**;*
- (iii) the making of a composition or arrangement with creditors of the **MERKUR MARKET member firm**;*
- (iv) a company proposal or decision to dissolve the **MERKUR MARKET member firm**, including receipt of a notice of dissolution from any public authority and the filing of a claim for dissolution by a shareholder*
- (v) the imposition of disciplinary measures or sanctions on the **MERKUR MARKET member firm** or any **employee** by any statutory, professional or other body exercising a regulatory or disciplinary jurisdiction with regard to the provision of regulated activity or matters related thereto, whether within Norway or elsewhere;*
- (vii) an event equivalent to those identified in (i) to (v) 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 a **MERKUR MARKET member firm's** authorisation.*

G 1023	A <b>MERKUR MARKET 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 the <b>Marketplace</b> under these Rules;
1023.3	the provisions of any <b>notice</b> ; and
1023.4	any requirement, decision or direction of the <b>Marketplace</b> .

*Guidance to Rule:*

*A **MERKUR MARKET member firm** may appeal against a decision of the **Marketplace** pursuant to these Rules and in accordance with Rule 1040*

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

1024	A <b>MERKUR MARKET member firm</b> shall take all reasonable steps to ensure that its <b>employees</b> comply with all applicable obligations arising under these Rules.
1025	A former <b>MERKUR MARKET 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 a <b>MERKUR MARKET member firm</b> ;  1025.2 the date on which all of its <b>on Marketplace</b> trades are settled and completed; or  1025.3 the date on which all outstanding subscriptions, charges or other sums due to the <b>Marketplace</b> have been paid in full.
1026	Breaches of these Rules conducted by a former <b>MERKUR MARKET member firm</b> prior to termination of membership may be sanctioned by the <b>Marketplace</b> in accordance with the <b>compliance procedures</b> .

#### 1.1.4 RESIGNATION OF MEMBERSHIP [1030-1031]

G 1030	A <b>MERKUR MARKET member firm</b> may resign by giving the <b>Marketplace</b> at least one month's prior written notice.
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*Guidance to Rule:*

*The one month's notice period will be counted from the end of the month in which the **MERKUR MARKET member firm's** resignation was received by the **Marketplace**.*

1031	A <b>MERKUR MARKET 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 upon such notice as otherwise determined by the <b>Marketplace</b> .
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#### 1.1.5 APPEALS AND COMPLAINTS [1040]

G 1040	An applicant or <b>MERKUR MARKET member firm</b> may appeal against a decision of the <b>Marketplace</b> pursuant to these Rules and in accordance with the rules in the <b>compliance procedures</b> .
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*Guidance to Rule:*

*Appeals may be made in connection with the following situations:*

- *daily fines or violation charges imposed by the **Marketplace**.*

*Any appeal under this rule shall be conducted in accordance with the procedures set out in the **compliance procedures**.*

#### 1.1.6 NOTIFICATIONS [1050-1051]

##### **Immediate notifications**

G 1050	A <b>MERKUR MARKET 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 the <b>Marketplace</b> of such circumstances in as much detail as is available to it. Failure of a <b>MERKUR MARKET member firm</b> to notify the <b>Marketplace</b> in such circumstances may result in a contravention of the Rules by the <b>MERKUR MARKET member firm</b> .
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*Guidance to Rule:*

*Such notifications should be made to the Market Surveillance Department.*

##### **Advance notifications**

G 1051	A <b>MERKUR MARKET member firm</b> shall notify the <b>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 **MERKUR MARKET member firm**;
- senior executive officer or compliance officer of the **MERKUR MARKET member firm**;
- access to the **trading system**;
- scope of settlement and clearing arrangements in relation to **on Exchange** business including settlement and clearing codes; and
- termination of clearing membership agreement in accordance with Rule 5220.

Such notifications should be made to the Market Surveillance Department.

#### 1.1.7 TRADE CONFIRMATIONS [1060]

G	1060	A <b>MERKUR MARKET member firm</b> shall not inform a <b>customer</b> that a trade is subject to the Member and Trading Rules unless the trade is <b>on Marketplace</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. A **MERKUR MARKET 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**.

#### 1.1.8 TRADE RECORDS [1070]

1070	A <b>MERKUR MARKET member firm</b> shall retain a record of each <b>on Marketplace</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 the <b>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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#### 1.1.9 LANGUAGE REQUIREMENT [1080]

1080	Every document that is required to be provided to the <b>Marketplace</b> under these Rules shall be in Norwegian or English.
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#### 1.1.10 VOICE RECORDING [1090]

1090	Voice recording equipment shall be installed, maintained and used with respect to trading activities as required by the Norwegian <b>Securities Trading Act</b> or similar legislation adopted in the <b>MERKUR MARKET member firm's</b> home state.
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#### 1.1.11 SETTLEMENT AGENT [1095]

G	1095	A <b>MERKUR MARKET 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:*

**MERKUR MARKET member firms** must make their own arrangements for settling their **on Exchange** trades. A **MERKUR MARKET member firm** may, but is not obliged to, employ one or more **settlement agents**, which could include its **General Clearing Member**. **Direct Clearing Members** may also use a separate **settlement agent**.

## 1.2 COMPLIANCE AND ENFORCEMENT

### 1.2.1 COMPLIANCE AND ENFORCEMENT [1100]

1100	The <b>Marketplace</b> may, at its discretion, waive the enforcement of these Rules.
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### 1.2.2 DUTY OF CONFIDENTIALITY [1105-1106]

1105	The <b>MERKUR MARKET member firm</b> shall ensure that officers, <b>employees</b> and parties retained to provide services are bound by a duty of confidentiality and do not make any unauthorised disclosure of or utilise information regarding business circumstances or personal circumstances which is obtained in the course of the <b>MERKUR MARKET member firm's</b> activities on the <b>Marketplace</b> . The duty of confidentiality shall apply notwithstanding that the employment relationship has terminated or the services have been completed.
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If the **MERKUR MARKET member firm** erroneously receives information from the **Marketplace**, the **MERKUR MARKET member firm** shall immediately notify the **Marketplace**.

1106	The <b>Marketplace</b> and officers and <b>employees</b> of the <b>Marketplace</b> may not make any unauthorised disclosure or use of information regarding any business or personal circumstances that relates to the operations of the <b>Marketplace</b> . The duty of confidentiality shall apply notwithstanding that the employment has terminated or the services have been completed.
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### 1.2.3 INFORMATION, MONITORING AND INVESTIGATION [1110-1114]

G 1110	The <b>Marketplace</b> may request or require information from a <b>MERKUR MARKET member firm</b> , or interview any employee of a <b>MERKUR MARKET member firm</b> , about any matter which it considers may relate to these rules or to the integrity of the <b>Marketplace</b> , or which the <b>Marketplace</b> may require for the purpose of compliance with applicable law or regulation.
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#### *Guidance to Rule:*

*In relation to any request for information, the **Marketplace** would expect the provision of accurate information in a timely manner in a format, electronic or otherwise, specified by the **Marketplace**.*

*Unless otherwise required and decided by the **Marketplace** an interview of any employee, or agent, of a **MERKUR MARKET member firm** will take place upon written request from the **Marketplace** to the **MERKUR MARKET member firm** who may also decide that a representative from the **MERKUR MARKET member firm** shall participate together with the employee.*

1111	A <b>MERKUR MARKET member firm</b> shall comply or procure compliance with any requirement of the <b>Marketplace</b> made pursuant to these Rules.
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1112 A **MERKUR MARKET member firm** is responsible to the **Marketplace** for the conduct of its **employees** and agents. Such conduct shall be treated for the purposes of these Rules as conduct of the **MERKUR MARKET member firm**.

The **Marketplace** may at any time require a **MERKUR MARKET member firm** to disclose the identity of the **employee** placing an order or executing a trade in the **trading system**. The **MERKUR MARKET member firm** should disclose the information immediately upon demand.

1113 A **MERKUR MARKET member firm** shall not knowingly provide the **Marketplace** with any information (including information for the purpose of becoming a **MERKUR MARKET member firm**) which is false, misleading or inaccurate and shall comply or procure compliance with a request by the **Marketplace** for explanation or verification of information provided to the **Marketplace**.

1114 To the extent permitted, the **Marketplace** may disclose information and documents:

- 1114.1 to the Norwegian Financial Supervisory Authority (Finanstilsynet)
- 1114.2 for the purpose of enabling it to institute, carry on or defend any proceedings including any court proceedings;
- 1114.3 for any purpose referred to in relevant rules and regulations,
- 1114.4 under compulsion of law;
- 1114.5 for the purpose of enabling the **Marketplace** 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
- 1114.6 for any other purpose with the consent of the **person** from whom the information was obtained and, if different, the **person** to whom it relates

#### 1.2.4 IMPOSITION OF SANCTIONS [1115-1116]

1115 If the **Marketplace** considers that a **MERKUR MARKET member firm** has contravened any of these Rules it may impose sanction(s) in accordance with the **compliance procedures**.

1116 The **Marketplace** may bring disciplinary proceedings against a former **MERKUR MARKET member firm** whilst the former **MERKUR MARKET member firm** is bound by these Rules.

## 1.3 CHARGES AND FEES

### 1.3.1 MARKETPLACE CHARGES [1200-1203]

G 1200	A <b>MERKUR MARKET member firm</b> shall pay to the <b>Marketplace</b> :
1200.1	applicable fees set out in the Marketplace commercial terms and the relevant <b>Marketplace price list</b> ;
1200.2	any other sums due in accordance with <b>relevant contracts</b> between the <b>Marketplace</b> and the <b>MERKUR MARKET member firms</b> ; and
1200.3	other sums notified by the <b>Marketplace</b> in accordance with these Rules.

#### *Guidance to Rule:*

*Rule 1200.3 refers to sums that the **MERKUR MARKET member firm** is required to pay to the **Marketplace** in accordance with other provisions of these Rules, notably violation charges and daily fines as set out in Rule C101 and C102.*

1201	Unless otherwise specified by the <b>Marketplace</b> , any subscriptions, charges or other sums due to the <b>Marketplace</b> shall be paid in full within 30 calendar days from the date of the invoice.
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1202	In order to pay charges and sums due to the <b>Marketplace</b> , the <b>Marketplace</b> may require a <b>MERKUR MARKET member firm</b> to execute and maintain in force a direct debit mandate in the <b>Marketplace's</b> favour on a bank account in Norway.
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1203	Where a <b>MERKUR MARKET member firm</b> fails to pay in accordance with these Rules other than in the case of a dispute, the <b>Marketplace</b> may terminate its membership without prejudice to any other action which the <b>Marketplace</b> may take.
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## 1.4 GENERAL CONDUCT

### 1.4.1 MISLEADING ACTS, CONDUCT AND PROHIBITED PRACTICES [1300 – 1300.6]

G 1300	A <b>MERKUR MARKET member firm</b> shall not, in respect of its <b>on Marketplace</b> business:
1300.1	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;
1300.2	cause a fictitious trade or a false price to be input into the <b>trading system</b> ;
1300.3	effect a trade at any price which differs to an unreasonable extent from any firm price displayed on the <b>trading system</b> in that security;



1300.4	do any act or engage in any course of conduct which is likely to damage the fairness or integrity of the <b>Marketplace's</b> markets;
1300.5	do any act or engage in any course of conduct which causes, or contributes to, a breach of the <b>Marketplace's</b> rules by another <b>MERKUR MARKET member firm; or</b>
1300.6	cause an order or a trade which do not reflect the <b>current market value</b> of that security to be entered into the <b>trading system</b> .

*Guidance to Rule:*

Order book conduct

A **MERKUR MARKET member firm** is at all times bound by suitability Rule 1020.

A **MERKUR MARKET member firm** submitting an order to the **trading system** is responsible for that order under the above Rule. This applies whether the order is submitted by the **MERKUR MARKET member firm** itself or has been automatically routed from a third party through **sponsored access** or **direct market access** (whether another **MERKUR MARKET member firm** or not).

Entry and deletion of orders

All orders entered on to the **order book** are firm. While the **Marketplace** understands that trading decisions of **MERKUR MARKET member firms** may change, **MERKUR MARKET member firms** should not enter orders into the auction or during regular trading trading with the intention of deleting or otherwise amending them before execution. 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 1300.

Current market value

All orders and trades placed in the **trading system** must reflect the **current market value** of the **instrument** in question and constitute genuine interest to buy or sell instruments.

When assessing whether a trade represent current market value, consideration should be made to, among other things, the changes in the pricing of the **instrument** during the relevant **trading day**, the changes in the pricing of the **instrument** on previous **trading days**, the volatility of the **Instrument** and the general changes in the pricing of comparable **instruments** and, where relevant other particular conditions related to the trade.

An order will not reflect **current market value** if placed in the **order book** with a price that would not be considered **current market value** for a corresponding trade. The order's period of validity must be taken into consideration when assessing the price of the order.

## 1.4.2 GOOD MARKETPLACE PRACTICE [1305]

1305	A <b>MERKUR MARKET member firm</b> shall observe good Marketplace practice.
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### 1.4.3 MARKET MANIPULATION [1310]

G 1310	A <b>MERKUR MARKET member firm</b> trading in a <b>security</b> shall not do any act or engage in any course of conduct which constitutes or is likely to constitute market manipulation under MAR
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*Guidance to Rule:*

A **MERKUR MARKET member firm** shall monitor its trading activity, including that of its **customers**, that takes place through the **trading systems** for signs of potential market manipulation as referred to in Article 12 of MAR.

In its efforts to avoid possible manipulation situations and should a **MERKUR MARKET 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, as far in advance as possible, to discuss the proposed strategy. All such enquiries will be treated in the strictest confidence by the **Marketplace**.

### 1.4.4 ALGORITHMIC TRADING [1315]

1315	A <b>MERKUR MARKET member firm</b> that engages in <b>algorithmic trading</b> shall observe and comply with the organisational requirements stipulated in MiFID article 17 and the accompanying regulatory technical standards (as amended or supplemented from time to time).
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## 1.5 SYSTEMS AND TECHNICAL REQUIREMENTS

### 1.5.1 TECHNICAL REQUIREMENTS [1400-1402]

G 1400	<p>A <b>MERKUR MARKET member firm</b> shall be connected to data communication networks for communication with the <b>trading system</b> as approved or instructed by the <b>Marketplace</b> from time to time.</p> <p>The <b>MERKUR MARKET member firm</b> shall be solely responsible for the installation of suitable software and hardware for connection to and communication with the <b>trading system</b>.</p> <p>The Marketplace may require that defect or deficiencies are rectified and may prohibit the <b>MERKUR MARKET member firm</b> from using specific software or hardware until the defect or deficiency is rectified.</p>
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*Guidance to Rule:*

The **MERKUR MARKET member firm** shall ensure that its software and hardware is designed and located in such a manner that high standards of authorisation control, traceability and physical security are met. This implies, inter alia, that unauthorised access to the **trading system** must be prevented and it must be possible to retroactively trace the origin of separate registrations in the **trading system**. The

hardware shall be located in premises that are not accessible to unauthorised persons. The **Marketplace** may prescribe further security routines.

The **MERKUR MARKET member firm** must notify the **Marketplace** immediately in the event of a serious breach of security measures or risk of serious breach of security measures that may affect the **MERKUR MARKET member firm's** connection to the **trading system**, any other **MERKUR MARKET member firms'** connection to the **trading system** or the **trading system** itself. If the **MERKUR MARKET member firm** suspects that procedures for access to the **trading system** have become known to an unauthorised party, the **Marketplace** shall be immediately notified thereof.

1401

The **Marketplace** reserves the right to make modifications to the **trading system**, e.g. to modify the hardware and the location thereof, to modify the software, and to change the protocol for data communication with the **trading system**.

The **Marketplace** shall notify the **MERKUR MARKET member firm** in due time prior to effecting modification to the **trading system**. In the event of extensive modifications which may require modification of the **MERKUR MARKET member firm's** hardware or software, the notification shall include a description of the modifications, scheduled time for testing and the date on which the modifications shall come into effect. Changes, amendments, and modifications in the **trading system** shall be implemented by the **Marketplace** and the **MERKUR MARKET member firm** will be subject to deadlines and procedures as further decided by the **Marketplace**.

The **MERKUR MARKET member firm** shall comply with instructions issued by the **Marketplace** concerning modifications to the **trading system**. Upon instructions from the **Marketplace**, modifications of the **MERKUR MARKET member firm's** hardware and software shall be subject to system tests in accordance with Rule 1420

The **MERKUR MARKET member firm** may modify its hardware and software being connected to the **trading system**. Modifications which have an influence on or interfere with the **trading system** must be reported to the **Marketplace**. The **Marketplace** may require that the modified hardware or software to be tested in accordance with Rule 1420. The **MERKUR MARKET member firm** may request to test the modified equipment in accordance with Rule 1420.

The **Marketplace** reserves the right to close the **trading system** for repairs where necessary, or limit the functions of the **trading system** when conducting repairs. Such work shall preferably be scheduled outside the trading day. The **Marketplace** shall, where possible, provide the **MERKUR MARKET member firm** with reasonable notice prior to the implementation of such measures.

1402

The **MERKUR MARKET member firm** shall appoint one or more technical contacts who shall be responsible for the **MERKUR MARKET member firm's** hardware and software, for the **MERKUR MARKET member firm's** connection to the **trading system** and for handling and administering relevant enquiries from the **Marketplace**. The **MERKUR MARKET member firm** shall notify the **Marketplace** in writing of the names of the persons appointed as technical contacts and, upon

replacement of such persons, provide written notice in respect of the new persons appointed.

### 1.5.2 SYSTEM TESTING [1420-1421]

1420

A **MERKUR MARKET member firm** must pass a conformance test as further defined by the **Marketplace** before being given access to the **trading system** production environment.

A **MERKUR MARKET member firm** is only allowed to use software that has passed a conformance test for trading on the **trading system**. The **MERKUR MARKET member firm** is responsible for making sure that all software used has passed the conformance test. This provision applies correspondingly to the deployment or material update of software, a trading algorithm or an algorithmic trading strategy of **MERKUR MARKET member firm** engaged in **algorithmic trading**.

The **Marketplace** is entitled to summon **MERKUR MARKET member firms** to mandatory test weekends or dress rehearsals before significant system upgrades or other events of major impact.

#### *Guidance to Rule:*

*In relation to testing of a trading algorithm or an **algorithmic trading** strategy, a **MERKUR MARKET member firm** may comply with the testing requirements by using its own testing environment or a testing environment provided by the **Marketplace** or a vendor.*

**MERKUR MARKET member firms** shall, regardless of which testing environment that is used, certify to the **Marketplace** that the algorithms they deploy have been tested to avoid contributing to or creating disorderly trading conditions prior to the deployment or substantial update of a trading algorithm or trading strategy and explain the means used for that testing.

G 1421

A **MERKUR MARKET member firm** shall not submit orders or **trade reports** to the **trading system** for the purpose of testing any systems or controls.

#### *Guidance to Rule:*

*The **Marketplace** requires **MERKUR MARKET member firms** to test their systems or controls prior to submitting orders or **trade reports** to the **trading system**. To enable this testing, the **Marketplace** offers **MERKUR MARKET 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 the **trading system**. **MERKUR MARKET member firms** are encouraged to contact the **Marketplace** to discuss their testing requirements. **Marketplace** approved testing undertaken by **MERKUR MARKET member firms** (including the **Marketplace** test segment on the **trading system**) is not prohibited by this rule.*

*Testing on the **trading system** 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 **MERKUR MARKET member firms** to submit only bona fide business to the **trading system**. Submitting orders or **trade reports** to the **trading system** for the purpose of testing a*

**MERKUR MARKET member firm's** or its **sponsored access connection** customer's systems or controls is not an acceptable market practice.

This rule is not intended to preclude a **MERKUR MARKET member firm** from initiating new trading strategies (whether manual or algorithmic) as part of a controlled release procedure.

**MERKUR MARKET member firms** that require further information on how to conduct testing with the **Marketplace** should contact the Market Surveillance Department.

### 1.5.3 MERKUR MARKET MEMBER FIRM SYSTEM PROBLEMS [1430]

G 1430	Where a <b>MERKUR MARKET member firm</b> identifies a system problem it shall inform the <b>Marketplace</b> in accordance with notification Rule 1050 and follow any subsequent instructions from the <b>Marketplace</b> . A <b>MERKUR MARKET 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:

- a **MERKUR MARKET member firm** accessing its orders on the **trading system**;
- a **MERKUR MARKET member firm** submitting a **trade report**;

#### Dealing during a systems failure:

While a **MERKUR MARKET member firm** is experiencing a system failure it is not precluded from dealing in the relevant securities. However, the **MERKUR MARKET member firm** must ensure that any **on Marketplace** trades are reported to the **Marketplace** in compliance with the **Rules**.

#### Orders:

**MERKUR MARKET member firms** are reminded that, while orders remain on the **trading system** they are firm and available for execution, unless otherwise addressed in the **Market Models**. In any case, it is essential that a **MERKUR MARKET 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 **order book**.

Once the systems problem is rectified, the **MERKUR MARKET member firm** should contact the Market Surveillance Department to notify them of this fact. The **MERKUR MARKET member firm** can recommence order input to the **trading system** as soon as the systems problem is rectified.

#### Order deletion:

**MERKUR MARKET member firms** have primary responsibility for deleting their own orders and restricting the submission of their **orders**. Where this is not possible, the **Marketplace** will aim to provide a back-up service to delete orders and/or to restrict the **MERKUR MARKET member firm's** access to submit **orders**.

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

- the name of the **MERKUR MARKET member firm**;
- the **MERKUR MARKET member firm's** mnemonic;
- the **MERKUR MARKET member firm's** trader group;
- the identity of the caller and a contact number; and

*the reason for the request*

*For single order deletions the **MERKUR MARKET member firm** must also provide the order code. If this is not available, the **MERKUR MARKET 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.*

*The Market Surveillance Department may delete all orders within a particular segment. However, upon application, the Market Surveillance Department will consider the deletion of individual orders.*

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

- *whether it wants all orders deleted;*
- *whether it wants all orders in a **trader group** deleted; and*
- *the specific segments to which the deletions should apply.*

**MERKUR MARKET 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. However, if an order is executed during the period between a **MERKUR MARKET member firm** requesting deletion of its orders and the Market Surveillance Department effecting the deletions the **MERKUR MARKET member firm** will be obliged to honour the trade.*

#### Trade reporting:

*Where a **MERKUR MARKET member firm** has a system problem that prevents it from submitting a **trade report** (where it has the responsibility to do so), the **MERKUR MARKET member firm** must immediately upon execution of the trade having exhausted all means of its connectivity to the **Marketplace** 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 **MERKUR MARKET member firm** once the system problem has been resolved.*

*If the **Marketplace** is not informed of a **MERKUR MARKET member firm's** trade reporting difficulties, it will treat resultant late trade reports as breaches of Rule 3020.*

## 1.6 EXTRAORDINARY MEASURES

### 1.6.1 REGULATORY SUSPENSIONS (TRADING HALT) [1500-1501]

G 1500	The <b>Marketplace</b> may suspend or remove from trading a financial instrument which no longer complies with the rules of the <b>Marketplace</b> or if special cause otherwise exists unless such suspension or removal would be likely to cause significant damage to the investors' interests or the orderly functioning of the market.
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*Guidance to Rule:*

The **Exchange** will announce that the **security** has been subject to regulatory suspension, including the reason for this decision, and the discontinuation of the regulatory suspension. The **Exchange** may decide that trading shall be resumed with an open call auction.

When an **security** is suspended by the **Exchange**, the **Exchange** will delete any orders present in the **trading system** in the suspended **security**.

Placement of new orders in the **order book** is not permitted for such time as the **security** is subject to a regulatory suspension.

**On Marketplace** trades shall be reported.

When entering into a **manual trade**, the **MERKUR MARKET member firm** shall ensure that a counterparty which is not a **MERKUR MARKET member firm** is aware that the **security** is subject to a regulatory suspension, as well as the cause of such regulatory suspension.

G 1501	Where a <b>MERKUR MARKET member firm</b> learns of a regulatory suspension declared by a venue of which a <b>security admitted to trading</b> or a <b>security</b> underlying a <b>security admitted to trading</b> , is listed, the <b>MERKUR MARKET member firm</b> is requested to notify the <b>Marketplace</b> and any other <b>MERKUR MARKET member firms</b> which approach it to deal in the affected security.
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### 1.6.2 MATCHING HALT [1510]

G 1510	<p>The <b>Marketplace</b> may in special cases decide to halt matching in one or more <b>instruments</b>.</p> <p>Matching may be halted when an announcement regarding an <b>instrument</b> is to be made, in the event of irregular price movements, suspicion of unequal information in the market, or other events.</p>
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*Guidance to Rule:*

Matching halt will be announced in the **trading system**. Information regarding the reason for the matching halt may be provided at the same time. An announcement will also be issued when the matching halt ceases.

Placement of new orders is not permitted for such time as the **instrument** is subject to a matching halt. Orders in the **order book** may be deleted by the **MERKUR MARKET member firm**. The **Marketplace** will as a general rule not delete orders during a matching halt unless requested by the **MERKUR MARKET member firm**.

**On Marketplace** trades shall be reported.

When entering into a **manual trade**, the **MERKUR MARKET member firm** shall ensure that a counterparty which is not a **MERKUR MARKET member firm** is aware that the **instrument** is subject to a matching halt, as well as the cause of the matching halt.

The duration of the matching halt will be as short as possible. The **Marketplace** may decide that trading shall be resumed with an open call auction.

### 1.6.3 RESTRICTED TRADING [1520]

1520	A <b>MERKUR MARKET member firm</b> should exercise caution in effecting trades in securities which trading are restricted under these Rules or which is the subject of a matching halt or suspension.
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### 1.6.4 MARKET SITUATIONS [1530]

G 1530	The <b>Marketplace</b> may suspend automatic execution on the <b>trading system</b> or impose a temporary regulatory suspension or matching halt for a particular market, market segment or tradable <b>instrument</b> 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**.

A general failure in the transmission of transaction feed from the **Marketplace** to a **central counterparty** will be considered as a market situation.

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

- suspend trading operations;
- limit trading operations;
- delay the opening/closing of trading operations;
- limit the number of electronic connections per **MERKUR MARKET 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.

## 1.7 INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

### 1.7.1 INFORMATION FROM THE TRADING SYSTEM [1700–1705]

1700	The <b>Marketplace</b> shall have exclusive rights to compiled information derived from the <b>trading system</b> , including exclusive rights to all forms of release, publication, dissemination and copying.  The <b>Marketplace</b> shall be entitled to publish and disseminate such information to the general public.
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1701	A <b>MERKUR MARKET member firm</b> may use information from the <b>trading system</b> internally, in processed or unprocessed form, in whole or in part, only following approval from the <b>Marketplace</b> in accordance with the arrangements and policies of the <b>Marketplace</b> from time to time.
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G 1702 A **MERKUR MARKET member firm** may systematically disseminate information from the **trading system**, in processed or unprocessed form, in whole or in part, only following execution of a separate agreement with the **Marketplace**.

*Guidance to Rule:*

A "systematic dissemination of information" means continuous or frequent production of copies of information and continuous or frequent release and/or dissemination of information from the **trading system**, including extracts of information and continuous or frequent updating of such information.

1703 The **MERKUR MARKET member firm** may only disseminate public market information as further defined by the **Marketplace**.

1704 The **Marketplace** may determine the point of connection to the **trading system** from which the **MERKUR MARKET member firm** may disseminate information and the guidelines governing such dissemination.

1705 The **MERKUR MARKET member firm** is solely responsible for ensuring that third parties who are granted access to the **MERKUR MARKET member firm's** hardware or software, including information from the **trading system** and other third parties providing service to the **MERKUR MARKET member firm** and thereby receiving information from the **trading system**, are aware of the provisions set out in Rules 1700-1705 and undertake to comply with these Rules.

### 1.7.2 INTELLECTUAL PROPERTY RIGHTS [1710–1716]

1710 The **Marketplace** undertakes to maintain at all times copyrights, licenses and other rights to use the software used in the **trading system**. By virtue of its membership with the **Marketplace**, the **MERKUR MARKET member firm** is entitled to a non-transferable non-exclusive right to use the **trading system** subject to any restrictions on the **MERKUR MARKET member firm** issued by the **Marketplace** in connection with its operations on the **Marketplace**. The **MERKUR MARKET member firm** does not have and will not obtain any rights in or to the **trading system** through its use.

1711 Copyright and all other intellectual property rights to the rules, documentation relating to the **trading system**, agreements related thereto, indices, classifications, publications, market information, statistics, and all other documents produced and published by the **Marketplace**, as well as any alterations or modifications thereof are vested in the **Marketplace** and/or other rights holders. Furthermore copyrights and intellectual property rights to **Marketplace**-related information from the **trading system** and/or other sources compiled or otherwise prepared by the **Marketplace**, as well as indices and classifications produced from time to time by the **Marketplace**, shall vest in the **Marketplace** and/or other rights holders.

1712 **MERKUR MARKET member firms** may only use trademarks, which are the property of the **Marketplace**, as signs for products and services derived from the **Marketplace**.

1713 In order to use the above-mentioned trademarks and intellectual property rights in a particular manner, **MERKUR MARKET member firms** must enter into separate agreements with the **Marketplace** or other rights holders which shall regulate the rights and obligations associated with the use of the specific trademarks and/or intellectual property rights.

1714 The rights granted under these Rules convey no right, title, interest in or to the **trading system**, documents related thereto, indices, classifications, publications, market information, statistics or other documents produced by the **Marketplace**.

1715 In the event a claim is brought against a **MERKUR MARKET member firm** by any third-party on the grounds that the **MERKUR MARKET member firm** has infringed the third party's intellectual property rights as a consequence of its use of the **trading system**, or where the **MERKUR MARKET member firm** otherwise becomes aware that rights vested in the **Marketplace**, or a rights holder which the **Marketplace** represents, are being challenged, the **MERKUR MARKET member firm** shall be required, without undue delay, to inform the **Marketplace** thereof in writing. The aforesaid provisions apply where the **MERKUR MARKET member firm** becomes aware of any infringement of any rights pertaining to the **Marketplace** or a rights holder which the **Marketplace** represent. Any claim by a third party against the **MERKUR MARKET member firm** for infringement of intellectual property rights shall be handled by the **Marketplace** or the relevant rights holder at the expense of such party and the **MERKUR MARKET member firm** shall not take part in the action in its own right. The **Marketplace** and the relevant rights holder shall be entitled, without the **MERKUR MARKET member firm's** approval but on the understanding that the **MERKUR MARKET member firm** is held harmless, to enter into legal proceedings with any such third party.

1716 The **MERKUR MARKET member firm** shall ensure that it possesses all the licenses required and right of use with respect to the hardware and software that the **MERKUR MARKET member firm** requires for connection to, and communication with the **trading system**.

## 1.8 LIMITATION OF LIABILITY

### 1.8.1 LIMITATION OF LIABILITY [1800–1800.7]

1800

1800.1 **MERKUR MARKET member firms** and the **Marketplace** 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.

**MERKUR MARKET member firms** and the **Marketplace** shall under no circumstances be liable in the circumstances set out in Rules 1800.2 to 1800.6 below.

1800.2 **MERKUR MARKET 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 **MERKUR MARKET member firm** or the **Marketplace** or any subcontractor thereof or other entity exercising functions as regulated in the Rulebook is prevented, in whole or in part, from performing its obligations under these 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 EEA, electricity outages, fire, water damages, telecommunications outages, strikes, blockades, lockouts, boycotts, natural disasters, acts of war or terror, 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 **MERKUR MARKET member firm** or the **Marketplace** is the object of, or executes, such measures.

In the event the **MERKUR MARKET member firm** or the **Marketplace** is prevented, in whole or in part, from executing measures pursuant to these 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 **MERKUR MARKET 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.

1800.3 The **MERKUR MARKET 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.

1800.4 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 **MERKUR MARKET member firm**.

1800.5 The **Marketplace** shall under no circumstances be liable for damages incurred as a consequence of, or in conjunction with, rejection of trades in **central counterparty securities** by the **central counterparty** or trades for any reason not being received by the **central counterparty**, or errors in trades sent to and cleared by a **central counterparty**.

1800.6 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 1530.

1800.7 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.

## 1.9 AMENDMENTS TO THE RULES

### 1.9.1 AMENDMENTS TO THE RULES [1900]

1900 Amendments to the Rules will enter into force one month after the amendments have been notified to the **MERKUR MARKET 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 **MERKUR MARKET 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.

## 2 ORDER BOOK TRADING RULES

### 2.1 TRADES

#### 2.1.1 ON MARKETPLACE TRADES [2000]

2000	A trade is <b>on Marketplace</b> if it is effected automatically on an <b>Marketplace order book</b> .
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#### 2.1.2 TRADE FLOW TYPE IDENTIFICATION [2010]

2010	<b>MERKUR MARKET member firms</b> are required to identify the trade flow type for each order submitted to the <b>trading system</b> as described in the <b>Market models</b> .
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### 2.2 ORDER ENTRY

#### 2.2.1 ACCESS TO THE TRADING SYSTEM AND THE RESPONSIBILITY OF MERKUR MARKET MEMBER FIRMS [2100-2109]

G	2100	Each order submitted to the <b>trading system</b> shall be:
	2100.1	Firm; and
	2100.2	orders only, should contain all information as set out in Commission Delegated Regulation (EU) 2017/580.

*Guidance to Rule 2100.2:*

*This information will include details about the financial instrument and the order, details about the client of the transmitting firm and, whenever relevant, an identifier for the person or computer algorithm, that is responsible for the investment decision in relation to the order. A **MERKUR MARKET member firm** which enters an abbreviated identifier on its orders (e.g. an abbreviation of a National ID) must subsequently submit the complete identifier before 18.00 hours on the same day. Where a **MERKUR MARKET member firm** becomes aware that it has submitted an incorrect identifier, the **MERKUR MARKET member firm** must inform the **Marketplace** immediately.*

*Certain segments may however be subject to specific arrangements for order entry as defined in the relevant **Market models**.*

G	2101	Any obligations and liabilities arising from the submission of electronic messages and orders to the <b>trading system</b> under a <b>MERKUR MARKET member firm's</b> trading codes are the responsibility of that <b>MERKUR MARKET member firm</b> . The
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**MERKUR MARKET member firm** shall, at all times, have sufficient order management systems, procedures and controls designed to prevent the entry of erroneous orders and quotes to the **trading system**.

*Guidance to Rule:*

A **MERKUR MARKET member firm** is at all times bound by suitability Rule 1020.

In determining whether a **MERKUR MARKET 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.

A **MERKUR MARKET member firm** submitting an order to the **trading system** is responsible for that order. If orders will be submitted by or automatically routed from a third party (whether another **MERKUR MARKET member firm** or not), then the **MERKUR MARKET member firm** should consider how it is going to control the order flow.

#### Erroneous orders

An erroneous order is an order entered mistakenly where there was no intention to trade in the 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** may ask the **MERKUR MARKET 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 a **MERKUR MARKET member firm**:

- orders that exceed the **Marketplace's** price monitoring thresholds;
- an aggressively priced limit order that executes against a significant number of orders on one side of the order book, which could take place, for example, if price and size have been entered in the wrong fields;
- an order that creates multiple executions e.g. a tranching facility that divides orders into an order size either not intended by the **MERKUR MARKET member firm** or which is of a size so small as to be inappropriate; or
- a very high priced buy order or a very low priced sell order entered into the auction period when it might be more appropriate to use a market order to guarantee execution.

**MERKUR MARKET member firms** should ensure that their systems are designed to identify and prevent the entry of erroneous orders to the **trading system**. In determining whether their systems are adequate in this regard, **MERKUR MARKET member firms** should use 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;  
a minimum order size of a certain financial consideration per order; and  
controls on limit orders and market orders submitted during an auction. When entering limit and market orders in auctions **MERKUR MARKET member firms** must have sufficient systems and controls in place so that the type of order they submit does not have an inappropriate affect on the uncrossing price of the security in question. For instance, a **MERKUR MARKET member firm** may wish to submit a market order to an auction to maximise its probability of

execution but should have regard to the possible impact of a large market order on the auction uncrossing price.

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

**MERKUR MARKET 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 **MERKUR MARKET 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 **MERKUR MARKET member firm** should be satisfied with the execution price(s) achieved.

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

**MERKUR MARKET Member firms** should be able to cancel immediately, as an emergency measure, any or all of its unexecuted **orders** submitted by the **MERKUR MARKET member firm** to the **trading system** ("kill functionality").

**MERKUR MARKET member firms** should be aware that in deciding what action to take against a **MERKUR MARKET 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 **MERKUR MARKET member firm** submits such orders.

G	2102	A <b>MERKUR MARKET member firm</b> should enter a correct trading capacity as described in the <b>Market models</b> when submitting orders to the <b>trading system</b> .
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#### Direct electronic access

G	2103	A <b>MERKUR MARKET member firm</b> may allow a <b>customer direct electronic access</b> to the <b>trading system</b> under the <b>MERKUR MARKET member firm's</b> trading codes, either by way of <b>direct market access</b> or by providing <b>sponsored access</b> , subject to the <b>MERKUR MARKET member firm</b> having in place adequate systems and effective controls, including pre- and post-trade controls, to ensure that the provision of <b>direct market access</b> or <b>sponsored access</b> does not adversely affect compliance with these Rules, lead to disorderly trading or facilitate conduct that may involve market abuse.
	2103.1	<b>Direct market access</b> and <b>sponsored access</b> may be provided by a <b>MERKUR MARKET member firm</b> only following application and subject to approval in writing by the <b>Marketplace</b> .
	2103.2	A <b>MERKUR MARKET member firm</b> shall not provide <b>direct market access</b> or <b>sponsored access</b> to or via (routing systems or other systems operated by or in agreement with), regulated markets, multilateral trading facilities or other similar

organised trading facilities, unless a written approval has been given by the **Marketplace**.

*Guidance to Rule:*

**Direct market access and sponsored access**

Submission of **customer** orders may be facilitated by either **direct market access** or via **sponsored access** to the **trading system**.

In respect of **sponsored access**, **Marketplace** level controls will be provided within the **trading system** to assist **MERKUR MARKET member firms** with **sponsored access** order flow validation. All orders submitted via **sponsored access** will pass through the **Marketplace** level controls before reaching the **order book**.

In respect of provision of **direct market access** or **sponsored access** by a **MERKUR MARKET member firm** to or via (routing systems or other systems operated by or in agreement with) regulated markets, multilateral trading facilities or other similar organised trading facilities, the **Marketplace** may approve provision of such services following application by a **MERKUR MARKET member firm** in each case. An approval will only be granted if the **Marketplace**, on the basis of the application, is satisfied that inter alia the provision of such services by the **MERKUR MARKET member firm** does not present a risk to the orderly functioning of the **Marketplace's** markets (including with respect to systemic risks and market surveillance), that the **MERKUR MARKET member firm's** provision of such services does not otherwise conflict with maintaining the integrity, transparency and good reputation of the **Marketplace's** markets, and subject to the standard terms and conditions for such activities as set by the **Marketplace** from time to time.

**Responsibility for customers' order flow (whether submitted to the Marketplace via direct market access or sponsored access)**

**MERKUR MARKET member firms** providing **customers** with **direct market access** or **sponsored access** to the **trading system** are solely responsible for all obligations and liabilities arising from messages including but not limited to entry, deletion and execution of all orders submitted by that **customer**, and may be subject to interventions and sanctions for any breaches of the ruled and procedures in respect of those orders or messages.

The **Marketplace** is aware that **MERKUR MARKET member firms** may have contractual arrangements with their **customers** that mean the **customer** bears the financial risks of entering erroneous orders. However, under the **Marketplace's** Rules the responsibility for such orders rests wholly with the **MERKUR MARKET member firm** under whose trading codes the order is entered.

The **Marketplace** requires a **MERKUR MARKET member firm** providing **direct market access** to be able to delete a **customer's** orders from the **trading system**.

**MERKUR MARKET member firms** providing **sponsored access** may contact the Market Surveillance Department to delete a **customer's** orders from the **trading system** following the guidance set out under rule 1430. **MERKUR MARKET member firms** must have adequate control mechanisms enabling the **MERKUR MARKET member firm** to stop order flows from a **customer** with **sponsored access**,



**MERKUR MARKET member firms** must be able to restrict a **customer's** ability to submit orders to the **trading system**.

**MERKUR MARKET member firms** must have the ability to delete a **customer's** orders or restrict their ability to submit orders to the **trading system** without having the express consent of the **customer**. These actions may be instigated unilaterally by the **MERKUR MARKET member firm** because of its own concerns regarding the **customer's** behaviour or at the specific instruction of the **Marketplace**.

The **MERKUR MARKET member firm** is expected to adopt a regime where sufficient consideration is given to assess matters such as:

- the training that has been given to the individuals entering orders;
- the access controls over order entry that the **customer** applies;
- security controls over any network link between the **customer** and the **MERKUR MARKET member firm**. These should be sufficient such that the **MERKUR MARKET member firm** can be sure that an order purporting to come from a **customer** actually has done so (e.g. by use of authentication codes in a similar manner to the secure interactive interface linking the **MERKUR MARKET member firm** to the **Marketplace**); and
- clear allocation of responsibility for dealing with actions and errors (e.g. it should be clear how, when and by whom orders on the book would be deleted).

All of these matters should be dealt with in formal agreements between the **MERKUR MARKET member firm** providing **direct market access** or **sponsored access** and its **customer**.

#### **Direct market access**

Whilst ongoing education, training and guidance for a **MERKUR MARKET member firm's** customers that route orders through the **MERKUR MARKET member firm** to the **trading system** are to be encouraged, these cannot entirely replace the safeguards that internal system controls and alerting functionality can provide.

In order to prevent the submission of erroneous orders by a **customer**, a **MERKUR MARKET member firm** should implement the following controls and system alerts:

- prevention of submission of an order if the **customer** has overridden alerts and/or notification to the **MERKUR MARKET member firm** that the **customer** has attempted to over-ride the alert;
- the segregation of this order flow by the use of the Trader Group facility within the **trading system**;
- appropriate training, education and guidance provided to those **customers** entering orders
- controls over maximum **order** sizes that can be submitted by different customers;
- controls over prices of orders and having system parameters that would generate an alert if the order would execute at a price with which the **MERKUR MARKET member firm** would not be satisfied;  
monitoring and controls over the total **exposure** of the **MERKUR MARKET member firm** to orders routed for a particular customer; and
- the utilisation of a proactive kill switch facility to disconnect a customer which it has reason to believe is behaving inappropriately.

In order for a **MERKUR MARKET member firm** to provide **direct market access**, the **MERKUR MARKET member firm** must submit an application to the **Marketplace** in that respect, and **direct market access** may only be provided by the **MERKUR MARKET member firm** following approval in

writing by the **Marketplace** (an approval will apply to the **direct market access** activities of the **MERKUR MARKET member firm** in general, and hence not on a **customer-by-customer** basis). The application shall as a minimum contain information on:

- the controls and system alerts applied by the **MERKUR MARKET member firm** to prevent the submission of erroneous orders by **customers**;
- the due diligence measures in place between the **MERKUR MARKET member firm** and the **customers**, including measures in place to secure that the **customers** are fit and proper for the use of **direct marked access**;
- the **MERKUR MARKET member firms** written routines for its **direct market access** activities.

In respect of provision of **direct market access** or **sponsored access** by a **MERKUR MARKET member firm** to other **MERKUR MARKET member firms** or to, or via (routing systems or other systems operated by or in agreement with), regulated markets, multilateral trading facilities or other similar organised trading facilities, see above under “Direct market access and sponsored access”.

#### **Sponsored access**

The right to use **sponsored access** may be granted upon application. The use may only be commenced following approval in writing by the **Marketplace**.

The **Marketplace** does not require **sponsored access** order flow to pass through the **MERKUR MARKET member firm’s** own system controls but mandates that all orders submitted via **sponsored access** will pass through **Marketplace** level controls before reaching the **order book**. **MERKUR MARKET member firms** should also assess whether any additional controls are necessary to appropriately manage **customer** order flow, taking into consideration the nature and complexity of its **customer’s** business.

**MERKUR MARKET member firms** are responsible for determining the limits of the configurable **Marketplace** level controls within the parameters provided by the **Marketplace** and ensuring that they are appropriate for each individual **sponsored access customer**, based on the scope and scale of its business.

A **MERKUR MARKET member firm** that provides this facility for a **customer** must:

- prior to commencement submit an application for **sponsored access** to the **Marketplace** in respect of each of its **customers** to which it intends to provide **sponsored access** and inform the **Marketplace** if it subsequently becomes aware that the information provided in the application has changed.
- ensure that relevant staff at the **customer** are conversant with the Rules and, in particular, those relating to **order book** trading. Relevant staff include the Head of Trading, the Head of Compliance and person(s) who signs off trading algorithms at the **customer**;
- segregate each **customer’s** order flow from the **MERKUR MARKET member firm’s** order flow within the **trading system**. This is necessary to assist the **Marketplace** in maintaining fair and orderly markets;
- provide the **Marketplace** with the name, **LEI**, registered office address and country of incorporation of the **MERKUR MARKET member firm’s customer** for regulatory purposes. This information will be treated as confidential and will not be subject to commercial use;

- have systems in place which allow the **MERKUR MARKET member firm** to accept and review drop copy feeds, on a real-time basis from the **Marketplace** and monitor all **sponsored access** order and post-trade flow;
- proactively utilise the **Marketplace's** kill switch facility to disconnect a **customer** which it has reason to believe is behaving inappropriately; and
- inform the **Marketplace** and take appropriate action if it loses either its connectivity with the **Marketplace** or its connection to the drop copy feed from the **Marketplace** where that connection allows the **MERKUR MARKET member firm** to monitor the **customer(s)** order and post-trade flow. The **Marketplace** mandates the use of its cancel on disconnect facility.

Where a connection is dropped by either the **MERKUR MARKET member firm** or its **sponsored access customer**, all of the **sponsored access customer's** orders will be deleted from the **order book**.

An application for sponsored access shall as a minimum contain information on:

- the due diligence measures in place between the **MERKUR MARKET member firm** and the **customer**, including measures in place to secure that the **customer** is fit and proper for **sponsored access**; and
- the **MERKUR MARKET member firms** written routines for its provision of **sponsored access**.

G	2104	A <b>MERKUR MARKET member firm</b> must undertake due diligence on any <b>customer</b> to which it provides or intends to provide <b>direct market access</b> or <b>sponsored access</b> , in order to assess the suitability of any such <b>customer</b> to have <b>direct market access</b> or <b>sponsored access</b> .
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*Guidance to Rule:*

The due diligence carried out by **MERKUR MARKET member firms** on prospective **customers** to whom direct electronic access is provided should be adapted to the risks posed by the nature, scale and complexity of their expected trading activities and the nature of the access being provided. In particular, the due diligence assessment is required to cover:

- the governance and ownership structure of the **customer**;
- the types of strategies to be undertaken by the **customer**;
- the operational set-up, the systems, the pre-trade and post-trade controls and the real time monitoring of the **customer**;
- the responsibilities within the **customer** for dealing with actions and errors;
- the historical trading pattern and behaviour of the **customer**;
- the level of expected trading and order volume of the **customer**; and
- the ability of the customer to meet its financial obligations to the **MERKUR MARKET member firm**

**MERKUR MARKET member firms** are also required to review their due diligence processes annually, and carry out an annual risk-based reassessment of the adequacy of its **customers'** systems and controls, taking into account any changes to the scale, nature or complexity of their trading activities or strategies, changes to their staffing, ownership structure, trading or bank account, regulatory status, financial position and whether a **customer** has expressed an intention to sub-delegate the access it receives from the **MERKUR MARKET member firm**.

**Sponsored access**

**MERKUR MARKET member firms** are required to confirm when submitting an application form that they have undertaken appropriate due diligence to be satisfied on each of the above points. The **Marketplace** will exercise its right under rule 2105 2124 to refuse sponsored access if it believes that the member firm's due diligence is inadequate.

G	2105	The <b>Marketplace</b> reserves the right to refuse a <b>MERKUR MARKET member firm's</b> request that a <b>customer</b> be provided with <b>sponsored access</b> to the <b>trading system</b> .
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*Guidance to Rule:*

The **Marketplace** may refuse a request to provide a **MERKUR MARKET member firm's customer** with **sponsored access** where the **Marketplace** is not satisfied in any respect with the due diligence undertaken by the **MERKUR MARKET member firm** or where, in the **Marketplace's** view, provision of the connection would present a risk to the orderly functioning of the **Marketplace's** markets. Whilst the **Marketplace** does not conduct due diligence on **MERKUR MARKET member firms' prospective customers**, it may refuse a request to provide a **MERKUR MARKET member firm's customer** with **sponsored access** where it is aware of adverse information about the prospective **customer** which may not have been detected by a **MERKUR MARKET member firm's** due diligence;

The **Marketplace** may also, at its own discretion, take other factors into account in applying this rule. The **Marketplace's** view of the risks that may be posed by the provision of **sponsored access** to a **MERKUR MARKET member firm's customer** overrides any contrary view taken by the **MERKUR MARKET member firm**.

The **Marketplace** will upon request, to the extent the **Marketplace** regards it as feasible, provide the **MERKUR MARKET member firm** with a written statement providing the reasons for its refusal.

	2106	The <b>Marketplace</b> reserves the right to terminate or suspend a <b>customer's sponsored access</b> without notice or consultation with the <b>MERKUR MARKET member firm</b> or its <b>customer</b> where the <b>Marketplace</b> believes this is necessary to preserve the orderly functioning of the <b>Marketplace's</b> markets.
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G	2107	The <b>Marketplace</b> reserves the right to restrict or segregate a <b>MERKUR MARKET member firm's</b> access to and use of the <b>trading system</b> as it sees fit.
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*Guidance to Rule:*

The **Marketplace** may decide to segregate a **MERKUR MARKET member firm's** access to and use of the **trading system** in order to protect market orderliness or for other regulatory reasons.

	2108	The <b>Marketplace</b> reserves the right to delete any order submitted to the <b>trading system</b> where the <b>Marketplace</b> believes it necessary in order to preserve market orderliness.
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	2109	When using the <b>trading system</b> a <b>MERKUR MARKET member firm</b> shall comply with the procedural, operational and technical requirements of the <b>Marketplace's</b> systems and networks as specified by the <b>Marketplace</b> from time to time.
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## 2.2.2 MARKETPLACE ENFORCED CANCELLATION OF TRADES [2120-2121]

G	2120	The <b>Marketplace</b> views all trades undertaken under its Rules as firm. However, to ensure the integrity of the market or in extraordinary situations it may undertake a <b>Marketplace enforced cancellation</b> of a trade executed on the <b>trading system</b> , either at the request of a <b>MERKUR MARKET member firm</b> or of its own volition.
	2120.1	A request for a <b>Marketplace enforced cancellation</b> must be submitted to the Market Surveillance Department as soon as possible and in any event for <b>equities</b> within 30 minutes of the end of the <b>regular trading day</b> and for <b>fixed income securities</b> within the end of the <b>trading day</b> .
	2120.2	The <b>MERKUR MARKET member firm</b> requesting the <b>Marketplace enforced cancellation</b> must provide appropriate information to the Market Surveillance Department as set out in the guidance below.

### *Guidance to Rule:*

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

Generally, the **Marketplace** will only consider a **MERKUR MARKET member firm's** request for an **Marketplace 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 an **Marketplace enforced cancellation**

When considering a cancellation, the **Marketplace** will generally have regard to the following non-exhaustive list of considerations:

- time elapsed since the trade(s)
- erroneous nature of the trade - any trades to be cancelled must be manifestly erroneous in the judgement of the **Marketplace**.
- market impact - the **Marketplace** may take into account other factors including, but not limited to, the potential **market** disorder that would be **caused if** the trade(s) were upheld or the potential adverse market impact if the trade(s) were cancelled.

2121	The <b>Marketplace</b> may at its own discretion choose not to delete the trade, but rather to render the transaction unofficial in the <b>trading system</b> .
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## 2.3 ORDER AND TRADE PUBLICATION

### 2.3.1 PUBLICATION [2200]

2200	Details of orders and trades in the <b>order book</b> will be published as specified in the <b>Market models</b> . Disclosure of <b>orders</b> that are Large in Scale (LIS) or above Size Specific to Instrument (SSTI), registered in an order container and <b>orders</b> in <b>securities</b> defined as illiquid may be waived
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## 3 OFF ORDER BOOK TRADING RULES

### 3.1 TRADES

#### 3.1.1 ON MARKETPLACE TRADES [3000]

3000	A trade is <b>on Marketplace</b> if one or both of the parties to the trade is a <b>MERKUR MARKET member firm</b> and the trade is effected:
3000.1	in a <b>security</b> provided that the <b>MERKUR MARKET member firm</b> and its <b>customer</b> or <b>counterparty</b> agree at or prior to the time of effecting the trade that it shall be subject to the Rules of the <b>Marketplace</b> .

#### 3.1.2 REQUIREMENT TO TRADE REPORT [3010-3013]

##### Obligation to trade report

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

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

For **fixed income securities** traded on Oslo Børs or Nordic ABM in addition to MERKUR MARKET, the trade should only be reported to one of the markets. **MERKUR MARKET members** that are **fixed income member** on both Oslo Børs, Nordic ABM and MERKUR MARKET, may for these instruments choose on which market the trade report should be submitted.

**On Marketplace principal transactions**, where there are distinct market and client side contracts, require distinct **trade reports** if all legs are to be brought **on Marketplace**.

**On Marketplace 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

G	3011	An <b>on Marketplace trade report</b> for <b>equities</b> must not duplicate another <b>trade report</b> in respect of the same execution unless it is being brought <b>on Marketplace</b> as part of a volume weighted average price trade or <b>matched principal</b> trade and is marked appropriately..
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*Guidance to Rule:*

A **MERKUR MARKET member firm** should not submit a publishing **trade report** where one has already been submitted to the **Marketplace**. Examples of this would include, but not be limited to:

1. where a **trade report** was automatically generated by the **Marketplace's** trading system; or
2. where the trade represents an average price for a **customer** and the market facing trades have all been published.

In relation to point 2 above, a **MERKUR MARKET member firm** should enter a non-publishing **trade report** (with trade type indicator of "NM") where the trade is **on Marketplace**.

In relation to multi-legged trades, the **Marketplace** would expect the publication arrangements to be clear and agreed by all parties involved who have a potential publication obligation. Typically the **MERKUR MARKET member firm** in the middle has visibility of both trades and is therefore principally responsible for ensuring that there is no duplicate publication (either within a single venue or across multiple venues).

This may require the middle **MERKUR MARKET member firm** (and all others) to engage in dialogue with its **counterparties** about publication intentions – **MERKUR MARKET member firms** should already be fully engaged on reporting intentions.

As a general principle the **Marketplace** suggests that the 'market' facing leg(s) should be published and the 'client' facing leg(s) should not be published irrespective of which legs are **on Marketplace** or **off Marketplace off book**. In the absence of an over 'market' facing leg(s) and 'client' facing leg(s), the **MERKUR MARKET member firm** in the middle is best placed to determine which leg should be published, though this conclusion should be agreed with all parties involved who have a potential publication obligation under the **Marketplace's** rules or otherwise.

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

*Guidance to Rule 3012.1:*

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

In connection with **equity** trades, **MERKUR MARKET member firms** should note that if they wish the second leg to be regarded as an **on Marketplace** trade then they will have to submit a separate, non publishing **trade report** using the "NM" trade type.

G	3013	In relation to Rule 3012, where two <b>MERKUR MARKET 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>MERKUR MARKET member firm</b> .
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*Guidance to Rule:*

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

G	3014	An <b>off Marketplace off book</b> trade may be reported to <b>Oslo Børs' APA</b> .
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*Guidance to Rule:*

An **off Marketplace off book** trades reported to **Oslo Børs' APA** should be marked as being either a **SI-trade** or an **OTC-trade**.

### 3.1.3 STANDARD TRADE REPORT DEADLINES [3020-3022]

G	3020	Where a trade is executed during the <b>regular trading day</b> , a <b>trade report</b> shall be submitted to the <b>trading system</b> as close to real time as technically possible, and in any case for <b>equities</b> within 1 minute of execution and for <b>fixed income securities</b> within 15 minutes of execution. Repo-transactions in fixed interest securities shall be reported within expiry of the <b>trade reporting period</b> .
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*Guidance to Rule:*

**MERKUR MARKET member firms** should ensure that **trade reports** are submitted to the **Marketplace** as close to instantaneously as technically possible. The information should only be reported close to the prescribed maximum time limits in exceptional cases where the systems available do not allow for a submission in a shorter period of time.

The **trading system** will immediately publish a **trade report** unless **deferred publication** is requested (and the trade qualifies for delay).

3021	If one leg in a <b>fixed income securities</b> trade is not reported within the end of the <b>trade reporting period</b> , the <b>MERKUR MARKET member firm</b> having reported the other leg should cancel the <b>trade report</b> within the end of the <b>trade reporting period</b> . The trade should be re-reported prior to commencement of trading on the following trading day.
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3022	Where a trade is effected outside the <b>trading day</b> , a <b>trade report</b> shall be submitted at the start of the next <b>trading day</b> .
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### 3.1.4 TRADE PUBLICATION [3030-3035]

#### Deferred publication

G	3030	A <b>MERKUR MARKET member firm</b> may elect to use the <b>deferred publication</b> facility where the trade satisfies the criteria in the <b>market models</b> .
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#### *Guidance to Rule:*

A **member firm** may release a **deferred publication** trade for publication at any time prior to automatic publication.

3031	A <b>MERKUR MARKET member firm</b> shall not:
3031.1	aggregate trades in order to qualify for treatment under the <b>deferred publication</b> facility;
3031.2	add subsequent trades to a <b>deferred publication</b> in order to increase its size; or
3031.3	submit or agree to submit a correction for the sole purpose of re-reporting a trade in order to gain or extend a delay in publication.

#### Publication

3032	The <b>Marketplace</b> shall publish details of trades derived from <b>trade reports</b> as specified in the <b>Market models</b> .
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### 3.1.5 REQUIRED CONTENT OF TRADE REPORTS [3040]

G	3040	A <b>MERKUR MARKET 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 models</b> .
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#### *Guidance to Rule:*

#### Counterparty ID

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

#### Date and time of the trade

**MERKUR MARKET 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.

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 **MERKUR MARKET member firms** involved.

#### Instrument Identification code

The instrument ID of the relevant instrument should be provided.

For trades with non-standard settlement cycle, the **trade report** must specify the settlement date.

For repo-trades, the **trade report** must specify the settlement date for both legs of the transaction.

#### 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. A **MERKUR MARKET member firm** must therefore decide the most appropriate indicator in relation to the trade.

- Trades with standard settlement conditions may be entered as ordinary trades.
- The **negotiated trade** type indicator ('NT') should only be used where the trade qualifies as a **negotiated trade**. Where a **negotiated trade** is subject to conditions other than the current market price of the share, a **MERKUR MARKET member firm** must include the Special Price ('SP') trade reporting condition on the **trade report** – see Reporting condition section below.
- Where a **trade report** for **securities** is not to be published, in accordance with Rule 3011, it should be reported as a **non-publishing trade report**.
- In the event that the reporting of a trade is delegated subject to Rule 3013, the same trade type indicator should be used (i.e.: ordinary trade or **negotiated trade**).

#### Price and Size of the trade

All **trade reports** must be the gross price (excluding any commission) and include the traded currency.

#### Trading capacity of the **MERKUR MARKET member firm**

**MERKUR MARKET member firms** must ensure that their trading capacity is entered accurately on every **trade report** they submit to the **Marketplace**. Doing so may prove important, for instance, in the event of a **MERKUR MARKET member firm** (either the firm reporting the trade or another firm) being declared a defaulter on the **Marketplace**.

#### 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 the **trading system**.

#### Reporting condition

Where a trade is subject to conditions other than the current market price of the share, a **MERKUR MARKET member firm** must always include the Special Price ('SP') reporting condition on the **trade report**.

Examples where the reporting condition should be used include, but are not limited to:

- where the trade is done on a special cum or ex dividend / coupon / rights / bonus / capital repayment basis;

- where the trade is for guaranteed delivery;
- where the trade is part of a **portfolio**;
- where the trade is a VWAP;
- where the trade is a “give up”; or
- where the trade is for non standard settlement;

**Negotiated trades that are subject to conditions other than the market price of the share**

In relation only to a **negotiated trade**, the **Exchange** will consider the following as **negotiated trades** that are subject to conditions other than the market price of the share (adopting the terms of MiFID II RTS 1 Article 6 – subsequently re-issued by the Commission under reference “C(2016) 4390 final”):

(a) the transaction is executed in reference to a price that is calculated over multiple time instances according to a given benchmark, including transactions executed by reference to a volume-weighted average price or a time-weighted average price;

(b) the transaction is part of a portfolio trade;

(c) the transaction is contingent on the purchase, sale, creation or redemption of a derivative contract or other financial instrument where all the components of the trade are meant to be executed as a single lot;

(d) the transaction is executed by a management company as defined in Article 2(1)(b) of Directive 2009/65/EC or an alternative investment fund manager as defined in Article 4(1)(b) of Directive 2011/61/EU which transfers the beneficial ownership of financial instruments from one collective investment undertaking to another and where no investment firm is a party to the transaction;

(e) the transaction is a give-up transaction or a give-in transaction;

(f) the transaction has as its purpose the transferring of financial instruments as collateral in bilateral transactions or in the context of a CCP margin or collateral requirements or as part of the default management process of a CCP;

(g) the transaction results in the delivery of financial instruments in the context of the exercise of convertible bonds, options, covered warrants or other similar financial derivative;

(h) the transaction is a securities financing transaction;

(i) the transaction is carried out under the rules or procedures of a trading venue, a CCP or a central securities depository to effect buy-in of unsettled transactions in accordance with Regulation (EU) No 909/2014;

(j) any other transaction equivalent to one of those described in points (a) to (i) in that it is contingent on technical characteristics which are unrelated to the current market valuation of the financial instrument traded.

This guidance does not bring **on Exchange** transactions that are not within the scope of Rule 3000.

**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.

**3.1.6 TRADE REPORT CORRECTIONS [3050-3051]**

3050	If a <b>MERKUR MARKET 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 these Rules, it shall immediately submit a cancellation to the <b>trading system</b> , which shall contain all the original <b>trade report</b> details including the original Trade ID and, where correcting an error in the original <b>trade report</b> , submit a new <b>trade report</b> .
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**3.1.7 MARKETPLACE ENFORCED CANCELLATION OF TRADES [3080]**

3080	Rule 2120 and 2121 applies correspondingly to off <b>order book</b> trades.
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## 4 MARKET MAKING RULES

4001 **MERKUR MARKET member firms** that engage in **algorithmic trading** shall be considered to be **market makers** when requirements specified in Article 17 of MiFID are met, and shall enter into a **market maker agreement** with the **Marketplace** for the relevant **equity instruments**.

In addition to the MiFID requirements, the **Marketplace** can add additional requirements or entirely separate market maker schemes in order to improve the quality of its order books.

A breach by the **member firm** of the **market maker agreement** as required by the **Marketplace** from time to time shall be deemed to constitute a breach of these **Rules**.

### *Guidance to Rule:*

Where a **member firm** engages in **algorithmic trading** and pursues a market making strategy, the **member firm** shall immediately notify the **Exchange**. Except in **exceptional circumstances**, the **member firm** shall be required to meet the obligations set out in the **market maker agreement**. The terms and conditions regarding **market maker agreements** are available on [www.oslobors.no](http://www.oslobors.no).

**Member firms**, pursuing a market making strategy, shall observe the obligation to flag firm **orders** submitted to the **trading system** under the market making agreement in order to distinguish those **orders** from other order flows, cf. the **Market Model Equities**.

4002 **MERKUR MARKET member firms** that intend to act as liquidity providers shall enter into a liquidity provider agreement with the **Marketplace**, or such other liquidity provider agreement or arrangement with the **Marketplace**, as the **Marketplace** may require from time to time.

A breach by the **MERKUR MARKET member firm** of the liquidity provider agreement, or such other liquidity provider agreement or arrangement as required by the **Marketplace** from time to time shall be deemed to constitute a breach of these **Rules**.

## 5 SETTLEMENT

### 5.1 SETTLEMENT

#### 5.1.1 OBLIGATION TO SETTLE [5000]

G	5000	A <b>MERKUR MARKET member firm</b> shall ensure that every <b>on Marketplace</b> trade effected by it is duly settled.
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*Guidance to Rule:*

A **MERKUR MARKET member firm** is responsible for ensuring the delivery of **instruments** and payment on the agreed settlement due date for all its **on Marketplace** business in accordance with the rules of the relevant central securities depository, cf. Rule 1020.

#### 5.1.2 TIME OF SETTLEMENT [5010-5012]

5010	A settlement schedule shall apply as specified in the <b>Market models</b> .
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5011	The parties to <b>manual trades</b> may agree upon a deviating settlement schedule.
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5012	The <b>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 <b>Instrument</b> in question.
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## 6 COMPLIANCE PROCEDURES

### 6.1 DISCIPLINARY PROCESS

Where the **Marketplace** believes there has been a breach of these Rules by a **MERKUR MARKET member firm**, or by **employees** of officers of the **MERKUR MARKET member firm**, the **Marketplace** may commence disciplinary action against such **MERKUR MARKET member firm, employees** or officers 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 **MERKUR MARKET 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 **MERKUR MARKET 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 **MERKUR MARKET 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 **MERKUR MARKET member firm** has taken is adequate to prevent similar future occurrence.

In the event of a breach or potential breach of these Rules The **Marketplace** could impose one or more of the sanctions outlined below, C-series.

The **Marketplace** may also report the disciplinary matter to relevant regulatory authority in accordance with applicable laws and regulations.

The procedures on Disciplinary matters are to be found in a supplementary document, Disciplinary Procedures, which can be found on the **Marketplace** website.

C	100	<p>Where a <b>MERKUR MARKET member firm</b> breaches the provisions of Norwegian Securities legislation, these Rules, or good business practices, or otherwise demonstrates unsuitability to be a <b>MERKUR MARKET member firm</b>, the <b>Marketplace</b> may:</p> <p>(i) Issue a warning to the <b>MERKUR MARKET member firm</b>;</p> <p>(ii) Suspend the <b>MERKUR MARKET member firm</b> from participation in trading;</p> <p>(iii) Terminate the membership or withdraw the right to participate in trading, provided that the breach is material.</p>
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C 101 Where a **MERKUR MARKET member firm** breaches the provisions of Norwegian **Securities legislation** or materially breaches these Rules, the **Marketplace** may resolve to impose a violation charge, payable to the **Marketplace**.

The minimum level of fine is NOK 25.000 and the maximum level is NOK 1.000.000. The level of fine imposed on a **MERKUR MARKET member firm** is based on the circumstances in each individual matter and on the nature of the breach.

C 102 Where a **MERKUR MARKET member firm**, its **employees** or officers fail to comply with the information requirements (1110) the **Marketplace** may impose a daily fine on the **MERKUR MARKET member firm**, until such time as the information requirement is complied with. The daily fine may not exceed NOK 250,000 per day for the **MERKUR MARKET member firm**.

C 103 A **MERKUR MARKET member firm** upon whom a daily fine or violation charge is imposed, shall be notified in writing of the decision and the grounds for the decision. Oslo Børs may at its discretion provide regulation as to the scope and procedure of appeals. Information shall also be provided regarding the right to appeal to the **Marketplace** Appeals Committee, the time limit for such appeal, and the appeal procedure. The decision and the grounds for the decision shall be published.

The Appeals Committee is limited only to decisions favouring the appeal, or to uphold the **Marketplace's** sanction, its decisions and grounds being advisory to the Exchange. Normally the Marketplace will abide by the advice given by the Appeals Committee.

C 104 A **MERKUR MARKET member firm** may appeal decisions of the **Marketplace** as set out in Rule C100, C101 and C102. A decision involving a warning of the **MERKUR MARKET member firm** may however not be appealed.



## 7 GOVERNING LAW AND DISPUTE RESOLUTION

C	105	The interpretation and application of these rules and their enforcement shall be governed by and adjudicated in accordance with Norwegian law. The exclusive place of jurisdiction for any disputes arising out of and in connection with these Rules shall be the Oslo District Court as the first instance.
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OSLO BØRS

OSLO STOCK EXCHANGE

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