

MaC

MARKET AT CLOSE (MaC) ORDER TYPE

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

WHY MaC IS NEEDED

Currently, about 25% of all trading in Europe is conducted in closing auctions (approximately €2 trillion annually). Fees charged for trading at the auction are typically 50-100% higher than at any other time of the day, making the closing auctions a particularly lucrative segment of the market for national exchanges, but a very costly one for users.

WHAT MaC OFFERS

MaC allows Members to enter orders for matching on the Aquis Exchange platform at the 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.

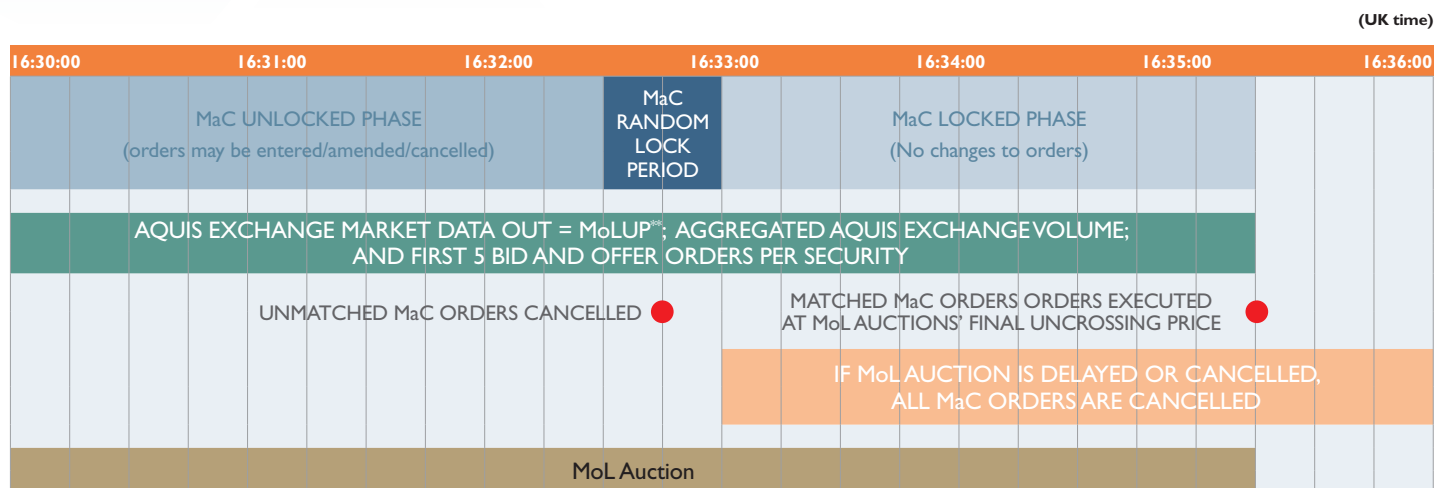
KEY FEATURES AND BENEFITS

- **Choice** – MaC introduces choice and competition into the closing stages of the European equity markets.
- **Cost savings** – Members achieve significant cost savings by avoiding the premium fees charged by the national exchanges for trading in the closing auction.
- **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.
- **No opportunity cost** – Users are notified if any part of their orders are not matched by Aquis Exchange's MaC, allowing them to route/work orders elsewhere before the auction ends.
- **Regulatory approval** – The relevant regulators (FCA in the UK and AMF in France) have approved MaC.
- **Transparency** – MaC meets all European pre-trade transparency requirements and is not subject to MiFID II restrictions for the use of reference price waivers.
- **Member priority** – Matching within MaC takes place on Member/Time priority.
- **Unlimited order size** – Aquis Exchange does not limit the order sizes submitted into MaC (apart from standard risk controls at order entry).
- **No additional connectivity** – Existing Aquis Exchange subscribers do not need to install new technology or connectivity to access MaC.
- **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).
- **Sophisticated technology** – MaC runs on highly performant technology developed in-house by Aquis Exchange.

HOW MaC OPERATES

MaC operates according to a sequential four-phase execution. User risk is minimised as all MaC orders are rejected or cancelled on a single-stock basis if the MoL* auction is delayed, 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 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 Aquis Exchange aggregate bid and offer volume, Market of Listing Uncrossing Price (MoLUP) and Aquis Exchange's first 5 bid and offer orders per security.
2. The Aquis Exchange random lock phase commences 2 minutes 30 seconds after the normal scheduled start time 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.
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. Members then receive confirmation of all matched orders. Any unmatched orders are cancelled, allowing enough time for those orders to be sent elsewhere.
4. Aquis Exchange execution confirmation follows completion of the MoL auction. The orders that were matched are executed at the MoL closing price and execution market data is disseminated.

Market of Listing closing prices are sourced from information of the following content providers: Euronext N.V: France, Holland, Belgium, Portugal, and Norway; Deutsche Boerse 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 Borse AG: Austria; SIX Swiss Stock Exchange: Switzerland.

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 at the Equinix LD4 facility in Slough or can connect to Aquis Exchange via leased lines or a selection of extranets.

CONTACT DETAILS

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