

**[non-binding translation]**

# **Market Control Directive**

Adopted by the management

Date of entry into force: 17 December 2018

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## 1. Purpose

- 1.1. This directive is based on the Trading Rules of the BX Swiss AG ("BX") and contains implementing provisions for the market control.

## 2. Responsibilities

- 2.1. The market control ensures orderly and transparent trading within the meaning of Article 28, 29, 30 and 33 of the Financial Market Infrastructure Act (FMIA).

- 2.2. The responsibilities of the market control are:

- a) controlling the exchange periods and trading parameters;
- b) suspending trading or delaying the opening of trading for individual instruments or the entire market;
- c) contact point for participants, in particular in the event of malfunctions;
- d) informing participants about adjustments regarding trading parameters, trade restrictions, extraordinary situations, emergency situations or mistrades;
- e) checking orders and trades for market conformity and, if necessary, processing of mistrades;
- f) instructing Trading Participants in special, extraordinary situations or emergency situations, including the deletion of orders, ruling mistrades or cancellation and reverse processing of trades;
- g) accepting, processing and disseminating information which is relevant for the stock exchange from and about participants, about instruments which are admitted to trading and about issuers;
- h) accepting, processing and disseminating static and dynamic trading data (on-exchange and off-exchange) as well as indices, especially for pre- and post-trading transparency;
- i) notifying the relevant bodies of the exchange and BX authorities in the event of special occurrences on the market;
- j) notifying the trading surveillance office (TSO) about extraordinary market situations, emergencies, price-relevant notices from listed companies and suspicion of legal violations or other irregularities, in particular market abuse pursuant to the requirements of the FINMA Circular 2013/8 "Market conduct rules" (insider information and market manipulation) and violations of the reporting obligations;
- k) other tasks which have been delegated to the market control from other bodies or authorities of the BX, as well as other tasks described in the Trading Rules;
- l) publication of the periodic exchange reports; and
- m) administration and monitoring of the technical platform.

### **3. Mistrades**

- 3.1. The market control may annul trades (mistrades) that it either identified or that were reported immediately by one of the parties involved.
- 3.2. For the annulment of the trade, the following conditions must be met cumulatively:
  - a) notification of the market control or receipt of clarifications by the market control within 30 minutes after the trade;
  - b) significant deviation of the closing price from the market price, or a substantial amount of loss incurred, or a fair and orderly market was not assured during the trade, in which case the market control makes the final assessment, and
  - c) the mistrade can be reversed on the same clearing day.
- 3.3. In exceptional cases, the market control may order the parties involved to execute countertrades.
- 3.4. The market control cancels the transaction and publishes the mistrade on the website of the BX and in the market data.
- 3.5. The processing of mistrades is subject to a fee according to the List of Fees.
- 3.6. The market control reserves the right to declare trades as mistrades at its own discretion, even if a prerequisite according to 3.2 is not met.
- 3.7. In special cases, the market control may annul transactions as a gesture of goodwill, if both parties agree. The market control reserves the right to reduce the fee for the mistrade or to refrain from charging it at all.

### **4. Procedure for mistrades**

- 4.1. Participants must apply for a trade to be declared as mistrade by email ([handel@bxswiss.com](mailto:handel@bxswiss.com)). The mistrade application must include the following information:
  - a) company and contact person of the applicant;
  - b) date and exact time of the trade that should be investigated;
  - c) instrument (name and ISIN);
  - d) number of units, trading price and price in line with the market.
- 4.2. After receipt of the mistrade application, all parties involved are informed immediately by the market control about the start of the plausibility check. The parties involved will then be informed in a timely manner about the subsequent final result of that investigation.
- 4.3. The market control informs the participants via the website of the BX and in exceptional cases by email or phone.
- 4.4. The BX may record phone conversations.



## 5. Final provisions

- 5.1. This directive was adopted by the management and enters into force on 17 December 2018.