

AQUIS EXCHANGE BREXIT FAQs

version 1.41.5

This document is a guide to Aquis Exchange's (Aquis') plans for Brexit, for trading Members, vendors and CCPs. Aquis has created its new EU-based legal entity in Paris, to ensure that ~~its~~ Members ~~are~~ able to have the flexibility to trade EU27 stocks from an Aquis venue based in the EU after Britain leaves the EU. ~~although some~~ Some of the plans mentioned in this document are dependent on the outcomes of the Brexit negotiations.

The document will be updated if further guidance becomes necessary. Information is correct as at the date in the document footer. Aquis Member Notices in relation to Brexit are available online at <https://www.aquis.eu/brexit/brexit-notices>

Questions may be directed to your Aquis account manager or by emailing sales@aquis.eu and compliance@aquis.eu.

1. How does Aquis Exchange intend to operate in the event of a hard Brexit? Where will Aquis Exchange's EU entity be based?

Aquis has created a new legal entity, Aquis Exchange Europe SAS (Aquis Europe) in Paris. Aquis Europe received regulatory approval from the AMF and ACPR in January 2019.

COMPLIANCE

2. Will the Rulebook for Aquis Europe be the same as the Aquis Exchange PLC (Aquis PLC) Rulebook?

There are no significant differences to the Rules themselves. However, the Rulebook for Aquis Europe is under French national law and there are some minor differences in wording. A copy of the new Rulebook can be provided upon request.

3. What are the regulatory reporting requirements for Aquis' new entity?

Aquis will be required to report all EU27 trades to the AMF and/or ESMA. Transaction reporting arrangements will need to be made by the Member to the relevant Competent Authority (CA). Aquis Europe can transaction report for Members based in a third country, upon request from the Member and subject to applicable fees. Members who would like Aquis to transaction report on their behalf must contact Aquis to request this and will need to sign a Transaction Reporting Addendum.

4. Will Members need to upload a separate short-code mapping file for each of their legal entities and a separate file to both Aquis PLC and Aquis Europe?

Aquis expects Members to upload a separate file for each legal entity, via their dedicated SFTP logins.

Any duplication of processes will use exactly the same technological setup as we currently have for the delivery of short codes, as detailed in the Aquis Short Code Upload Specification Guide. Email compliance@aquis.eu for further information.

5. Can the same traders trade for multiple Member entities? Do traders need to be physically based in the country of the legal entity for which they trade?

Aquis does not have any specific rules on where the trading contacts must be based. Members are responsible for checking and adhering to their own regulatory requirements.

ONBOARDING

6. How and when can Members start onboarding to Aquis' new legal entity?

Firms can onboard to either of Aquis' MTFs by completing the applicable documents.

Membership documents for Aquis Europe are online at www.aquis.eu/brexit

Membership documents for Aquis PLC are online at www.aquis.eu/trading/document-library

For European entities that have already applied for Membership of Aquis PLC, if requested, Aquis will transfer the relevant membership over to Aquis Europe. This will be done by signing a letter of transfer, which can be obtained by contacting your account manager or sales@aquis.eu.

The key items that will be required from new Membership applicants are:

- Member Participation Agreement
- Member Application Form
- Direct Data Licence and Market Data Order Form (If receiving market data directly from Aquis)
- Liquidity Provider Addendum (if intending to act as a Liquidity Provider)
- Clearing permission email/Statement of Authority from CCP(s) for the correct Member entity and for each Aquis entity
- Completion of technical certification with Aquis Support, **or** an email from an authorised person at the applicant firm to request exemption from certification. If requesting exemption from certification, the applicant must declare and ensure that they will use exactly the same trading systems as those which their other legal entity has already certified with Aquis PLC.

7. Do Members, vendors and market data recipients of Aquis PLC need to sign a separate Direct Data Licence or Data Distribution Licence with Aquis Europe?

No, firms that have signed a Direct Data Licence or a Data Distribution Licence with Aquis PLC do not need to sign a new data licence with Aquis Europe. Affiliates of the firm that has the data agreement in place with Aquis PLC will be covered by the existing agreement.

8. Will it be possible for an EU (non-UK) entity to be a Member of Aquis PLC?

We believe this will be possible until at least December 2020, in line with the FCA's guidance on the temporary permissions regime for inbound passporting, at <https://www.fca.org.uk/brexit/temporary-permissions-regime>. However this is subject to no changes in the regulations covering this area. Firms that plan to use the temporary permissions regime may need to inform the FCA of their intention to do so.

9. Will it be possible for a UK entity to be a Member of Aquis Europe?

In order to offer investment services to retail and professional clients in France, a UK participant must have a branch in France. However, based on current guidance, we believe a UK entity can be a Member of Aquis Europe if they only trade on behalf of clients located outside the EU or on a proprietary basis.

TECHNOLOGY & INFRASTRUCTURE

10. How does Aquis intend to split its order books and securities?

Aquis intends to make EU27 securities available for trading via both Aquis PLC and Aquis Europe.

Aquis PLC currently has two order books:

- i) Continuous trading and Market at Close (MaC);
- ii) Auction on Demand (AoD) order book;

Post-Brexit, Aquis Europe will also offer two order books, with their own unique MIC codes.

Aquis has reserved new MICs for its EU entity. These are AQEU (for the EU operating MIC) and AQEA (as the segment MIC for the EU Auction on Demand service).

	Aquis PLC (UK, Swiss + EU27 securities)	Aquis Europe (EU27 securities)
Continuous Trading and MaC*	AQXE	AQEU
Auction on Demand	AQXA	AQEA

Security coverage will then be as follows:

- Aquis Exchange PLC (UK platform, operating MIC AQXE): UK, Swiss and EU27 securities.
- Aquis Exchange Europe (EU platform, operating MIC AQEU): EU27 securities.

*The Market at Close (MaC) service will initially only be available on Aquis PLC, although this may be reviewed subject to customer demand.

11. How will Members’ orders be sent to the applicable order book?

Market access will be permissioned by Aquis at a trading port level and via new IP addresses and port ranges. Each trading port can only access one of the Aquis platforms. Member port ranges can be obtained by contacting support@aquis.eu. For FIX clients, the TargetCompID to access Aquis will remain AQX for order entry. For FIX DropCopy, the SenderCompID will remain AQX_DROP.

12. How will Aquis manage its security reference file?

~~Aquis currently publishes a single security file each day. The operating_mic column shows which Aquis venue each security is available for trading on. In order to make EU27 securities available for trading on both of its venues, Aquis will provide a new security reference data file for the Aquis Europe platform on the FTP site, in addition to the existing file. The security reference file for Aquis PLC will maintain the current file name format, i.e. ‘security-yyyyymmdd.csv’. The security reference file for Aquis Europe will have a file name format of ‘security_AQEU-yyyyymmdd.csv’.~~

This change is visible in the Test environment, with both security reference files available to view and download. Effective since 30th September 2019, Aquis publishes two security reference files on its FTP site. This allows Aquis and its customers to distinguish between the EU27 securities that are available for trading on both Aquis venues.

The security reference file for Aquis PLC maintains its original file name format, i.e. 'security-yyyymmdd.csv'.

The security reference file for Aquis Europe has a file name format of 'security AQEU-yyyymmdd.csv'.

13. Where will Aquis' market infrastructure be located?

Aquis plans to maintain its existing datacentre set-up in the UK (Equinix LD4 as Primary and Interxion LN1 as Secondary/DR site). Both Aquis MTFs will be accessible from these datacentres.

Members may choose to use their existing connectivity to access both Aquis entities or may request separate connectivity.

Aquis will assign separate trading ports/sessions for each of a Member's legal entities.

14. Will there be a new trading interface for the new entity?

Aquis Europe ~~will use~~ the same technical specifications as the existing Aquis platform. Members who use the same technical systems to access both Aquis entities ~~will do~~ not need to re-certify if they have already completed this previously. Nonetheless, all firms are still advised to make use of the Aquis Test environment on behalf of their new entities. For those Members who will use a different system or wish to re-certify, the certification tests ~~will be~~ are the same as those for the existing Aquis platform.

15. Will there be any changes to Aquis' market timings and trading hours?

No. Aquis Europe ~~will mirror~~ the same timings used by Aquis PLC, e.g. Members can log in from 06:15 (UK time) which would be 07:15 (CET). Similarly, continuous trading for both entities ~~would be~~ is still ~~be~~ between the hours of 08:00 and 16:30 (UK time).

TRADING COSTS AND STATISTICS

16. Will each legal entity be charged a separate subscription fee?

Each entity ~~will be~~ is charged a basic subscription fee for each Membership it holds. This ~~will cover~~ s each entity's allocation of trading ports and drop copy sessions. However, Aquis ~~will combine~~ s the message counts for legal entities under the same parent Membership, across both Aquis PLC and Aquis Europe.

LIQUIDITY PROVISION

17. Can the requirements of Aquis' Liquidity Provider Scheme be shared across legal entities/memberships?

~~Aquis expects that e~~Each legal entity ~~will need~~ s to have its own DLP agreement with Aquis.

Our interpretation of MiFID II is that liquidity provision must be monitored on a legal entity level, per instrument. If both of a Member's legal entities intend to trade the same stocks, we do not think it will be possible to combine the liquidity provision for both of the Member's entities. However, if

each of the Member’s legal entities will only trade the stocks from their own jurisdiction, then there is no need for liquidity provision monitoring to be combined.

18. How can liquidity provision obligations in selected securities be transferred from one Member entity to another?

Each Member should upload their own list of securities for liquidity provision, to Aquis Exchange via FTP. The file format requirements for DLPs to upload their list of selected stocks for liquidity provision are as follows:

The Member’s market making security list should be in ‘.csv’ format and uploaded to that Member’s specific ‘uploads’ directory. This file should be named ‘DLP_security_list.csv’. The file should contain the following columns:

Aquis Security Id	UMTF
<i>Integer</i>	<i>String (6)</i>

Example Data

2003,VODI

767,FURa

CLEARING & SETTLEMENT

19. Will there be any impact on the clearing and settlement process for trades on Aquis?

Aquis does not expect any changes to how trades are cleared and settled. All three of Aquis’ existing CCPs (EuroCCP, LCH and SIX x-clear) ~~will~~ remain interoperable. However, each new entity that becomes a Member of Aquis ~~will~~ needs to have its own clearing arrangements with its chosen GCM(s) and CCP(s). The CCP(s) will need to send Aquis a separate clearing permission for the new entity, even if both of your legal entities use the same clearing set-up.

20. Can executions be cross-netted between the UK and the EU?

Members will need to check this with their GCM.

MARKET DATA

21. Will there be any feed content changes as part of Aquis’ Brexit plans?

Aquis’ market data technical specifications will remain the same for both Aquis entities. ~~Aquis currently offers the following four market data splits in the Production environment:~~

~~MD Split 1 (MD1): UK, Switzerland~~

~~MD Split 2 (MD2): Belgium, France, Netherlands, Portugal, Ireland~~

~~MD Split 3 (MD3): Germany, Austria~~

~~MD Split 4 (MD4): Denmark, Finland, Italy, Norway, Spain, Sweden~~

~~When the dual-listing of EU27 securities on both Aquis venues has been implemented, the distribution of Market Data for EU27 securities that are traded on the Aquis PLC platform will be via a new feed split (MD Split 5).~~

~~This new feed split will be available in the Test environment and in the Production environment as of the dates shown in the table of timelines at the end of this document. Effective since 30th September 2019, Aquis offers the following seven market data splits in the Production environment:~~

<u>MD feed splits</u>	<u>Operating MIC</u>
<u>MD UK Split 1 – UK, Switzerland</u>	<u>AQXE</u>
<u>MD UK Split 2 – Belgium, France, Netherlands, Portugal, Ireland</u>	<u>AQXE</u>
<u>MD UK Split 3 – Germany, Austria</u>	<u>AQXE</u>
<u>MD UK Split 4 – Denmark, Finland, Italy, Norway, Spain, Sweden</u>	<u>AQXE</u>
<u>MD EU Split 2 – Belgium, France, Netherlands, Portugal, Ireland</u>	<u>AQEU</u>
<u>MD EU Split 3 – Germany, Austria</u>	<u>AQEU</u>
<u>MD EU Split 4 – Denmark, Finland, Italy, Norway, Spain, Sweden</u>	<u>AQEU</u>

22. Will there be any changes to symbology, and how will Aquis’ market data be published by the data vendors?

Aquis’ market data will continue to be available from the distributors listed at www.aquis.eu/trading/connect-to-aquis-exchange/market-data. Aquis Exchange ~~will continue~~s to support the Uniform Symbology (UMTF codes) as well as ISIN and RIC codes. For Bloomberg and Refinitiv (formerly known as Thomson Reuters), securities made available for trading on Aquis Europe will be assigned new code suffixes – ‘QE’ for Bloomberg and ‘.AQE’ for Refinitiv.

Members should contact their data vendors directly for information on any other changes that may be expected.

TIMELINES

23. When will the new entity’s test environment be available?

The Aquis Exchange Test environment remains available as before ~~and includes the dual-listing configuration. Aquis will communicate to firms when the dual-listing configuration will be available to test order entry and trading.~~

~~In the meantime, firms can download both security lists and see the new file naming conventions in the Test environment. Firms can also see the new Market Data feed split in UAT (‘MD Split 5’) for EU27 securities on the UK platform.~~

If a Member with multiple trading entities will use the same trading system for both of their entities, then they ~~will do~~ not need to re-certify (please refer to the required membership documents in question 6). Similarly, for future upgrades and enhancements, Aquis are happy for just one of the entities to certify on behalf of both. Nonetheless, all Members are advised to conduct testing from the perspective of each of their entities.

24. When does Aquis intend to split its order books and implement the new MIC codes?

Aquis Europe (operating MIC AQEU) is already live with the 12 pilot securities that were enabled for trading as of 20th March 2019.

Since 30th September 2019, these 12 securities are ~~only currently~~ also available for trading on Aquis Europe.

Further dates will be communicated regarding the dual-listing of the remaining EU27 securities onto Aquis Europe both Aquis venues.

Action/Change	Effective Date	Status
Addition of 'operating_mic' field name to security file in Test environment	17 th October 2018	Done
Order book splits, new MIC codes and new market data splits available in Test environment	26 th November 2018	Done
Aquis Europe membership documents available for review and completion	January 2019	Done
Market data split re-shuffle in Production environment	4 th February 2019	Done
Addition of 'operating_mic' field name to security file in Production environment	4 th March 2019	Done
Early go-live of one security per EU27 country to AQEU (Aquis Europe), to allow pilot trades in Production	20 th March 2019	Done
Market Data replay IP addresses updated in Production	18 th March 2019	Done
Test environment updated to allow testing of dual-listed EU27 securities	5th August 2019	Done
Dual-listing of pilot EU27 securities, security reference file split and new Market Data Splits-5 applied in Production	30th September 2019	Done
Aquis PLC Market Data feed split replay IP address changes	TBC (Post-Brexit)	
Dual-listing of remaining EU27 securities onto Aquis Europe	TBC (Post-Brexit)	

_ Changes will be made after close of business on the Friday before these dates, taking effect on the Monday morning.