



## **Trading Notice – 0363**

**Date:** 20<sup>th</sup> February 2012

**Priority:** Notification Bulletin

**Subject:** BATS Chi-X Europe Integration: Post-trade Update

**Sent From:** Trading Operations

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### **Message:**

Dear Participants,

BATS Chi-X Europe would like to update Participants on the following Post-trade changes that will be taking place as a result of the upcoming platform migration.

### **Integration Overview**

An overview of the post-trade changes is available on the following link and will be updated periodically. [http://www.batstrading.co.uk/integration/post\\_trade/](http://www.batstrading.co.uk/integration/post_trade/)

### **UK and Irish Settlement netting**

From the 30<sup>th</sup> April, BATS Chi-X Europe intends to offer Participants trading on both order books (BXE and CXE) the option to net their UK and Irish settlement obligations into one settlement instruction (per ISIN) at Euroclear UK and Ireland, or continue to keep their settlements segregated as is currently the case (subject to FSA, HMRC and IRC conditions being met).

In order to allow cross-order book netting, BATS Chi-X Europe will be contacting a number of Trading Participants who have UK SDRT Intermediary relief on one market but not the other, or who have relief on both markets but under different Crest codes. It is important that Trading Participants have consistent Intermediary relief; otherwise cross-order book netting will not be permitted. BATS Chi-X Europe is in discussion with the Irish Revenue Commission (IRC) and will advise Participants if any further action is required.

Trading Participants wishing to cross-order book net UK and Irish settlements should contact their Clearing Participant who will be advised by their Central Counterparty (CCP) of how to achieve this. Settlement netting in all other markets is unaffected as a result of the integration.

## CCP Static data and Clearing Authority

Post the legal and technical migration (30<sup>th</sup> April 2012), Trading Participants who currently have access to a market segment (UK, France etc.) will have access to these market segments on both the BXE and CXE order books. To ensure this consistent approach, BATS Chi-X Europe are working with their CCPs to update the clearing authorities for Trading Participants and are taking the following approach:

Scenario	Trading Participant Status	Action
1	Trading Participant is currently a member of the BATS Europe and Chi-X Europe platforms and has identical access on both platforms.	No action required. CCP will apply existing clearing authority on both order books.
2	Trading Participant is currently a member of the BATS Europe and Chi-X Europe platforms but has different market segment access or different clearing arrangements across the two platforms.	Clearing members will be contacted by their CCP(s) to complete a clearing authority and SSIs to ensure consistent market access on both order books.
3	Trading Participant is a member of one platform but not the other.	Clearing members will be contacted by their CCP(s) to complete a clearing authority and SSIs to ensure consistent market access on both order books.

New clearing authorities will only come into force on the migration date, unless agreed otherwise with CCPs.

Any queries regarding this notice should be directed to:

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