

IT – Fixed income – Directed Request for Quote functionality on Nasdaq Iceland

Nasdaq Iceland will introduce a Request for Quote (RfQ) trading functionality on the Iceland cash bond trading and Iceland FN Bond markets. The RfQ functionality is planned to be introduced in the Genium INET trading system for Nasdaq Iceland on May 8, 2023.

The directed Request for Quote functionality makes it possible for market participants to send a private Quote Request in a specific orderbook directed to a single Member or a list of Members. Members respond to an RfQ by sending directed actionable Quotes to the Member that initiates the RfQ (Initiator).

The Initiator has an exclusive right to trade against any incoming Quotes by accepting one or more directed Quote Request responses. The Initiator has the ability to select which response to execute against, if any, meaning he may accept (match against) all or partial quantity for one or several of the RfQ responses.

The Directed Request for Quote functionality is available during continuous trading.

RfQ lifetime

When an RfQ Initiator sends an RfQ, the Initiator can define a time limit (RfQ lifetime) by which the Quotes may be registered. The timer is set in seconds and the default RfQ lifetime is currently set to 180 seconds but can be configured for each RfQ. After the timer has expired, the Quote request is no longer valid to respond to.

RfQ Accept time

The RfQ accept time, set in seconds, is the maximum time the RfQ Initiator has to respond with an accept transaction in order to trade against an incoming Quote. The RfQ accept time is pre-set at an instrument level, and is currently set to 60 seconds. The RfQ accept time is though affected by the remaining time of the RfQ requester's selected RfQ lifetime. I.e., the total RfQ accept time equals the remaining RfQ lifetime + accept time.

Planned trading services offering

The new functionality will be available for all orderbooks on the following market:

- Iceland cash bond trading

- Iceland FN Bond market

Market data

All pre- and post-trade information, i.e., responses to an RfQ, regardless of whether it was traded or cancelled, and matched RfQ transactions are available via public market data feeds, such as OMnet and GCF. The initial Request for Quote, if not responded to, is however private and not disclosed.

Member access

Members of Nasdaq Iceland's bond markets have automatic access to the new trading functionality.

Nasdaq Nordic Member Rules

These changes do not have an impact on the Nasdaq Nordic Member Rules, available at the Nasdaq Nordic Rules and Regulations website [Nordic Member Rules](#).

Genium INET Nordic Market Model

The changes will be reflected in the Genium INET Nordic Market Model, effective on May 8, 2023 and published on the Nasdaq Nordic Rules and Regulations website under Market Models at [Nordic Member Rules](#).

Time schedule

- Genium INET Test (EXT3) – Available
- Genium INET Production – May 8, 2023

Questions and feedback

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