



OSLO BØRS

OSLO STOCK EXCHANGE

JANUARY 2019

Oslo Børs

Member and trading
rules

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DOCUMENT HISTORY

Version	Date	Description
1.0	15.01.2010	
1.1	12.04.2010	Minor corrections of spelling errors
1.2	10.09.2012 <i><u>In force from and including 12.09.2012</u></i>	Amendments in anticipation of implementation of new trading system (Millennium Exchange), new regulatory requirements and other amendments
1.3	16.06.2014	Amendments in relation to the migration to T+2 and minor adjustments in relation to indicative orders
1.4	01.01.2017	Clarification of Rule 3040 (negotiated trade), amendments to request for quote functionality and some other minor amendments.
2.0	03.01.2018	Amendments to the Rules of Oslo Børs in preparation for the Markets in Financial Instruments Directive (Directive EC2014/65/EU) and general rulebook review
2.1	12.10.2018	Amendment in connection with the entry into force of GDPR. Amendment of rule 3020 with respect to reporting deadline for Repo-transactions.
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 equally to Oslo Børs and the regulated market Oslo Axess. Separate rulebooks applies to Nordic ABM and Merkur Market. 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 London Stock Exchange's rules, however the **Exchange** has sought in cooperation with its members to make the amendments required in order to accommodate the rules to Norwegian trading practices and legislation.

The 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.

For information on how Oslo Stock Exchange process personal data, please see the privacy policy on 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 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 **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 Exchange** or **off Exchange**. If the parties agree that the trade should be **on Exchange**, they are required to report the trade as **manual trade** in accordance with the Off Order Book Trading Rules. Such **on Exchange** off book trades are

regulated by these Rules. **Off Exchange off book** trades, however, are not subject to these Rules. The parties *may* nevertheless report an **off Exchange off book** trade to **Oslo Børs' APA** as a **manual trade**.

Reported **manual trades** in **equities**, which are not brought **on Exchange**, must not duplicate an **on Exchange 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 **Exchange** and the **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 'Market Model – Oslo Børs Fixed Income' and 'Market Model - Oslo Børs 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 sectors and segments of the **Exchange's** markets. The **Market models** are part of the Rulebook and are equally binding on the **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 Exchange 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.

DEFINITIONS

admitted to trading	admission to trading on the Exchange's markets (Oslo Børs and Oslo Axess)
agency cross	a trade by which a member firm acting as an agent matches the buy and sell orders of two or more non-members at the same price and on the same terms
agent	a member firm acting on behalf of a customer or counterparty in an agency capacity
algorithmic trading	means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order , the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention [as defined in MiFID article 4 (39)]
any other trading capacity	dealing capacity other than dealing on own account and matched principal . Any other trading capacity includes an agency cross .
associate	in relation to any person , means that person's associate as defined in Section 2-5 of the Securities Trading Act
APA	Approved Publication Arrangement, cf. Article 4(1)(6) of MiFID
automatic trades	trades effected automatically on an Exchange order book, cf. Rule 2000
bid price	the price at which a member firm is prepared to buy securities
business day	any day on which the Exchange is open for trading
buyer	(a) a member firm purchasing securities from another member firm or customer ; or (b) in the case of a central counterparty trade a matched buyer .
central counterparty	a body that assumes the risk for central counterparty trades by acting as the selling party to a matched buyer and as the buying party to a matched seller or their clearing member , as appropriate
central counterparty contract	any contract arising between clearing members and a central counterparty , resulting from a central counterparty trade

central counterparty rules	the rules, general regulations, default rules and procedures of a central counterparty
central counterparty security	shares, equity certificates, depositary receipts, exchange traded funds and any other instruments which have been designated by the Exchange and a central counterparty as eligible for central counterparty processing
central counterparty trade	an electronically matched order on the trading system in a central counterparty security
clearing agreement	an agreement entered into between the Exchange and a central counterparty regulating the relationship between the Exchange and the central counterparty in relation to the central counterparty's clearing of trades dealt in central counterparty securities
clearing declaration	a declaration which shall be submitted to the central counterparty by a General Clearing Member for each of its Non Clearing Members stating that the General Clearing Member accepts that all of the Non Clearing Member's central counterparty trades will be cleared by the General Clearing Member on behalf of the Non Clearing Member in accordance with the terms of the General Clearing Member's clearing membership agreement
clearing member	a General Clearing Member or a Direct Clearing Member
clearing membership agreement	the agreement entered into between a central counterparty and a clearing member under which, amongst other things, a central counterparty agrees to make available clearing services in respect of central counterparty contracts
compliance procedures	the 'C' series of these Rules which sets out the rules and procedures for disciplinary proceedings and disciplinary and non-disciplinary appeals
counterparty	a person who is not a customer with whom a member firm undertakes a trade on Exchange and including (where applicable) a central counterparty
current market value	means prices, which upon a comprehensive assessment, reflect the current pricing of the Instrument in question.
customer	a person for whom a member firm undertakes a trade or otherwise performs services on Exchange

dealing on own account	means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments
deferred publication	a facility for member firms to delay the publication of a trade for a period of time dependent on its size as set out in MiFID and reflected and in accordance with the thresholds detailed in the parameters
Direct Clearing Member	a member firm that is party to a valid and subsisting clearing membership agreement with a central counterparty and which may clear with the central counterparty central counterparty trades dealt by the member firm itself and central counterparty trades dealt by its customers
direct electronic access	an arrangement whereby a member firm provides direct market access and/or sponsored access services
direct market access	a service provided by a member firm through which a customer is able to submit orders to the trading system under the member firm's trading codes and via the member firm's order management systems, but without manual intervention by the member firm (and where the customer can exercise discretion regarding the exact fraction of a second of order entry and lifetime of the order within that timeframe)
EEA	the European Economic Area
EEA regulated market	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 MiFID .
employee	in relation to a member firm a director, partner or principal or person employed in or about the firm's business as a member firm , whether under a contract of service or for services (including a training contract) and any person seconded to work in or about that business
equities	shares, depository receipts, equity certificates , warrants , financial certificates , exchange traded funds and other instruments that are admitted to trading in any of the segments defined in the Market model equities

equity certificates	equity securities issued by Norwegian savings banks which are not organised as limited liability companies
exceptional circumstances	the meaning given to it in Article 3 of Commission Delegated Regulation (EU) 2017/578
Exchange	Oslo Børs ASA which trades as “Oslo Børs” including, where the context so permits, any committee, sub-committee, employee or officer to whom any function of Oslo Børs ASA may for the time being be delegated
Exchange enforced cancellation	the cancellation by the Exchange of an on Exchange trade either in response to a request from a party to the trade or undertaken unilaterally by the Exchange . Discretion as to whether or not to cancel a trade lies solely with the Exchange
Exchange price list	the price list of the Exchange , from time to time, as available on the Exchange’s web-site.
exchange traded fund	a financial instrument admitted to trading in accordance with the Exchange’s ETF Rules
financial certificates	a financial instrument admitted to trading as a financial certificate in accordance with the Exchange’s Warrant and ETN Rules
fixed income security	a security that is admitted to trading in any of the segments defined in the Market model fixed income
foreign	non-Norwegian
General Clearing Member	a member firm that is party to a valid and subsisting clearing membership agreement with a central counterparty and which may clear with the central counterparty , central counterparty contracts resulting from central counterparty trades dealt by the member firm itself, trades dealt on behalf of its customers or also other member firms’ trades, or a non-member firm as mentioned in Rule 1005.
LEI	the Legal Entity Identifier, a unique code based on the ISO standard 17442
Listing Rules	the listing rules of Oslo Børs and Oslo Axess

liquidity provider	a member firm that has entered into an agreement with an issuer to provide liquidity for a given security
manual trades	trades that are not automatic trades
Market model equities	Market Model – Oslo Børs Equities
Market model fixed income	Market Model – Oslo Børs Fixed Income
market maker	in relation to securities designated by the Exchange , a member firm which is registered as a market maker and is obliged to quote prices in specific securities
market making agreement	the agreement entered into between a member firm and the Exchange whereby the member firm agrees to act as a market maker in specific securities
Market models	Market model equities and Market model fixed income
market situation	a general term used to describe one or more issues that may impact the orderliness of trading multiple securities, this may include exceptional circumstances
matched buyer	a member firm on the buy side of an electronically matched order on the trading system
matched principal	a member firm or other person 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
matched seller	a member firm on the sell side of an electronically matched order on the trading system
member firm	a partnership, corporation, legal entity or sole practitioner admitted to Exchange membership and whose membership has not been terminated. For the purposes of the compliance procedures , member firm shall include a former member firm where appropriate
member ID	the highest level of identification of a member firm in the trading system

membership profile	the trading and non trading profile of a member firm as held by the Exchange
MiFID	Markets in Financial Instruments Directive [Directive 2014/65/EU]
MiFID transparent security	a financial instrument admitted to trading on an EEA regulated market
MiFIR	Markets in Financial Instruments Regulation No. 600/2014
National ID	the identifier set out in Article 6 and Annex II of the Commission Delegated Regulation (EU) 2017/590
negotiated trade	a trade, conducted in an EU regulated market equity , that is not subject to pre-trade transparency on the trading system and which is executed on terms that are no worse than those that could be achieved on the relevant Exchange order book 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 Exchange will consider whether the trade price is reasonable taking in to account the market conditions at the time of the trade.
Non Clearing Member	a member firm that is not a clearing member in respect of a particular trade
non-MiFID firm	member firms that are not subject to MiFIR and MiFID or legislation implementing MiFIR art 25, 26 and 27.
Norway	the Kingdom of Norway
notice	any notice issued by the Exchange from time to time to member firms generally or to any class of member firms
off Exchange off book	a trade reported to Oslo Børs' APA
offer price	the price at which a member firm is prepared to sell securities
on Exchange	a trade executed under the Rules of the Exchange as defined by Rules 2000 (on book) & 3000 (off book)
order	includes both orders and quotes registered in the trading system
order book	a facility operated by the Exchange for the electronic submission and (where applicable) automatic execution of orders or request for quotes in order book securities .

order book security	a security which the Exchange has admitted to trading on an order book
Oslo Børs' APA	Oslo Børs' Approved Publication Arrangement, cf. Article 4(1)(6) of MiFID
person	an individual, corporation, partnership, association, trust or other entity as the context admits or requires
principal	a member firm or other person acting as principal
regular trading day	the period of regular trading or order entry, including any closing auction call, as defined from time to time in the Market models
relevant market	the trading venue with the highest turnover within the European Economic Area for that financial instrument
registrar	the keeper of a register of securities
Reg S traded security	securities of US issuers (as defined under US securities law) issued pursuant to the offshore safe harbour from registration requirements available under Category 3 of Regulation S under the US Securities Act of 1933, as amended, and identified as such on the trading system with the letters "REG S"
relevant contracts	any contracts arising between the Exchange and a member firm , including but not limited to the Membership Agreement
request for quote	functionality by which a member firm may request other member firms to submit quotes in a particular order book. Only the member firm requesting for quotes may trade on a submitted quote
Rules	the rules set out in this document
Securities Trading Act	Securities Trading Act of 29 June 2007 No 75
Securities Trading Regulations	Securities Trading Regulations of 29 June 2007 No 876
seller	(a) a member firm selling securities to another member firm or customer ; or (b) in the case of a central counterparty trade a matched seller .
securities	equities and fixed income securities

settlement agent	a person providing settlement services
settlement procedures	the '5000' series of these Rules regarding settlement of on Exchange trades
SI trade	a trade report registered by a systematic internaliser as defined by MiFID
sponsored access	a direct technical connection that enables a customer to access the trading system directly under a member firm's trading codes. Orders submitted in this manner do not pass through the order management systems of the sponsoring member firm but will pass through the Exchange's controls and where the customer can exercise discretion regarding the exact fraction of a second of order entry and lifetime of the order within that timeframe
subsidiary	as defined in section 1-3 second subsection of the Public Limited Companies Act of 13 June 1997 No. 45
trade report	a report of the details of an off book trade which is made to the trading system and which may be published subject to certain criteria. A trade report may be either on Exchange off book or off Exchange off book .
trade reporting period	the period each day when the trading system accepts trade reports as defined from time to time in the Market models .
trader group	the level at which authorisation and / or role enablement for trading actions in a particular Market is performed in the trading system
trading day	the regular trading day and the trade reporting period
trading system	the trading system operated by the Exchange from time to time
transaction reporting fields	means, for non-MiFID firms , certain fields contained in the annex to Commission Delegated Regulation (EU) 2017/590 that the Exchange may require to be submitted for the purposes of meeting its transaction reporting obligation
unique trade identifier	a unique reference assigned to a transaction by either a member firm or, for a transaction where a trade report is generated automatically by the Exchange's systems, the trade code assigned by the trading system to such trade report
warning notice	a letter issued by the Exchange to a member firm outlining any relevant rule breach

warrant

a financial instrument **admitted to trading** as a warrant in accordance with the **Exchange's** Warrant and ETN Rules

when issued dealing

trades effected in accordance with these Rules in securities which are the subject of an application to be **admitted to trading**, entered into before, and conditional upon, trading becoming effective

1 CORE RULES

1.1 MEMBER FIRMS

1.1.1 CATEGORIES OF MEMBERSHIP [1000-1005]

G	1000	The Exchange may permit membership under one of the following categories:
	1000.1	a full member firm ;
	1000.2	an equity member firm
	1000.3	a fixed income member firm
	1000.4	a limited member firm

Guidance to Rule:

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

*Membership is granted for trading on both Oslo Børs and Oslo Axess. Fixed income **member firms** may however only trade on Oslo Børs since **fixed income securities** are not listed on Oslo Axess.*

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

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

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

1.1.2 AUTHORISATION [1010-1015]

G	1010	A member firm must at all times be authorised under relevant Norwegian, or appropriate EEA or overseas legislation, or in the view of the Exchange be otherwise sufficiently regulated, in respect of capital adequacy, and fitness and probity.
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Guidance to Rule:

The Exchange 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 Exchange'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 Exchange deems it necessary to protect the integrity of the Exchange's markets, action may be taken under Rule 1013 without prior notice to the **member firm** concerned.

The Exchange 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 Exchange shall, once a year, conduct a risk-based assessment of the compliance of the **member firms** with the conditions referred to in Commission delegated regulation (EU) 2017/584 art 7 paragraph 1 and check whether the **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 **member firm** as well as the time elapsed since the **member firm's** last risk based assessment.

1011	A member firm must hold a valid, issued and duly renewed LEI at all times.
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1012	Non-MiFID member firms must provide the Exchange with the required transaction reporting fields for their on Exchange trades in the format and within the timescale prescribed by the Exchange , 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 Exchange on behalf of the customer, including by way of direct market access.

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

1.1.3 SUITABILITY [1020-1026]

G	1020	A member firm must, to ensure compliance with these Rules, at all times have:
	1020.1	a current and valid membership in a central securities depository where the instruments traded on the Exchange's markets are settled or an agreement with a settlement agent with such membership providing for settlement of the member firm's on Exchange trades;
	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 Exchange and be competent to advise the member firm and its employees on the application of these Rules.
	1020.6	A full member firm and an equity member firm must in addition have a current and valid clearing arrangement in accordance with the requirements set out in Rule 5201. The same applies to limited member firms trading in central counterparty securities .

Guidance to Rule:

The **Exchange** 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 Exchange has reason to believe that a member firm 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 Exchange may at any time:
1021.1	suspend, either in part or in full, a member firm's membership on the Exchange in accordance with the compliance procedures or its access to any of the Exchange's services; or
1021.2	restrict the scope of on Exchange business conducted by the member firm .
G 1022	In accordance with notification Rule 1050, a member firm shall notify the Exchange immediately of any matter that is material to the member firm's suitability as a member firm .

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 **member firm** or of a company which is a subsidiary or holding company of the **member firm**;
- (ii) the appointment of a receiver, administrator or trustee of the **member firm**;
- (iii) the making of a composition or arrangement with creditors of the **member firm**;
- (iv) a company proposal or decision to dissolve the **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 **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 **Exchange** that is pertinent to the **Exchange's** consideration of a **member firm's** authorisation.

G 1023	A member firm 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 Exchange under these Rules;
1023.3	the provisions of any notice ; and

1023.4 any requirement, decision or direction of the **Exchange**.

Guidance to Rule:

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

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

1024 A **member firm** shall take all reasonable steps to ensure that its **employees** comply with all applicable obligations arising under these Rules.

1025 A former **member firm** 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 **member firm**;

1025.2 the date on which all of its **on Exchange** trades are settled and completed; or

1025.3 the date on which all outstanding subscriptions, charges or other sums due to the **Exchange** have been paid in full.

1026 Breaches of these Rules conducted by a former **member firm** prior to termination of membership may be sanctioned by the **Exchange** in accordance with the **compliance procedures**.

1.1.4 RESIGNATION OF MEMBERSHIP [1030-1031]

G 1030 A **member firm** may resign by giving the **Exchange** at least one month's prior written notice.

Guidance to Rule:

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

1031 A **member firm** 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 **Exchange**.

1.1.5 APPEALS AND COMPLAINTS [1040]

G 1040 An applicant or **member firm** may appeal against a decision of the **Exchange** pursuant to these Rules and in accordance with the rules in the **compliance procedures**.

Guidance to Rule:

Appeals may be made in connection with, but not limited to, the following situations:

- refusal or attachment of conditions to the grant of membership;
- daily fines or violation charges imposed by the **Exchange**.

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 member firm 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 Exchange of such circumstances in as much detail as is available to it. Failure of a member firm to notify the Exchange in such circumstances may result in a contravention of the Rules by the member firm .
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Guidance to Rule:

Such notifications should be made to the Market Surveillance Department.

Advanced notifications

G	1051	A member firm shall notify the Exchange in writing, at least 21 calendar days in advance of the proposed effective date, of any proposed changes to its membership profile .
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Guidance to Rule:

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

- name and address of the **member firm**;
- senior executive officer or compliance officer of the **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 member firm shall not inform a customer that a trade is subject to the Oslo Børs Member and Trading Rules unless the trade is on Exchange .
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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 **Exchange** when it is not. A **member firm** may however state on its business letters, notices and other*

publications that it is a member of the **Exchange** and may where it issues a confirmation inform a **customer** that a trade is subject to the rules of the **Exchange**.

1.1.8 TRADE RECORDS [1070]

1070	A member firm shall retain a record of each on Exchange 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 Exchange 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 Exchange under these Rules shall be in Norwegian, English, Swedish or Danish.
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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 Securities Trading Act or similar legislation adopted in the member firm's home state.
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1.1.11 SETTLEMENT AGENT [1095]

G	1095	A member firm may act as, or use the services of, a settlement agent to settle on Exchange business.
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Guidance to Rule:

Member firms must make their own arrangements for settling their **on Exchange** trades. A **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 Exchange may, at its discretion, waive the enforcement of these Rules.
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1.2.2 DUTY OF CONFIDENTIALITY [1105-1106]

1105	The member firm shall ensure that officers, employees 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 member firm's activities on the Exchange . The duty of confidentiality shall apply notwithstanding
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that the employment relationship has terminated or the services have been completed.

If the **member firm** erroneously receives information from the **Exchange**, the **member firm** shall immediately notify the **Exchange**.

1106 The **Exchange** and officers and **employees** of the **Exchange** may not make any unauthorised disclosure or use of information regarding any business or personal circumstances that relates to the operations of the **Exchange**. The duty of confidentiality shall apply notwithstanding that the employment has terminated or the services have been completed.

1.2.3 INFORMATION, MONITORING AND INVESTIGATION [1110-1114]

G 1110 The **Exchange** may request or require information from a member firm, or interview any employee of a member firm, about any matter which it considers may relate to these rules or to the integrity of the **Exchange's** markets, or which the **Exchange** may require for the purpose of compliance with applicable law or regulation.

Guidance to Rule:

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

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

1111 A **member firm** shall comply or procure compliance with any requirement of the **Exchange** made pursuant to these Rules.

1112 A **member firm** is responsible to the **Exchange** for the conduct of its **employees** and agents. Such conduct shall be treated for the purposes of these Rules as conduct of the **member firm**.

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

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

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

1114.1	to co-operate, by the sharing of information and documents and otherwise, with any recognised exchange or clearing house which clears and/or settles on Exchange trades and any authority, body or person in Norway or elsewhere having responsibility for the supervision or regulation of any regulated activity or other financial service or for law enforcement purposes;
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 Exchange 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 Exchange considers that a member firm has contravened any of these Rules it may impose sanction(s) in accordance with the compliance procedures .
1116	The Exchange may bring disciplinary proceedings against a former member firm whilst the former member firm is bound by these Rules.

1.3 CHARGES AND FEES

1.3.1 EXCHANGE CHARGES [1200-1203]

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

Guidance to Rule:

*Rule 1200.3 refers to sums that the **member firm** is required to pay to the **Exchange** 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 Exchange , any subscriptions, charges or other sums due to the Exchange shall be paid in full within 30 calendar days from the date of the invoice.
1202	In order to pay charges and sums due to the Exchange , the Exchange may require a member firm to execute and maintain in force a direct debit mandate in the Exchange's favour on a bank account in Norway.
1203	Where a member firm fails to pay in accordance with these Rules other than in the case of a dispute, the Exchange may terminate its membership without prejudice to any other action which the Exchange may take.

1.4 GENERAL CONDUCT

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

G	1300	A member firm shall not, in respect of its on Exchange 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 trading system ;
	1300.3	effect a trade at any price which differs to an unreasonable extent from any price displayed on the trading system 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 Exchange's markets;
	1300.5	do any act or engage in any course of conduct which causes, or contributes to, a breach of the Exchange's rules by another member firm ; or
	1300.6	cause an order or a trade which do not reflect the current market value of that security to be put into the trading system .

Guidance to Rule:

Order book conduct

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

*A **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 **member firm** itself or has been automatically routed from a third party through **sponsored access** or **direct market access** (whether another **member firm** or not).*

A **member firm** may not submit **request for quotes** unless the **member firm** has an intention to trade on a submitted quote. However, the **member firm** shall not be obliged to trade on any submitted quotes if these may be deemed to not represent current market value.

Entry and deletion of orders

While the **Exchange** understands that trading decisions of **member firms** may change, **member firms** should not enter **orders** into the auction, during continuous trading or during **request for quote** 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 STOCK EXCHANGE PRACTICE [1305]

1305	A member firm shall observe good stock exchange practice.
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1.4.3 MARKET MANIPULATION [1310]

G	1310	A member firm trading in a security 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 **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 **member firm** have concerns about whether a particular trading strategy might be called into question by the **Exchange**, 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 **Exchange**.

1.4.4 ALGORITHMIC TRADING [1315]

1315	A member firm that engages in algorithmic trading 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 member firm shall be connected to data communication networks for communication with the trading system as approved or instructed by the Exchange from time to time.</p> <p>The member firm shall be solely responsible for the installation of suitable software and hardware for connection to and communication with the trading system.</p> <p>The Exchange may require that defect or deficiencies are rectified and may prohibit the member firm from using specific software or hardware until the defect or deficiency is rectified.</p>
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Guidance to Rule:

The **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 **Exchange** may prescribe further security routines.

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

1401	<p>The Exchange 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.</p> <p>The Exchange shall notify the 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 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</p>
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the **Exchange** and the **member firm** will be subject to deadlines and procedures as further decided by the **Exchange**.

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

The **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 **Exchange**. The **Exchange** may require that the modified hardware or software to be tested in accordance with Rule 1420. The **member firm** may request to test the modified equipment in accordance with Rule 1420.

The **Exchange** 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 **Exchange** shall, where possible, provide the **member firm** with reasonable notice prior to the implementation of such measures.

1402

The **member firm** shall appoint one or more technical contacts who shall be responsible for the **member firm's** hardware and software, for the **member firm's** connection to the **trading system** and for handling and administering relevant enquiries from the **Exchange**. The **member firm** shall notify the **Exchange** 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]

G 1420

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

A **member firm** is only allowed to use software that has passed a conformance test for trading on the **trading system**. The **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 **member firm** engaged in **algorithmic trading**.

The **Exchange** is entitled to summon **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 **member firm** may comply with the testing requirements by using its own testing environment or a testing environment provided by the **Exchange** or a vendor.

Member firms shall, regardless of which testing environment that is used, certify to the **Exchange** 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 member firm shall not submit orders or trade reports to the trading system for the purpose of testing any systems or controls.
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Guidance to Rule:

The **Exchange** requires **member firms** to test their systems or controls prior to submitting **orders** or **trade reports** to the **trading system**. To enable this testing, the **Exchange** offers **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**. **Member firms** are encouraged to contact the **Exchange** to discuss their testing requirements. **Exchange** approved testing undertaken by **member firms** (including the **Exchange** 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 **Exchange** relies on **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 **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 **member firm** from initiating new trading strategies (whether manual or algorithmic) as part of a controlled release procedure.

Member firms that require further information on how to conduct testing with the **Exchange** should contact the Market Surveillance Department.

1.5.3 MEMBER FIRM SYSTEM PROBLEMS [1430]

G	1430	Where a member firm identifies a system problem it shall inform the Exchange in accordance with notification Rule 1050 and follow any subsequent instructions from the Exchange . A member firm 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 **member firm** accessing its **orders** on the **trading system**;
- a **member firm** submitting a **trade report**;

Dealing during a systems failure:

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

Orders:

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

Order deletion:

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

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

- the name of the **member firm**;
- the **member firm's** mnemonic;
- the **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 **member firm** must also provide the **order** code. If this is not available, the **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 **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.

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

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 **member firm** requesting deletion of its **orders** and the Market Surveillance Department effecting the deletions the **member firm** will be obliged to honour the trade.

Trade reporting:

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

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

If the **Exchange** is not informed of a **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 Exchange may suspend or remove from trading a financial instrument which no longer complies with the rules of the Exchange 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:

Examples of special causes are:

- where a suspension is imposed by the competent authority, or market operator for another venue (or one of the venues) of listing; or
- where a suspension is required for orderly market reasons.

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 **instrument**.

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

Request for quotes may not be initiated and any on-going **requests for quotes** will be terminated.

On Exchange trades shall be reported.

When entering into a **manual trade**, the **member firm** shall ensure that a counterparty which is not a **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 member firm learns of a regulatory suspension declared by a venue of listing other than Oslo Børs or Oslo Axess on which a security admitted to trading or a security underlying an security admitted to trading, is listed, the member firm
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is requested to notify the **Exchange** and any other **member firms** which approach it to deal in the affected security on the **trading system**.

1.6.2 MATCHING HALT [1510]

G	1510	The Exchange may in special cases decide to halt matching in one or more instruments . Matching may be halted when an announcement regarding an instrument is to be made, in the event of irregular price movements, suspicion of unequal information in the market, or other events.
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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 **member firm**. The **Exchange** will as a general rule not delete **orders** during a matching halt unless requested by the **member firm**.*

***Request for quotes** may not be initiated and any on-going **requests for quotes** will be terminated.*

***On Exchange** trades shall be reported.*

*When entering into a **manual trade**, the **member firm** shall ensure that a counterparty which is not a **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 **Exchange** may decide that trading shall be resumed with an open call auction.*

1.6.3 RESTRICTED TRADING [1520]

1520	A member firm 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 regulatory suspension.
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1.6.4 MARKET SITUATIONS [1530]

G	1530	The Exchange may suspend automatic execution on the trading system or impose a temporary regulatory suspension or matching halt for a particular market, market segment, market sector or tradable instrument as market situations 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 **Exchange** to a **central counterparty** will be considered as a market situation.

If **member firms** representing 75 % or more of trading in a market have system problems as mentioned in Rule 1430 this will be considered a **market situation**.

If **member firms** representing 25 % or less of trading in a market have system problems as mentioned in Rule 1430 this will not be considered a **market situation**.

If **member firms** representing between 25 % and 75 % of trading in a market have system problems as mentioned in Rule 1430 the **Exchange** will on a case-by-case basis determine whether this is to be considered as a **market situation**

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

- suspend trading operations;
- limit trading operations;
- delay the opening/closing of trading operations;
- limit the number of electronic connections per **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 SPECIFIC TRADING REGULATIONS

1.7.1 WHEN ISSUED DEALING [1600-1602]

1600	The Exchange will permit when issued dealing in a security provided that the Exchange is satisfied that there can be a fair and orderly market for the trading of that security.
1601	In accordance with timescales and detailed guidance provided by the Exchange , a member firm may undertake when issued dealing subject to a when issued dealing application having been made in accordance with the Listing Rules and the offer price and full allocation details having been publicly announced and listing prospectus or other documentation as applicable is approved.
1602	All when issued dealing trades will be for deferred settlement and if the resulting securities are not admitted to unconditional trading, every when issued dealing trade effected is void.

1.7.2 CONDITIONAL TRADES [1610]

G	1610	Other than in the case of when issued dealing , a member firm shall not effect a trade on Exchange subject to a condition precedent or condition subsequent without the prior consent of the Exchange .
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Guidance to Rule:

Applications for permission to deal should be addressed to the Market Surveillance department as far in advance of the planned trade date as possible.

1.7.3 STABILISATION [1620]

G	1620	A member firm intending to act as or on behalf of a stabilising manager in a security to be traded on Exchange shall prior to the commencement of the stabilising period provide the Exchange with information regarding the stabilisation in accordance with the guidance on the Exchange's website.
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1.7.4 REG S TRADED SECURITIES [1630]

G	1630	A member firm shall not effect a trade in a Reg S traded security unless it has reasonable basis to believe after inquiry and confirmation that the trade complies with the requirements of U.S. securities laws.
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Guidance to Rule:

*Rule 1630 imposes upon a **member firm** an obligation not to engage in any trade in a **Reg S traded security** unless it has a reasonable basis to believe, after inquiry and confirmation, that the trade complies with the requirements of the securities laws of the United States of America (“United States” or “US”). The following guidance is provided by way of assistance only and a **member firm** should seek independent legal advice as to the applicability of these laws.*

*For the purposes of the Rules, the term **Reg S traded security** refers to any security identified to the **Exchange** as such by or on behalf of the issuer of the security. When a security has been so identified, the **Exchange** will require that the letters ‘REG S’ be added to the end of its name as shown in the **trading system**. The **Exchange** may place the security in a separate sector of the **trading system** only for the duration of the period of restriction. Upon notification by the issuer to the **Exchange** that restrictions no longer apply, the ‘REG S’ marker will be removed from the security’s name and it will (if applicable) be placed in an appropriate sector. A list of any **Reg S traded securities** will be made available on the **Exchange's** website, which will specify the standard place of settlement for the security.*

*Generally, **Reg S traded securities** have been issued by companies incorporated in the United States and initially offered and sold without being registered with the U.S. Securities and Exchange Commission (“SEC”) under the US Securities Act of 1933 (“the 1933 Act”). (Note, there are also companies incorporated outside the United States of America that may fall within the definition of “domestic issuer” for Regulation S purposes.) As such, **Reg S traded securities** are considered “restricted” securities, and they must be traded only in accordance with Regulation S, pursuant to registration under the 1933 Act or pursuant to an available exemption from the registration requirements of the 1933 Act.*

Among other requirements, Regulation S provides that securities issued pursuant thereto may not be purchased by, or on behalf of, “US persons” (as defined in Rule 902(k) of Regulation S) during a one-year period commencing upon the closing of the initial public offering. Generally, therefore, a security will be identified as a **Reg S traded security** until the first anniversary of its admission to trading. However, it is the responsibility of the issuer to determine when the restrictions applicable to trading of its **Reg S traded security** may be removed, and, accordingly, at the issuer’s discretion and by agreement with the **Exchange**, a security may be treated as a **Reg S traded security** for a period longer than one year.

Prior to purchasing a **Reg S traded security**, a **member firm** must take reasonable steps to ascertain whether its **customer** is resident in the United States or may otherwise be considered to be a US person or is acting for the account or benefit of a US person. A **member firm** must design, implement and maintain measures to assure compliance with the rule, such as, by way of example, obtaining or reconfirming within the last 12 months a certification from its **customer** that he, she or it is not a US person within the meaning of the above-mentioned Rule 902(k) and that such **customer** understands and accepts the restrictions and limitations imposed by Regulation S on purchasers of such securities. **Reg S traded securities** may not be purchased on behalf of a US person, unless the trade is pursuant to registration under the 1933 Act or pursuant to an available exemption from the registration requirements of the 1933 Act.

Regulation S also requires that offers to sell **Reg S traded securities** not be made to persons in the United States; that, at the time a buy **order** is originated, the seller and any person acting on its behalf reasonably believe that the buyer is outside the United States; and that neither the seller nor any person acting on its behalf knows that the trade has been pre-arranged with a buyer in the United States. In addition, Regulation S requires that no “directed selling efforts” (as defined in Rule 902(c) of Regulation S) are made in the United States by the seller, an affiliate or any person acting on their behalf, and that if the seller is a dealer or a person receiving a selling concession, fee or other remuneration in respect of the securities offered or sold, neither the seller nor any person acting on its behalf knows that the offeree or buyer is a US person.

Where an agency broker deals with a market **principal** on behalf of a **customer**, the market **principal** and the **Exchange** rely on the agency broker to ensure the performance of its **customer**. If the **customer** fails to deliver securities or cash, then the agency broker is responsible for any shortfall. This includes trades in **Reg S traded securities** which are rejected for settlement because the purchaser of the securities is identified as a US person.

1.8 INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

1.8.1 INFORMATION FROM THE TRADING SYSTEM [1700–1705]

1700	The Exchange shall have exclusive rights to compiled information derived from the trading system , including exclusive rights to all forms of release, publication, dissemination and copying.
	The Exchange shall be entitled to publish and disseminate such information to the general public.

1701	A member firm may use information from the trading system internally, in processed or unprocessed form, in whole or in part, only following approval from the Exchange in accordance with the arrangements and policies of the Exchange from time to time.
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G 1702	A 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 Exchange .
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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 member firm may only disseminate public market information as further defined by the Exchange .
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1704	The Exchange may determine the point of connection to the trading system from which the member firm may disseminate information and the guidelines governing such dissemination.
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1705	The member firm is solely responsible for ensuring that third parties who are granted access to the member firm's hardware or software, including information from the trading system and other third parties providing service to the 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.
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1.8.2 INTELLECTUAL PROPERTY RIGHTS [1710–1716]

1710	The Exchange 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 Exchange , the member firm is entitled to a non-transferable non-exclusive right to use the trading system subject to any restrictions on the member firm issued by the Exchange in connection with its operations on the Exchange . The member firm does not have and will not obtain any rights in or to the trading system through its use.
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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 Exchange , as well as any alterations or modifications thereof are vested in the Exchange and/or other rights holders. Furthermore copyrights and intellectual property rights to Exchange -related information from the trading system and/or other sources compiled or otherwise prepared by the Exchange , as well as indices and classifications produced from time to time by the Exchange , shall vest in the Exchange and/or other rights holders.
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1712	Member firms may only use trademarks, which are the property of the Exchange , as signs for products and services derived from the Exchange .
1713	In order to use the above-mentioned trademarks and intellectual property rights in a particular manner, member firms must enter into separate agreements with the Exchange 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 Exchange .
1715	In the event a claim is brought against a member firm by any third-party on the grounds that the member firm has infringed the third party's intellectual property rights as a consequence of its use of the trading system , or where the member firm otherwise becomes aware that rights vested in the Exchange , or a rights holder which the Exchange represents, are being challenged, the member firm shall be required, without undue delay, to inform the Exchange thereof in writing. The aforesaid provisions apply where the member firm becomes aware of any infringement of any rights pertaining to the Exchange or a rights holder which the Exchange represent. Any claim by a third party against the member firm for infringement of intellectual property rights shall be handled by the Exchange or the relevant rights holder at the expense of such party and the member firm shall not take part in the action in its own right. The Exchange and the relevant rights holder shall be entitled, without the member firm 's approval but on the understanding that the member firm is held harmless, to enter into legal proceedings with any such third party.
1716	The member firm shall ensure that it possesses all the licenses required and right of use with respect to the hardware and software that the member firm requires for connection to, and communication with the trading system .

1.9 LIMITATION OF LIABILITY

1.9.1 LIMITATION OF LIABILITY [1800–1800.7]

1800	1800.1	Member firms and the Exchange 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.
		Member firms and the Exchange shall under no circumstances be liable in the circumstances set out in Rules 1800.2 to 1800.6 below.
	1800.2	Member firms and the Exchange 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 **member firm** or the **Exchange** 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 **member firm** or the **Exchange** is the object of, or executes, such measures.

In the event the **member firm** or the **Exchange** 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 **member firm** or the **Exchange** 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 **member firm** and the **Exchange** 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 **Exchange** 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 **Exchange** shall not be obligated to notify or correct errors in public or non-public market information unless, in the opinion of the **Exchange**, such notification or correction is reasonable and may be deemed to be of significance to the **member firm**.
- 1800.5 The **Exchange** 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 **Exchange** shall under no circumstances be liable for damages incurred as a consequence of, or in conjunction with, any measures implemented by the **Exchange** 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.

1.10 AMENDMENTS TO THE RULES

1.10.1 AMENDMENTS TO THE RULES [1900]

1900 Amendments to the Rules will enter into force one month after the amendments have been notified to the **member firms** and published on the **Exchange's** website. The **Exchange** may in special circumstances shorten or prolong the one month period.

The **Exchange** shall consult **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 EXCHANGE TRADES [2000]

2000	A trade is on Exchange if it is effected automatically on an Exchange order book or entered into as part of a request for quote .
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2.1.2 TRADE FLOW TYPE IDENTIFICATION [2010]

2010	Member firms are required to identify the trade flow type for each order submitted to the trading system as described in the Market models .
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2.2 ORDER ENTRY

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

G	2100	Each order submitted to the trading system 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 **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 **member firm** becomes aware that it has submitted an incorrect identifier, the **member firm** must inform the **Exchange** 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 trading system under a member firm's trading codes, are the responsibility of that member firm . The member firm shall, at all times, have
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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 **member firm** is at all times bound by suitability Rule 1020.

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

A **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 **member firm** or not), then the **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 **Exchange** may ask the **member firm** for details of the background to the **order**. Below is a non-exhaustive list of scenarios where the **Exchange** may query an **order** with a **member firm**:

- **orders** that exceed the **Exchange'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 **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.

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, **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 **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 **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 **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.

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

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

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

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

G	2102	A member firm should enter a correct trading capacity as described in the Market models when submitting orders to the trading system .
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Direct electronic access

G	2103	A member firm may allow a customer direct electronic access to the trading system under the member firm's trading codes, either by way of direct market access or by providing sponsored access , subject to the member firm having in place adequate systems and effective controls, including pre- and post-trade controls, to ensure that the provision of direct market access or sponsored access does not adversely affect compliance with these Rules, lead to disorderly trading or facilitate conduct that may involve market abuse.
	2103.1	Direct market access and sponsored access may be provided by a member firm only following application and subject to approval in writing by the Exchange .
	2103.2	A member firm shall not provide direct market access or sponsored access 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 Exchange .

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

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

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

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 rules and procedures in respect of those **orders** or messages.

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

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

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. **Member firms** must have adequate control mechanisms enabling the **member firm** to stop **order** flows from a **customer** with **sponsored access**.

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

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 **member firm** because of its own concerns regarding the **customer's** behaviour or at the specific instruction of the **Exchange**.

The **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 **member firm**. These should be sufficient such that the **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 **member firm** to the **Exchange**); 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 **member firm** providing **direct market access** or **sponsored access** and its **customer**.

Direct market access

Whilst ongoing education, training and guidance for a **member firm's customers** that route **orders** through the **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 **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 **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 **member firm** would not be satisfied;
- monitoring and controls over the total **exposure of the 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 **member firm** to provide **direct market access**, the **member firm** must submit an application to the **Exchange** in that respect, and **direct market access** may only be provided by the **member firm** following approval in writing by the **Exchange** (an approval will apply to the **direct market access** activities of the **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 **member firm** to prevent the submission of erroneous **orders** by **customers**;
- the due diligence measures in place between the **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 **member firms** written routines for its **direct market access** activities.

In respect of provision of **direct market access** or **sponsored access** by a **member firm** to other **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 **Exchange**.

The **Exchange** does not require **sponsored access** order flow to pass through the **member firm’s** own system controls but mandates that all **orders** submitted via **sponsored access** will pass through **Exchange** level controls before reaching the **order book**. **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.

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

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

- prior to commencement submit an application for **sponsored access** to the **Exchange** in respect of each of its **customers** to which it intends to provide **sponsored access** and inform the **Exchange** 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 **member firm’s** order flow within the **trading system**. This is necessary to assist the **Exchange** in maintaining fair and orderly markets;
- provide the **Exchange** with the name, **LEI**, registered office address and country of incorporation of the **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 **member firm** to accept and review drop copy feeds, on a real-time basis from the **Exchange** and monitor all **sponsored access** order and post-trade flow;
- proactively utilise the **Exchange’s** kill switch facility to disconnect a **customer** which it has reason to believe is behaving inappropriately; and
- inform the **Exchange** and take appropriate action if it loses either its connectivity with the **Exchange** or its connection to the drop copy feed from the **Exchange** where that connection allows the **member firm** to monitor the **customer(s)** order and post-trade flow. The **Exchange** mandates the use of its cancel on disconnect facility.

Where a connection is dropped by either the **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 **member firm** and the **customer**, including measures in place to secure that the **customer** is fit and proper for **sponsored access**; and
- the **member firms** written routines for its provision of **sponsored access**.

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

The due diligence carried out by **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 member firm

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 member firm.

Sponsored access

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 **Exchange** 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 Exchange reserves the right to refuse a member firm's request that a customer be provided with sponsored access to the trading system .
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Guidance to Rule:

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

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

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

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

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

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

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

Guidance to Rule:

The **Exchange** may, in its absolute discretion, cancel trades across all its markets, either in response to a request from a **member firm** or of its own volition. The **Exchange's** decision regarding an **Exchange enforced cancellation** is final. Examples of situations in which the **Exchange** will consider cancelling trades of its own volition include, but will not be limited to, where there has been a clear

*miscommunication of a corporate event or where a stock's closing price has been significantly distorted by the entry of erroneous **orders** during the closing auction.*

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

*When considering a cancellation, the **Exchange** 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 **Exchange**.*
- *market impact - the **Exchange** 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	<i>The Exchange may at its own discretion choose not to delete the trade, but rather to render the transaction unofficial in the trading system.</i>
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2.3 ORDER AND TRADE PUBLICATION

2.3.1 PUBLICATION [2200]

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

3.1 TRADES

3.1.1 ON EXCHANGE TRADES [3000]

3000	A trade is on Exchange if one or both of the parties to the trade is a member firm and the trade is effected:
3000.1	in a security which is admitted to trading and the member firm and its customer or counterparty agree at or prior to the time of effecting the trade that it shall be subject to the Rules of the Exchange .

3.1.2 REQUIREMENT TO TRADE REPORT [3010-3013]

Obligation to trade report

G	3010	A trade report shall be submitted to the Exchange in respect of every on Exchange trade to which a member firm is a party in accordance with the trade reporting responsibility Rule 3012.
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Guidance to Rule:

Every **on Exchange** trade must have a **trade report**, whether it is to be published or not, with each trade representing a distinct market contract that will have the protection of the **Exchange's** Rules, including settlement.

The absence of a **trade report** therefore means either:

1. the trade is an "**off Exchange 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 Exchange**, a breach of the **Exchange's** trade reporting responsibility rules.

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

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

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

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

G	3011	An on Exchange trade report for equities must not duplicate another trade report in respect of the same execution unless it is being brought on Exchange as part of
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a volume weighted average price trade or **matched principal** trade and is marked appropriately.

Guidance to Rule:

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

1. where a **trade report** was automatically generated by the **Exchange'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 **member firm** should enter a non-publishing **trade report** (with trade type indicator of "NM") where the trade is **on Exchange**.

In relation to multi-legged trades, the **Exchange** would expect the publication arrangements to be clear and agreed by all parties involved who have a potential publication obligation. Typically the **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 **member firm** (and all others) to engage in dialogue with its **counterparties** about publication intentions – **member firms** should already be fully engaged on reporting intentions.

As a general principle the **Exchange** 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 Exchange** or **off Exchange off book**. In the absence of an overt 'market' facing leg(s) and 'client' facing leg(s), the **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 **Exchange's** rules or otherwise.

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

Guidance to Rule:

Rule 3012.1

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

In connection with **equity** trades, **member firms** should note that if they wish the second leg to be regarded as an **on Exchange** 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 member firms agree at or prior to the time of the trade, the responsibility for trade reporting may be delegated to the other member firm .
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Guidance to Rule:

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

G	3014	An off Exchange off book trade may be reported to Oslo Børs' APA.
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Guidance to Rule:

An **off Exchange 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 regular trading day , a trade report shall be submitted to the trading system as close to real time as technically possible, and in any case for equities within 1 minute of execution and for fixed income securities within 15 minutes of execution. Repo-transactions in fixed interest securities shall be reported within expiry of the trade reporting period .
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Guidance to Rule:

Member firms should ensure that **trade reports** are submitted to the **Exchange** 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 fixed income securities trade is not reported within the end of the trade reporting period , the member firm having reported the other leg should cancel the trade report within the end of the trade reporting period . 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 trading day , a trade report shall be submitted at the start of the next trading day .
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3.1.4 TRADE PUBLICATION [3030-3035]

Deferred publication

G	3030	A member firm may elect to use the deferred publication facility where the trade satisfies the criteria in the market models .
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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 member firm shall not:
3031.1	aggregate trades in order to qualify for treatment under the deferred publication facility;
3031.2	add subsequent trades to a deferred publication 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 Exchange shall publish details of trades derived from trade reports as specified in the Market models .
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3.1.5 REQUIRED CONTENT OF TRADE REPORTS [3040]

G	3040	A member firm must ensure that the content of a trade report is accurate and entered in accordance with the guidance to this Rule and the Market models .
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Guidance to Rule:

Counterparty ID

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

Date and time of the trade

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 **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 **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 **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 **equities** 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 member firm

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

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 **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 member firm becomes aware of a trade report it has submitted in error, or of an error in a trade report submitted by it under these Rules, it shall immediately submit a cancellation to the trading system , <u>which shall contain all the original trade report details including the original Trade ID and, where correcting an error in the original trade report, submit a new trade report</u>
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3.1.7 EXCHANGE ENFORCED CANCELLATION OF TRADES [3080]

3080	Rule 2120 and 2121 applies correspondingly to off order book trades.
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4 MARKET MAKER RULES

G	4001	<p>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 Exchange for the relevant equity instruments.</p> <p>In addition to the MiFID requirements, the Exchange can add additional requirements or entirely separate market maker schemes in order to improve the quality of its order books.</p> <p>A breach by the member firm of the market maker agreement as required by the Exchange from time to time shall be deemed to constitute a breach of these Rules.</p>
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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.*

***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	<p>Member firms that intend to act as liquidity providers shall enter into a liquidity provider agreement with the Exchange, or such other liquidity provider agreement or arrangement with the Exchange, as the Exchange may require from time to time.</p> <p>A breach by the member firm of the liquidity provider agreement, or such other liquidity provider agreement or arrangement as required by the Exchange from time to time shall be deemed to constitute a breach of these Rules</p>
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5 SETTLEMENT AND CLEARING RULES

5.1 SETTLEMENT

5.1.1 OBLIGATION TO SETTLE [5000]

G	5000	A member firm shall ensure that every on Exchange trade effected by it is duly settled.
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Guidance to Rule:

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

5.1.2 TIME OF SETTLEMENT [5010-5012]

5010	A settlement schedule shall apply to as specified in the Market models .
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5011	The parties to manual trades may agree upon a deviating settlement schedule.
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5012	The Exchange may decide upon a modification of the settlement schedule where special cause exists and in consultation with the party maintaining the register in respect of the Instrument in question.
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5.1.3 MANDATORY CLEARING [5020-5023]

5020	It is mandatory to clear all trades dealt in central counterparty securities matched in the trading system in a central counterparty .
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5021	Mandatory clearing can only take place in a central counterparty , which has entered into a clearing agreement with the Exchange .
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5022	The Exchange may from time to time define which instruments shall be regarded as central counterparty securities
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5023	Mandatory clearing does not apply in connection with when issued dealing .
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5.2 CLEARING THROUGH A CENTRAL COUNTERPARTY

5.2.1 CLEARING ARRANGEMENTS [5201-5202]

G	5201	A member firm shall not enter an order in a central counterparty security in the trading system unless:
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| 5201.1 | it is a clearing member with a current and valid clearing membership agreement with a central counterparty ; or |
| 5201.2 | it is a Non Clearing Member for which a General Clearing Member has submitted a current and valid clearing declaration to a central counterparty and the General Clearing Member will clear any resulting trade on behalf of the Non Clearing Member . |

Guidance to rule:

Non Clearing Members can only clear trades through one **General Clearing Member** at the time. An exemption from this requirement may apply if **the central counterparty** have accepted that two **General Clearing Members** act for the same **Non Clearing Member** as a **General Clearing Member** for the period of time required to effectuate a transfer of responsibility for the **Non Clearing Member** between the two **General Clearing Members**.

Should for any reason, for example due to technical errors, **orders** be placed or trades executed in a **central counterparty security** in the **trading system** in breach of this Rule 5201, such **orders** and/or trades shall be null and void, and consequently cancelled.

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| 5202 | A General Clearing Member shall be bound by the terms of a trade entered into in accordance with Rule 5201.2, irrespective of anything contained in any agreement or arrangement between the General Clearing Member and the Non Clearing Member . |
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5.2.2 CENTRAL COUNTERPARTY'S REJECTION OF TRADES FOR CLEARING [5203 – 5204]

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|--------|---|
| G 5203 | If the Exchange is notified by a central counterparty that, as a result of its validation procedure, a clearable trade is placed in a pending trade queue, or that a clearable trade otherwise cannot be registered in the clearing system, the Exchange shall use its best effort to correct the defect in accordance with the operational procedures in force from time to time with the central counterparty such that the trade can be accepted for clearing. |
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Guidance to Rule:

This Rule 5203 only applies to situations where all prerequisites for clearing of a trade is in place, such as a valid clearing arrangement as set out in Rule 5201, but the required information to register the trade in the **central counterparty's** clearing system for any reason is not present or incorrect or if the lack of sufficient information required to clear the trade is due to a technical error in the **Exchange's** trading system.

If the trade is not corrected within the relevant time limits, a bilateral contract will exist between the original seller and buyer on the **order book**, cf. Rule 5210. In such situations, the **Exchange** shall inform the affected **member firms** as soon as possible.

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| 5204 | A clearing member must comply with the rules of its central counterparty and any reasonable conditions imposed by the central counterparty with regard to clearing central counterparty contracts at all times. |
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5.2.3 CENTRAL COUNTERPARTY CONTRACTS [5210]

5210 The point at which a **central counterparty contract** comes into being will be defined in the rules of the relevant **central counterparty**.

If a valid and firm trade on the **Exchange's** order book is not eligible for **central counterparty** processing for any reason other than that a valid clearing arrangement is not in place as regulated in Rules 5220 and 5222 then a bilateral contract will exist between the original buyer and seller on the order book.

5.2.4 SUSPENSION AND TERMINATION OF CLEARING ARRANGEMENTS [5220 – 5224]

G 5220 A **clearing member** must notify the **Exchange** prior to terminating its **clearing membership agreement** with a **central counterparty** and/or entering into a **clearing membership agreement** with a new **central counterparty**.

A **Non Clearing Member** must notify the **Exchange** prior to terminating its clearing arrangement with a **General Clearing Member**, cf. Rule 5201.2

A **General Clearing Member** must notify the **Exchange** prior to suspending its services as a **General Clearing Member** to any **Non Clearing Member**.

Guidance to Rule:

The notifications shall be made by telephone to the Market Surveillance Department on + 47 22 34 19 45 and followed by a written confirmation of the planned suspension on e-mail (mo@oslobors.no).

*Please note the advance notification duty set out in Rule 1051 stipulates that a **member firm** shall notify the **Exchange** in writing, at least 21 calendar days in advance of the proposed effective date, of any proposed changes to its membership profile, including but not limited to the member's scope of clearing arrangements in relation to **on Exchange** business. Accordingly, for planned changes in a **member firms'** clearing arrangements a 21 calendar days notification rule applies.*

*In any other situations which are covered by the wording of this Rule 5220 the **member firm** and/or the **clearing member** shall inform the **Exchange** immediately after the decision is taken that the clearing arrangement will be terminated/suspended and in any case prior to doing so.*

*Further, **member firms** should be aware that it is a condition precedent for being a full **member firm** or equity **member firm** that the member has a current and valid clearing arrangement in place, cf. Rule 1020, and that the immediate notification duty set out in Rule 1050 applies in addition to Rule 5220. The same applies to limited **member firms** authorised to trade in **central counterparty securities**.*

G	5222	<p>If the Exchange is notified by a clearing member or a Non Clearing Member about terminations/suspensions in accordance with Rule 5220 above or the Exchange is notified by the relevant central counterparty that a member firm for any reason, does not have a valid clearing arrangement in place, the Exchange shall immediately:</p> <ul style="list-style-type: none"> (i) suspend the member firm from on Exchange order book trading; and (ii) inform the other member firms about the Exchange's decision to suspend the member firm from on Exchange order book trading
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Guidance to Rule:

*The **Exchange** will not undertake an independent review of the **central counterparty's** decision to terminate a **clearing membership agreement** or suspend a **member firm** from clearing or a **General Clearing Member's** decision to withdraw a **Non Clearing Member's clearing declaration**, but will entirely rely on the **central counterparty's** assessment.*

*The **Exchange's** suspension of the **member firm's on Exchange** order book trading may be revoked as soon as the **member firm** has re-established a valid clearing arrangement and it is advisable to do so taking into account the effective functioning of the market.*

*In the event a **General Clearing Member** is suspended, the **member firms** for which the **General Clearing Member** clear, should as soon as possible arrange for another **General Clearing Member** to provide a clearing declaration on their behalf to a **central counterparty**, in order to continue trading in central counterparty securities on the trading system.*

G	5223	<p>From the moment a member firm, for any reason, does not have a valid clearing arrangement in place and/or is suspended from on Exchange order book trading, the member firm shall be under a duty not to submit new orders in central counterparty securities on the Exchange trading system.</p>
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Guidance to Rule:

*Should for any reason, for example due to technical errors, **orders** be placed or trades executed automatically in the **Exchange's** trading system by a member firm without a valid clearing arrangement in place, for example by a **member firm** suspended from clearing, the **Exchange** will ensure that such **orders** will be removed and/or such trades will be cancelled, cf. Rule 5201.*

G	5224	<p>If the Exchange is notified that a member firm or General Clearing Member as defined in Rule 1005 does not have a valid clearing arrangement in place, the Exchange may switch to automatic execution with bilateral trading or suspend automatic execution in accordance with Rule 5230.</p>
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Guidance to Rule:

*The **Exchange's** powers set out above will be exercised if required in order to safeguard and ensure the effective and orderly functioning of the market.*

The guidance to Rule 5230 regarding a move to bilateral trading applies equally to this Rule 5224.

5.2.5 CENTRAL COUNTERPARTY CEASING REGISTRATION OF CENTRAL COUNTERPARTY TRADES [5230-5231]

G	5230	If a central counterparty , in accordance with its rules, gives notice to the Exchange of its intention to cease registering central counterparty trades , no central counterparty contract shall arise from the point that registration is suspended. From the point that the registering of central counterparty trades are suspended the Exchange may either:
	5230.1	switch central counterparty securities to automatic execution with bilateral trading and without a central counterparty ;
	5230.2	continue automatic execution with those central counterparties which have not ceased registering central counterparty trades ; or
	5230.3	suspend automatic execution.

Guidance to Rule:

*In the event that the **Exchange** is informed by a **central counterparty** of its intention to cease registering **central counterparty trades**, it will first stop automatic execution in accordance with the **market situation** Rule 1530 and will then either re-instate automatic execution with bilateral settlement, continue automatic execution with any remaining **central counterparty(ies)** where the securities trade are supported by more than one **central counterparty**, or continue to stop automatic execution until such time that bilateral settlement can take place or until the **central counterparty** can again register **central counterparty trades**.*

*The **Exchange** would consider moving to bilateral trading and settlement in circumstances where the relevant **central counterparty** has withdrawn its **central counterparty** services in general or for one or more general clearing members, cf. Rule 5222. The withdrawal of **central counterparty** service by a **central counterparty** is expected to be an extremely rare occurrence and in particular, it is considered unlikely that a **central counterparty** would withdraw its services following a technical problem - such as temporary system unavailability - that was expected to be recoverable without damage to its financial integrity.*

*In the unlikely event that the **central counterparty** withdraws **central counterparty** services, **member firms** that wish to continue to trade on the **order book** will be expected to trade and settle on a bilateral basis in accordance with the **Exchange's** rules and the rules of the relevant central securities depository. As such, **member firms** that wish to participate in bilateral trading should have procedures and processes in place to ensure that their internal systems can manage the receipt of **counterparty** data and settle on a bilateral basis. These should cover front, middle and back office systems. The key factors that **member firms** will need to be aware of during the period of bilateral trading are set out below.*

Timing of move to bilateral trading

*The **Exchange** will provide **member firms** with reasonable notice of its intention to move to bilateral trading. The length of the notice period will depend on the circumstances at the time. However, **member firms** are advised that the **Exchange** may commence bilateral trading within a*

trading day. As such, **member firms** should consider in advance how they will implement a move to bilateral trading.

In order to facilitate the move to bilateral trading, automatic execution in **central counterparty securities** will be stopped for a period of time. During this time, **member firms** that do not wish to participate in bilateral trading can delete their existing **orders**. Trading will normally recommence with an auction call period.

Trading Messages - counterparty details

The trading message received by **member firms** following the execution of an automatic trade will contain the **member ID** for its **counterparty** rather than the code for the **central counterparty**.

Member ID codes are disseminated each morning as part of the daily Reference Data download. Alternatively, **member IDs** can be located in the Membership section of the **Exchange's** website.

Continuation of automatic execution with remaining **central counterparties**

Where trading in securities is supported by two or more **central counterparties**, the **Exchange** may continue automatic execution with the remaining central counterparties. The **Exchange** will provide **member firms** with reasonable notice of its intention to continue trading in this way. Only those **member firms** with clearing arrangements with one of the available **central counterparties** will be permitted to enter **orders** in those securities. As such, **member firms** may wish to consider in advance how they would implement a move to an alternative **central counterparty**.

G	5231	If a central counterparty fails, in accordance with its rules, to give notice to the Exchange of its intention to (a) cease registering and/ or (b) suspend the processing of, central counterparty trades , in the absence of any contrary indication from the Exchange (whereby the Exchange may act in accordance with Rule 5230 above), the matched buyer and the matched seller shall be deemed to be subject to a bilateral trade on the same terms and at the same time as the orders were matched so that the matched buyer and matched seller settle the trade with each other directly. If the Exchange and the relevant central counterparty agree for the central counterparty to register a central counterparty trade which it has previously declined to register, upon such registration the bilateral trade between the matched buyer and matched seller shall be cancelled and a central counterparty contract(s) shall arise.
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Guidance to Rule:

Treatment of pre-suspension trades

The **Exchange** will always wish to ensure that any trade executed before the suspension of **central counterparty** services will be treated as a centrally cleared trade. However, the treatment of such trades will depend on the cause of the suspension.

The **Exchange** will communicate the status of pre-suspension trades as soon as possible after the conclusion of discussions with the relevant **central counterparty**.

6 COMPLIANCE PROCEDURES

6.1 DISCIPLINARY PROCESS

Where the **Exchange** believes there has been a breach of these Rules by a **member firm**, or by **employees** of officers of the **member firm**, the **Exchange** may commence disciplinary action against such **member firm**, **employees** or officers in accordance with the provisions set out below. There are a number of factors which the **Exchange** 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 **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 **member firm** in relation to the matter under investigation.

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

The **Exchange** Appeals Committee (Børsklagenemnden) is a panel comprised of appropriately experienced (non-**Exchange**) persons and considers appeals against the decisions of the **Exchange**. The procedures followed by the **Exchange** Appeals Committee are set out in section 12-5 of the **Securities Trading Regulations**. The **Exchange** Appeals Committee may uphold, quash or vary any decision it is asked to consider.

C	100	Where a member firm breaches the provisions of the Securities Trading Act or the Securities Trading Regulations , these Rules, business terms and conditions or good business practices, or otherwise demonstrates unsuitability to be a member firm , the Exchange may: (i) Issue a warning to the member firm ; (ii) Suspend the member firm from participation in trading; (iii) Terminate the membership or withdraw the right to participate in trading, provided that the breach is material.
C	101	Where a member firm breaches the provisions of the Securities Trading Act or the Securities Trading Regulations , or materially breaches these Rules or business terms and conditions, the Exchange may resolve to impose a violation charge,

payable to the **Exchange**.

C 102	Where a member firm , its employees or officers fail to comply with the information requirements pursuant to the Securities Trading Act , the Exchange may impose a daily fine on the member firm , employee or officer until such time as the information requirement is complied with. The daily fine may not exceed NOK 500,000 per day for the member firm and NOK 50,000 per day for employees .
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C 103 G	A member firm upon whom a daily fine or violation charge is imposed, or in respect of whom a decision is taken regarding termination of membership or withdrawal of authorisation, shall be notified in writing of the decision and the grounds for the decision. Information shall also be provided regarding the right to appeal to the Exchange Appeals Committee, the time limit for such appeal, and the appeal procedure. The decision and the grounds for the decision shall be published.
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Guidance to Rule:

*The **Exchange's** power to impose a daily fine is regulated by Section 12-8 of the **Securities Trading Act** and Section 12-9 of the **Securities Trading Regulations**. The **Exchange's** power to impose a violation charge is regulated by Section 12-9 of the **Securities Trading Act** and Section 12-10 of the **Securities Trading Regulations**.*

C 104	A member firm may appeal against decisions of the Exchange as set out in Rule C100, C101 and C102. A decision involving a warning of the member firm may however not be appealed. Appeals must be made and will be handled in accordance with Chapter 12 part II of the Securities Trading Regulations .
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