

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 closing price of the market-of-listing end-of-day auction.

WHY MaC IS NEEDED

Currently, about 20% of all trading in Europe is conducted in closing auctions (approximately €1.2 trillion annually). Fees charged at the auction are typically 50-100% higher at this point in the day than at any other time, 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 is an order type that 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. Its launch brings competition into the closing auction markets at the end of the day and gives the industry a choice for the first time. Furthermore, users of MaC avoid paying the very high tariffs charged by the national exchanges for trading in the auction.

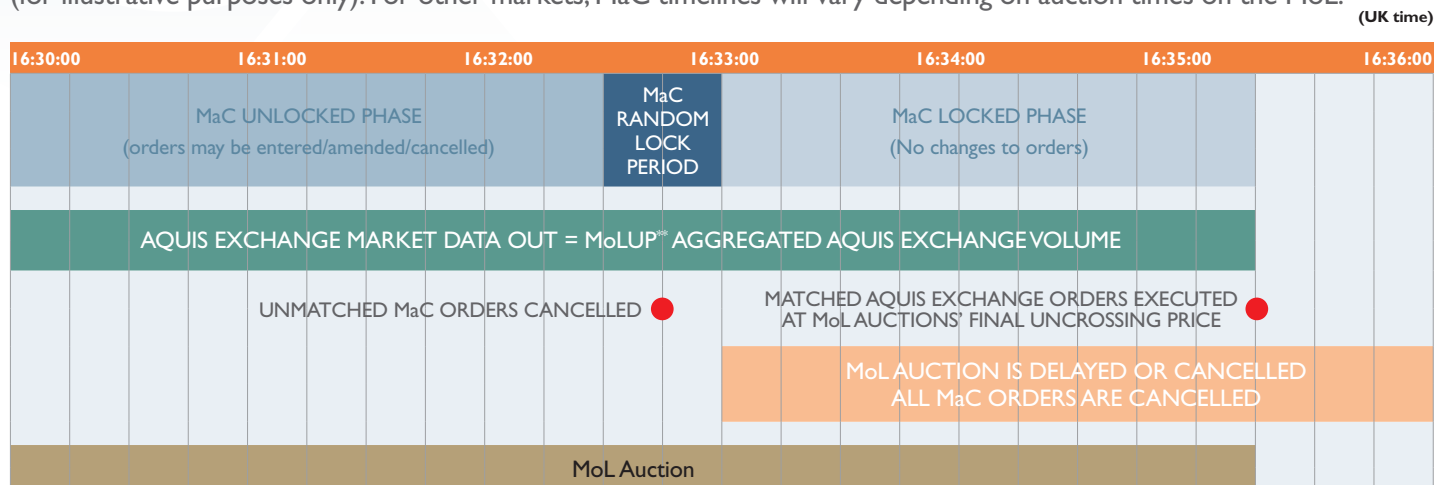
KEY FEATURES AND BENEFITS

- **Choice** – MaC introduces choice and competition into the closing stages of the European equity markets for the first time.
- **Cost savings** – Members achieve 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 phases.
- **No opportunity cost** – Users are notified if their messages are not matched in Aquis Exchange immediately, allowing them to route/work orders elsewhere.
- **FCA approved** – The UK regulator, the Financial Conduct Authority, has approved the new order type.
- **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. This allows users to cross their own flow as well as to access general Aquis Exchange market liquidity.
- **Unlimited order size** – Aquis Exchange does not limit the order sizes submitted into MaC.
- **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 among Europe's three largest equity CCPs.
- **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.

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/ask volume and Market of Listing Uncrossing Price (MoLUP).
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, the MaC order book will be locked from any Member changes during a 30-second period thereafter. Real-time market data dissemination again includes the Aquis Exchange aggregate bid/ask volume and MoLUP.
3. The MaC locked phase begins after the completion of the random lock phase. The MaC order book is locked from any Member changes, and orders are matched with Member and Time priority. On conclusion of the matching process, unmatched orders are cancelled. Market data is then disseminated, including aggregate matched volume and MoLUP.
4. Aquis Exchange execution confirmation follows completion of the MoL auction. The orders that are matched are executed at the MoL closing price and execution market data is disseminated.

CONNECTIVITY

Aquis Exchange can be accessed in a wide variety of ways. One option suitable for the most latency-sensitive Members is through co-location at Aquis Exchange's primary data centre at the Equinix LD4 facility in Slough. In addition to cross-connects (co-location), Members can also connect to Aquis Exchange via direct leased lines, extranets, or Internet VPN.

CLEARING

Aquis Exchange offers interoperable clearing, whereby Members can choose to have their trades cleared by EuroCCP, LCH.Clearnet or SIX x-clear. Members can select different CCPs for different markets on Aquis Exchange. Members also have the option to self-clear their trades or to use a range of Aquis Exchange's clearing partners.

CONTACT DETAILS

Sales	Post Sales	Communications
For sales enquiries, please email sales@aquis.eu or call +44 20 3597 6311	For general technical enquiries, please email support@aquis.eu	For press and marketing enquiries, please email marketing@aquis.eu

Aquis Exchange, 77 Cornhill, London EC3V 3QQ, UK

Aquis Exchange is authorised and regulated by the UK Financial Conduct Authority to operate a Multilateral Trading Facility. It was established in October 2012, launched in November 2013, and operates a pan-European cash equities trading exchange and develops exchange software.