

AQUIS EXCHANGE BREXIT FAQs version 1.7

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 Members have the flexibility to trade EU27 stocks from an Aquis venue based in the EU after Britain leaves the EU. 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/aquis-eu/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 EU) in Paris. Aquis EU received regulatory approval from the AMF and ACPR in January 2019. Aquis EU (operating MIC AQEU) is already live with EU securities.

COMPLIANCE

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

There are no significant differences to the Rules themselves. However, the Rulebook for Aquis EU is under French national law and there are some minor differences in wording. The Aquis UK and Aquis EU Rulebooks are online at www.aquis.eu/trading

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 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 UK and Aquis EU?

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

Any duplication of processes will use 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 EU are online at www.aquis.eu/brexit/europe-documents-download

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

For European entities that have already applied for Membership of Aquis UK, if requested, Aquis will transfer the relevant membership over to Aquis EU. 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 UK.

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

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

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

We believe this will be possible, 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 EU?

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 EU 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 UK and Aquis EU.

Aquis UK currently has two order books:

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

Aquis EU also offers two order books, with their own unique MIC codes.

The MICs for Aquis EU are AQEU (operating MIC) and AQEA (segment MIC for the EU Auction on Demand service).

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

Security coverage will be as follows:

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

*For EU27 securities available on both Aquis UK and Aquis EU, the Market at Close (MaC) is available on both Aquis MTFs.

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

Market access is 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?

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 UK maintains its original file name format, i.e. 'security-yyyymmdd.csv'.

The security reference file for Aquis EU 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 are accessible from these datacentres.

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

Aquis assigns 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 EU uses the same technical specifications as the Aquis UK platform. Members who use the same technical systems to access both Aquis entities 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 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 EU mirrors the same timings used by Aquis UK, e.g. Members can log in from 06:15 (UK time) which would be 07:15 (CET). Similarly, continuous trading for both entities is still 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 is charged a basic subscription fee for each Membership it holds. This covers each entity’s allocation of trading ports and drop copy sessions. However, Aquis combines the message counts for legal entities under the same parent Membership, across both Aquis UK and Aquis EU.

LIQUIDITY PROVISION

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

Each legal entity needs 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 as follows, depending on which Aquis entity it relates to:

- For Aquis UK: ‘AQXE_DLP_security_list.csv’
- For Aquis EU: ‘AQEU_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) remain interoperable. However, each new entity that becomes a Member of Aquis 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 remain the same for both Aquis entities.

Effective since 30th September 2019, Aquis offers the following seven market data splits in the Production environment:

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

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 continues 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 EU 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.

If a Member with multiple trading entities will use the same trading system for both of their entities, then they 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 EU (operating MIC AQEU) is already live.

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 EU 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 EU), 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	5 th August 2019	Done
Dual-listing of pilot EU27 securities, security reference file split and new Market Data Splits applied in Production	30 th September 2019	Done
Dual-listing of remaining EU27 securities onto Aquis EU	11 th November 2020	Done
Members who require Aquis to transaction report on their behalf to have successfully tested the process with the Aquis Compliance Team	30 th November 2020	
Enabling of Market at Close (MaC) on Aquis EU	30 th November 2020	Done
Aquis UK Market Data feed split replay IP address changes	TBC (Post-Brexit)	

** Changes marked with two asterisks will be made after close of business on the Friday before these dates, taking effect on the Monday morning.