



## Market Operations Notice

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Date: Thursday 25<sup>th</sup> August, 2011

Reference number: 0008/11

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### **Subject: Trade Reporting**

Chi-X Australia is developing an innovative trade reporting solution to meet the needs of trading participants.

The solution will satisfy the requirements in ASIC's Market Integrity Rules (Competition in Exchange Markets) (MIRs) that Chi-X take reasonable steps to ensure the trade reports it receives from participants are complete, accurate and up-to-date.

The MIRs were made on 29 April 2011 but more recently ASIC has clarified that the trade reporting solution will need to undertake real time validation of "at or within the spread" transactions against a national best bid and offer (NBBO). As a consequence many of the exception conditions in calculating an NBBO (what happens when the NBBO is locked or crossed, what happens when the listing market is in an auction, how should the inevitably different versions of NBBO be handled, etc) have only recently been identified as a necessary aspect of our solution.

As a result of the evolving requirements for the trade reporting solution and the need to maintain the integrity of our testing governance framework we have decided that trade reporting will not be available at our market launch. At this stage we expect to make trade reporting available 4-6 weeks after our launch but we will make a separate announcement on the subject nearer the time.

We are aware that many vendors and trading participants have developed to the trade reporting interface and we value this support. We anticipate the external interface to remain as currently specified and therefore will permit firms to qualify their application against trade reporting functionality during the qualification test window that started this week. For those whose applications are qualified, we expect to offer a seamless transition when we introduce trade reporting functionality. For those that are not yet ready to qualify against the trade reporting functionality, the test environment will become available for further functional testing and qualification from October.

Kind regards,

**Chi-X Australia**

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