

## IT – INET Nordic – Additional information on MiFID II tick size regime implementation as of January 2, 2018 (95/17)

As previously communicated in [IT Notice 78/17](#), Nasdaq Nordic and Nasdaq Baltic will implement the MiFID II tick size regime for shares, depositary receipts as well as ETFs with equity underlying subject to MiFID II tick size regime on all markets operated by Nasdaq Nordic and Nasdaq Baltic (including respective First North markets, but excluding Nasdaq Iceland markets) as of January 2, 2018.

**MiFID II tick size table** follows the requirements in Commission Delegated Regulation (EU) 2017/588. It contains six liquidity bands and will define the minimum tick sizes allowed for each instrument in a given liquidity band. Liquidity bands are based on the average daily number of transactions (ADNT) executed on the most relevant market of the instrument in question. ADNT values are published by ESMA. For MiFID II tick size table, please refer to [IT Notice 78/17](#).

This notice contains additional information on implementation and includes an attachment outlining ETFs, detailing which ETFs on Nasdaq Stockholm and Nasdaq Helsinki will be included in MiFID II tick size regime and which will not.

### **Shares and depositary receipts**

Information below for shares (MiFIR identifier 'SHRS') and depositary receipts (MiFIR identifier 'DPRS') below also covers other instruments that are classified as shares in MiFID II. These include e.g. subscription rights, redemption shares and unit rights.

### **Listed shares and depositary receipts included in ESMA's ADNT publication on December 6, 2017**

ADNT values published by ESMA on December 6, 2017 (please see [Tick size band assessment](#)) will be applied in order to allocate the relevant tick size table corresponding to the liquidity band for shares and depositary receipts on Nasdaq Nordic as of January 2, 2018. In case there are corrections by ESMA to the values published on December 6, 2017, Nasdaq Nordic and Nasdaq Baltic will adjust the allocations accordingly.

### **Listed shares and depositary receipts not included in ESMA's ADNT publication on December 6, 2017**

Please note that the remaining ADNT values for shares and depositary receipts not included in ESMA's publication on December 6, 2017, are expected to be published by ESMA on January 3, 2018. For these instruments, on January 2, 2018, Nasdaq Nordic and Nasdaq Baltic will apply highest liquidity band until ADNT for share or depositary receipt is available from ESMA.

### **New listings of and corporate actions in shares and depositary receipts as of January 3, 2018**

In case of ADNT is not published by ESMA for a new share or depository receipt or in connection with corporate action, Nasdaq Nordic and Nasdaq Baltic will apply the highest liquidity band until ADNT for share or depository receipt is available from ESMA.

### **Updates to ADNT**

ADNT values are generally calculated on a yearly basis. First regular update to ADNT values is expected to take effect on April 1, 2019. ADNT calculation may also occur at any time outside the regular updates, e.g. due to corporate action. Following an update in ADNT, the liquidity band may change for share or depository receipt from one day to another. By regulation, a change in tick size table must be effective next day after publication by ESMA. Nasdaq Nordic and Nasdaq Baltic will allocate the correct liquidity band for shares and depository receipts upon update by ESMA, effective next day after publication by ESMA. Starting January 2, 2018, ADNT values as well as tick size table corresponding to the liquidity band are distributed for each instrument in scope of MiFID II tick size regime as part of the daily reference data via Genium Consolidated Feed (GCF).

### **ETFs on Nasdaq Nordic**

A static tick size table (highest liquidity band) will be applied for ETFs (MiFIR identifier 'ETFS') where the underlying is solely equities subject to the MiFID II tick size regime, or a basket of such equities. An attachment to this notice details which ETFs on Nasdaq Stockholm and Nasdaq Helsinki will be included in MiFID II tick size regime and which will not. ETFs not in scope of MiFID II tick size regime continue to have their current tick size tables applied.

### **Other equity-like instruments and securitized derivatives as well as all Nasdaq Iceland equity instruments - no changes in tick sizes**

Current tick size tables continue to be applied for all equity-like instruments (MiFIR identifier 'OTHR'), for ETFs not in MiFID II tick size regime scope, as well as for covered warrants, leverage certificates and other exchange-traded products that will be classified as Securitized Derivatives (MiFIR identifier 'SDRV') in MiFID II.

All Nasdaq Iceland shares, depository receipts and ETFs will continue to have the current tick size tables.

### **Protocol specifications**

Please refer to [IT Notice 78/17](#). There are no changes to INET FIX and OUCH protocol specifications due to the introduction of MiFID II tick size regime. INET protocol specifications are available at [Nasdaq Nordic Technical Information](#) web site.

### **Time Schedule**

INET Test (NTF), GCF TST4 – Available

INET MiFID II Test, GCF TST3 – Available

INET Production – Activated for order books in MiFID II tick size regime January 2, 2018

GCF Production – as of November 20, 2017.

### **Testing access**

Members can test the MiFID II functionalities in both INET MiFID II Test/GCF TST3 and INET Test (NTF)/GCF TST4 environments.

## **Production activation consequences**

The impacted order books are connected to MiFID II tick size table as of January 2, 2018. Hence, the current tick sizes are applied for the impacted order books for the last time on December 29, 2017. GCF/TIP reference data with new tick sizes is available from 6:30 CET each day.

Nasdaq Nordic and Nasdaq Baltic will not flush the order books on December 29, 2017. Good-till-Cancelled (GTC) orders from December 29, 2017 will be carried over to January 2, 2018. If the price specified by a limit price is not valid according to the new allowed tick sizes, it will be rounded to a less aggressive price (default) or rejected if that is preferred by the Member.

## **Legal and Market Model**

The [INET Nordic Market Model](#) will be updated, effective for MiFID II tick size tables as of January 2, 2018.

## **Questions and feedback**

For further information and feedback concerning this information, please contact [operator@nasdaq.com](mailto:operator@nasdaq.com).

## **Support**

For technical questions, please contact Nasdaq Cash Equity Operations:  
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Best regards,  
Nasdaq Nordic and Nasdaq Baltic

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