

Market at Close (MaC) order type

MaC is an order type that allows Members to enter orders for matching on the Aquis Exchange platforms (MTFs) at the same price as the market-of-listing closing auction.

Why is MaC needed?

Currently, about 25% of all trading in Europe is conducted in closing auctions (approximately €2 trillion annually). Fees charged by some primary exchanges for trading at the close are 50-100% higher than for continuous trading, making the closing auctions a particularly lucrative segment for the primary exchange, but a very costly one for users.

What MaC offers

MaC allows Members to enter orders for matching on the Aquis Exchange MTFs at the official closing price of the market-of-listing end-of-day auction. It is an innovative order type that is designed to address a number of issues in the market. MaC brings competition into the closing auctions and gives the industry a genuine choice. Furthermore, users of MaC avoid paying the very high tariffs charged by the national exchanges for trading in the auction.

Key features and benefits

1 Choice

MaC introduces choice and competition into the closing auctions of the European equity markets.

2 Cost savings

Members achieve significant cost savings by avoiding the premium fees charged by the national exchanges for trading in the closing auction (MaC fees apply).

3 Certainty of price

Users of MaC can be certain of getting the same price as that offered by the national exchange at the end of their closing auction.

4 No opportunity cost

Users are notified if any part of their orders is not matched by the MaC, allowing them to route/work orders elsewhere before the auction ends.

5 Regulatory approval

The relevant regulators (FCA in the UK and AMF in France) have approved MaC.

6 Transparency

MaC meets all MiFID II pre-trade transparency requirements.

7 Member priority

Matching within MaC takes place on Member/Time priority.

8 Unlimited order size

Aquis Exchange does not limit the order sizes submitted into MaC (apart from standard risk controls at order entry).

9 No additional connectivity

Members can access the MaC through their existing connectivity to Aquis Exchange.

10 Choice in clearing

Aquis Exchange offers interoperable clearing between EuroCCP, LCH and SIX x-clear. Clearing suppression can be enabled if Members do not want self-trades to be sent to the CCP(s).

11 Sophisticated technology

MaC runs on highly performant technology developed in-house by Aquis Exchange.

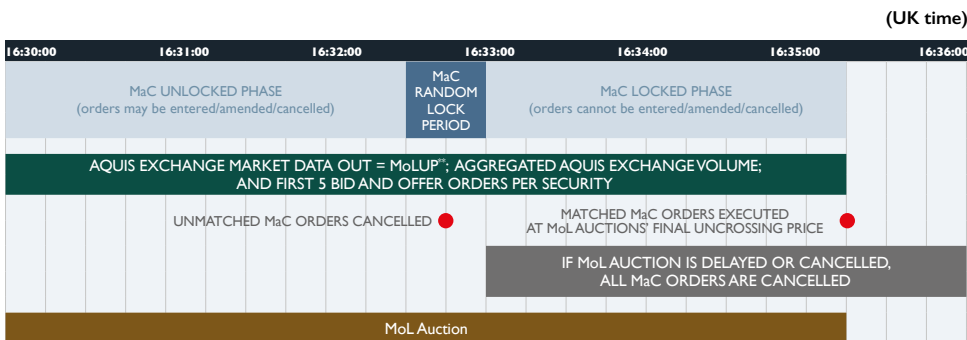
Connectivity

Aquis Exchange can be accessed in a wide variety of ways. Members can choose between cross-connects at Aquis Exchange's primary data centre (Equinix LD4 in Slough) or can connect to Aquis Exchange via leased lines or a selection of extranets.

How MaC operates

MaC operates according to a sequential four-phase execution process. User risk is minimised as all MaC orders are rejected or cancelled if the MoL auction of a single stock is extended or cancelled. Clearing and settlement for MaC executions takes place in the same way as other executions on Aquis Exchange. Members can choose to enable clearing suppression for trades matched against themselves.

The following timeline and explanation show how the MaC process works for French, Dutch, German and UK stocks (for illustrative purposes only). For other markets, MaC timelines will vary depending on auction times/duration on the MoL.



* MoL – market of listing **MoLUP – market of listing uncrossing price

The four MaC phases explained

1

The MaC unlocked phase starts at the same time as the MoL auction and market orders may be entered, amended or cancelled. Real-time market data dissemination includes the MaC volume imbalance, Market of Listing Uncrossing Price and Aquis Exchange's first 5 bid and offer orders per security.

3

The MaC locked phase begins after the completion of the random lock. The MaC order book is locked from any Member changes, and orders are matched with Member and Time priority. Any unmatched orders are cancelled back, allowing Members enough time for those orders to be sent elsewhere.

2

The MaC lock phase commences mid-way through the normal scheduled duration of the MoL auction. At a random point, during a 30-second period thereafter, the MaC order book will be locked from any Member changes.

4

The MaC execution confirmation follows completion of the MoL auction. The orders that were matched are executed at the MoL closing price and execution is disseminated in the market data.

Market of Listing closing prices are sourced from information of the following content providers: Euronext N.V.: France, Holland, Belgium, Portugal and Norway; Deutsche Börse A.G.: Germany; NASDAQ OMX Group: Sweden, Finland, Denmark; BME Market Data, S.A.: Spain; London Stock Exchange plc: UK; Borsa Italiana SpA: Italy; Wiener Börse AG: Austria; SIX Swiss Stock Exchange: Switzerland.

One day all trading will be like this

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