equiduct

The trading venue of tomorrow, today

Apex Fair Usage Policy

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Revision History

Version	Notes	Author
Dec 2019	Initial version	George Cox
May 2021	Update to non-qualifying flow and rejection of orders	Ryan Hornsby

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Introduction

Equiduct operates two distinct best execution services:

- Apex for retail order flow.
- Zenith for institutional order flow.

When directing orders into the Apex service, all trading participants shall adhere to the terms of the Fair Usage Policy as outlined within this document.

Fair Usage

Apex is Equiduct's premium best execution service for retail orders. Executions in the Apex service occur at VBBO prices calculated based on the order books of multiple reference markets and are facilitated by liquidity providers who are required to be continuously available for executions at these system-determined prices. Executions in the Apex service have no automatic impact on the order books of reference markets which contribute to the VBBO, so in order to protect liquidity providers and maintain the viability of the Apex service, access to the service is limited to qualifying flow only.

This document is supplemental to securities regulations, such as Market Abuse Directive, including regulation applying to spoofing, layering and other market manipulation behaviour. If behaviour is observed which potentially contravenes regulatory requirements or the Apex Fair Usage Policy, a request for information may be submitted to the trading participant in question.

Where such investigation shows evidence of market abuse, Börse Berlin will notify the competent authority and, if indicated, communicate with the trading participant. Börse Berlin may request a suspension of access for the end retail investor(s) in question for the period of any investigation.

Börse Berlin reserves the right to cancel, any execution that is deemed to occur as a result of any contravention of the Equiduct Apex Fair Usage Policy.

Non-Qualifying Flow

The following behaviours are classified as non-qualifying flow for accessing the Apex service:

- Algorithmic trading.
- Multiple or similar orders submitted in quick succession.
- Splitting a parent order and submitting child orders to the Apex service and reference market for execution.
- Submitting a high % of ADT for execution during the opening and/or closing cross on Equiduct. When assessing whether orders represent a high % of ADT, Börse. Berlin will take into consideration the liquidity of each individual instrument.
- Any behaviour considered manipulative by the Market Abuse Regulation and/or the Market Abuse Directive (especially, but not limited to accessing a reference market with the intention of triggering, or influencing the price of, an execution within the Apex service).

In the event of the persistent submission of non-qualifying flow:

- Börse Berlin reserves the right to suspend a trading participant from submitting order flow to the Apex service, as per Art. 27 of the Trading Rules for Electronic Trading.
- A liquidity provider may request trading participants to temporarily suspend an end retail investor from submitting flow to Apex.
- Börse Berlin may decide to exclude end retail investors from the use of the Apex service.

Börse Berlin reserves the right to assess the characteristics of submitted orders at any time and re-assign end user orders to a more suitable VBBO service where applicable.

Rejection of Orders

Where marketable Apex orders are submitted within quick succession (determined by Börse Berlin), the first order is received and processed by Equiduct and then any subsequent orders are rejected within the configured time period based on the following:

- Where the end retail investor is known by Equiduct – any orders submitted by the same retail investor via a trading participant where the security and the side are the same are rejected.
- Where the end retail investor is not known by Equiduct – any orders submitted by the same trading participant where the security, side, quantity, and price are the same are rejected.

Updates to the Apex Fair Usage Policy

Equiduct may need to change or update the Fair Usage Policy from time to time to adapt to new functionality and regulatory requirements. Any changes will be communicated directly to trading participants and the latest policy will always be available at Equiduct.

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