



SIX Corporate Bonds notice no. 02/2017

Subject	SIX Corporate Bonds Maintenance Release 02/2017 – Announcement and Start Membertest Phase
Category	SIX Corporate Bonds System
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Information 

Content of this message:

- The maintenance release 02/2017 is a mandatory release of the SIX Corporate Bond system
- Introduction of regulatory-driven changes regarding FMIA and MiFIDII
- Initial publication of «SCB – Participant Readiness» brochure
- Start Membertest Phase on 4 September 2017
- Production go-live planned for 23 October 2017

As part of ongoing improvements, SIX Corporate Bonds is introducing an upgrade of its trading system. This release is **mandatory** and will **implement any required regulatory-driven changes** regarding the [Swiss Financial Market Infrastructure Act](#) (FMIA) and [MiFIDII](#).

The release will be available in the **Membertest** environment from **4 September 2017** and will go-live in the Production environment on **23 October 2017**. The contingency date is 4 December 2017.

Please find all business-relevant information about the release in the «**SCB – Participant Readiness**» brochure that is published with this notice. The brochure contains information concerning functional changes and the regulatory impact of the release, as well as details concerning the migration, testing phase and rollout.

The «SCB – Participant Readiness» brochure is the main source for business-relevant information and will be updated and published with more detailed information during Membertest phase. New versions of the «SCB – Participant Readiness» brochure will be announced via SIX Corporate Bonds notice.

More information is available on the [Member Section](#) of SIX Corporate Bonds. For the latest information about SIX's implementation of the FMIA and MiFIDII, please visit the dedicated [Regulatory Changes](#) website.

SIX Corporate Bonds continuously strive to enhance and improve its trading platform.

If you have any questions, please do not hesitate to contact Member Services:

Phone: +41 58 399 2473

E-mail: member.services@six-group.com

Links to SIX Corporate Bonds AG:

www.six-corporate-bonds.com | [Member Section](#) | [Forms](#) | [Rules and Directives](#)



SIX Corporate Bonds

SIX Corporate Bonds Maintenance Release 2/2017

Participant Readiness (Version 1.00)

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1 Introduction

1.1 Purpose and Scope

This document provides all business related information for the SIX Corporate Bonds system release, including functional and technical changes. Regulatory changes, the rollout plan as well as migration details and testing activities.

1.2 Document History and Changes since Last Version

Version, Date	Description
1.00, 25.08.2017	First version of the document published with SIX Corporate Bonds notice 02/2017

1.3 Definitions and Abbreviations

Term/Abbreviation	Explanation
CLOB	Central Limit Order Book – Market Model
EEA	European Economic Area
ESMA	European Securities and Markets Authority
FIX	Financial Information eXchange Protocol
FMIA	Financial Market Infrastructure Act
FMIO	Financial Market Infrastructure Ordinance
IOSCO	International Organisation of Securities Commissions
LEI	Legal Entity Identifier
LIS	Large in Scale
MIC	Market Identifier Code
MiFIDII	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MMT	Market Model Typology
MTF	Multilateral Trading Facility
RDI	Reference Data Interface
RTS	Regulatory Technical Standard
SCAP	SIX Swiss Exchange Common Access Portal
SIX MDDX	SIX MDDX Multi Dimensional Data fluX™ interface
SSTI	Size Specific to Instrument
STI	Standard Trading Interface
UTC	Coordinated Universal Time
XICB	Market Identifier Code for SIX Corporate Bonds AG

1.4 References

Document	Link
Regulatory Changes	https://www.six-exchange-regulation.com/en/site/regulatory-changes.html
SIX Corporate Bonds notices	https://www.six-corporate-bonds.com/en/shared/download-explorer.html#c=/content/cbonds/global/en/taxonomy/download-category/notices
Rule Book and Directives	https://www.six-corporate-bonds.com/en/home/regulation.html
Forms	https://www.six-corporate-bonds.com/en/home/participation/forms.html
SIX Corporate Bonds Technical Messages	https://secure.six-swiss-exchange.com/member_section/scb_it_messages.html
Interface Specifications, Manuals and Guides	https://secure.six-swiss-exchange.com/member_section/it/scb_manuals.html

1.5 Contacts

Market Operations

If you have business related questions, please do not hesitate to contact Market Operations:

Topic	Team	Phone	E-mail
Participant Configuration Billing	Member Services	+41 58 399 2473	member.services@six-group.com
Market Control Emergency Deletions Suspensions	Exchange Operations	+41 58 399 2475	helpdesk.exc@six-group.com
Instrument Reference Data	Static Data Operations	+41 58 399 2490	zulassung@six-group.com

Local Support Centers

If you have technical questions, please do not hesitate to contact your Local Support Center.

Location	Phone	E-mail
London	+44 20 7864 4364	ls1@six-group.com
Geneva	+41 58 399 5642	lsq@six-group.com

Account Management

For any account-related questions please do not hesitate to contact your account manager directly:

Name	Phone	E-mail
Stefan Bosshard	+41 58 399 3788	stefan.bosshard@six-group.com
Diarmuid O'Dwyer	+41 58 399 2856	diarmuid.odwyer@six-group.com

2 Summary and Overview

SIX Corporate Bonds is introducing a **mandatory** maintenance release for the trading system as part of its ongoing improvement efforts.

The upgrade mainly consists of the following changes:

- Implementation of the regulatory changes to comply with the [Swiss Financial Market Infrastructure Act \(FMIA\)](#) and to align with MiFIDII/MiFIR in regard to:
 - Pre-Trade Transparency
 - Pre-Trade Controls
 - Transactions subject to reporting obligations
 - Reporting of Beneficial Owner
 - Post-Trade Transparency
 - Synchronization of Business Clocks to a new level of precision and accuracy

The release is available for testing **in the Membertest** environment from 4 September 2017 and is scheduled on **23 October 2017 for go-live in the Production** environment. The contingency date for the go-live in Production is 4 December 2017.

3 Functional Changes

3.1 Pre-Trade Transparency

3.1.1 Large in Scale Orders

According to Art. 29 paras. 1 and 3 lit. b FMIA and Art. 27 FMIO, the trading venue may make provisions for exceptions in its regulations in regards to pre-trade transparency for orders that are **large in scale** compared to normal market size.

Compliant to the regulations, SIX Corporate Bonds will apply the following pre-trade transparency waivers for orders in Corporate Bonds which are large in scale. All IOI's, quotes in the Market Session and orders in the Private- and Public Workups which do not meet the large in scale thresholds will be rejected in the member test phase but not in production.

Since Benchmark Bonds are available for hedging purposes only and no IOI's, orders nor quotes can be entered in those instruments, the pre-trade transparency waivers are not applicable.

SIX Corporate Bonds introduces the following attribute via its Reference Data Interface (RDI):

- preTradeLISthreshold



[SIX Corporate Bonds Reference Data Interface Specification](#)

3.1.2 Pre-Trade Controls

According to Art. 30 FMIA and Art. 30 para. 2 d FMIO, the trading venue must possess effective systems, procedures and arrangements to reject orders that exceed pre-determined volume or are clearly erroneous.

SIX Corporate Bonds will introduce the following pre-trade threshold:

Control	Description
Maximum Order Volume	IOI, Order or Quote is automatically rejected by the system if the quantity of the order breaches the maximum order Volume. Maximum Order Volume = Total outstanding amount of the instrument



[SCB FIX Trading Interface Specification](#)

3.2 Transaction Reporting

3.2.1 Transactions subject to reporting obligations

According to the [Rule Book](#), all trades on the MTF are currently deemed to have been transaction reported in the sense of FMIA and therefore a separate Transaction Report is not required.

With this release, all trades have to be separately submitted as Transaction Reports to the Reporting Office.

SIX Corporate Bonds will introduce a service for Participants to facilitate Transaction Reporting of trades. If the trade is flagged with capacity «Principal», Participants may request the Exchange to automatically derive Transaction Reports from them.

SIX Corporate Bonds does not support deriving Transaction Reports for trades which are flagged with capacity «Riskless Principal» for the reason of submitting the required beneficial owner information. For that purpose, Participants have to submit these Transaction Reports separately.

Participants interested in using the service to generate Transaction Reports from trades, may request the configuration with Member Services (member.services@six-group.com / +41 58 399 2473):

3.2.2 Transaction Reporting Interfaces

3.2.2.1 Transaction Reporting (TFI)

The Reporting Office will continue to support Transaction Reporting via the current Transaction Reporting File Interface (TFI). The Transaction Report file upload has been extended with additional attributes.



[Transaction Reporting Interface \(TFI\) Specification](#)

3.2.2.2 Transaction Reporting (RTS22)

The Reporting Office will support Transaction Reporting in a MiFIDII/MiFIR-format (RTS22) via file upload in a new dedicated interface. The corresponding Transaction Reporting Interface Specification (RTS) is available in the Member Section of SIX Corporate Bonds.



[Transaction Reporting Interface Specification \(RTS\)](#)

3.2.3 Reporting of Beneficial Owner

The Reporting Office will support the regulatory requirement to submit the Beneficial Owner information via Transaction Reporting.

Participants are required to submit the Beneficial Owner information post-trade via a Transaction Report. For each beneficial owner of a trade, a separate Transaction Report must be submitted which includes the unique reference of the trade as well as the beneficial owner information.

In this context, SIX Corporate Bonds has extended the Transaction Reporting Interface (TFI) with the new BeneficialOwner attribute. The BeneficialOwner attribute is mandatory for Transaction Reports with capacity «Riskless Principal» and must be a concentration of the following information separated by a hyphen (“-“):

Beneficiary Description	Value 1	Value 2	Value 3
Natural Person	Country Code (ISO 3166-1 alpha2)	Date of Birth (YYYYMMDD)	Bank-Internal code
Juridical Person	Country Code (ISO 3166-1 alpha2)	Legal Entity Identifier (LEI); or Bank Identifier Code (BIC); or Commercial Register Number; or SIX Corporate Bonds Party ID	-



The submission of the beneficial owner information will **not** be supported on IOI, orders and quotes.



[Transaction Reporting Interface \(TFI\) Specification](#)

3.3 Market Data

3.3.1 Post-Trade Transparency Regime

According to Art. 29 paras. 2 and 3 lit. b FMIA and Art. 28 FMIO, the trading venue may make provisions for later publication in its regulations.

Compliant to the regulations, SIX Corporate Bonds will apply the following post-trade transparency regime:

Trading Segment(s)	Publication Off Book	Post-Trade Waiver	Impact
International Corporate Bonds	Deferred Publication (T+2 – 19:00 CET)	<ul style="list-style-type: none"> Large-volume transactions (LIS); or Transactions in securities for which no liquid market exists (illiquid). 	New

SIX Corporate Bonds introduces the following attribute via its SCB Reference Data Interface:

- liquidityFlag
- postTradeLISTThreshold (expressed in the nominal currency of the instrument)



[SCB FIX Trading Interface Specification - Orders, Quotes and Executions](#)

[SIX Corporate Bonds Reference Data Interface Specification](#)

3.3.2 Decommissioning of Market Data File on the SIX Corporate Bonds website

Please note that with this release, SIX Corporate Bonds will decommission the Market Data File on the public website of SIX Corporate Bonds.

Participants interested in receiving market data for SIX Corporate Bonds shall receive them via data vendors.

3.4 Reference Data

3.4.1 SCB Reference Data Interface

In relation to all functional changes introduced with this release, SIX Corporate Bonds will provide Participants with additional reference data relevant for trading, reporting and trade publication.

The traded instrument reference data file will include new attributes relevant for the post-trade transparency regime and particularly for deferred publication:

- liquidityFlag
- pre-tradeLISTThreshold (expressed in the nominal currency of the instrument)
- postTradeLISTThreshold (expressed in the nominal currency of the instrument)
- reportingLevel



[SIX Corporate Bonds Reference Data Interface Specification](#)

3.5 General Changes

3.5.1 Synchronization and Granularity of Business Clocks

Synchronization of business clocks refers to the trading venue's obligation to keep the business clocks that they use to record the date and time of any reportable event, synchronized with the Coordinated Universal Time (UTC).

To be compliant with EU provisions, SIX Corporate Bonds implements up to microsecond precision.

Please find detailed information on the specific changes in the SIX Corporate Bonds interfaces Specifications.



[SCB FIX Trading Interface Specification - Orders, Quotes and Executions](#)

[Standard Trading Interface \(STI\) Specification - Confirmations](#)

[Participant Trade Reconciliation Report Specification](#)

[SIX Corporate Bonds Reference Data Interface Specification](#)

3.5.2 Pricing and Billing

The fees and costs of SIX Corporate Bonds do not change in the context of this release.

For the Transaction Reporting, the Reporting Office of SIX Corporate Bonds will introduce a pricing model which will be subdivided into tariff levels with flat-rates and is based on the number of transactions submitted by the Participant to the Reporting Office.

Further details in relation to the new pricing model for Transaction Reporting will be provided early September 2017 with the publication of the Rules.



[Reporting Office Rules](#) (will be updated for this release)

3.5.2.1 Billing Report

The Billing Report File Interface Specification updated for this release has been published on the Member Section. The following main changes have been made to the Billing Reports:

- Naming of attributes has been aligned with the other SIX Corporate Bonds Interfaces containing trades and reference data
- Sequence of attributes has been optimized
- New trade attributes relevant for Billing and related to this release have been introduced
- Transaction Reports have been moved to a separate Billing Report – Transaction Reporting Detail

The Billing Reports in the new format will be available to download for Participants on 2 November 2017 for the Billing Run of the month of October 2017.



[Billing Report File Interface Specification](#)

4 Technical Changes

4.1 Interface Changes

The functional changes introduced with the maintenance release are not transparent for the interfaces and require mandatory adjustments to Participants' own applications, interfaces and processes.

All relevant Specifications, Manuals and other artefacts can be downloaded from the [Member Section](#) of SIX Corporate Bonds:

Document	Link
Technical Messages	https://secure.six-swiss-exchange.com/member_section/scb_it_messages.html
Manuals	https://secure.six-swiss-exchange.com/member_section/it/scb_manuals.html
Configuration	https://secure.six-swiss-exchange.com/member_section/scb_public.html

5 Regulatory Changes

The functional changes introduced with this release also necessitate changes to the rules and regulations. The following rules, directives and guidelines are affected in this respect and have been amended accordingly:

- [Rule Book](#) of SIX Corporate Bonds
- [Directives](#) of SIX Corporate Bonds
 - Directive 1: Admission of Participants
 - Directive 2: Technical Connectivity
 - Directive 3: Trading
 - Directive 4: Market Control
 - Directive 5: Market Information
- [Guidelines](#) of SIX Corporate Bonds
 - List of Trading Charges (formerly Directive 6: Fees and Costs)

SIX Corporate Bonds will provide a detailed list of all changes to the Rules, Directives and Guidelines together with the publication of the regulatory update in September 2017.

Please find below an overview of the dates on which functional and regulatory changes for this release will enter into force:

Change	Reference	Technical go-live date	Regulatory Date (entry into force)
Pre-Trade Controls	3.1.2	23 October 2017	23 October 2017
Change of reporting obligation for Transactions executed on the Exchange	3.2.1	3 January 2018	3 January 2018
Transaction Reporting Interface Changes	3.2.2.1	23 October 2017	-
Transaction Reporting Interface – RTS22	3.2.2.2	3 January 2018	3 January 2018
Reporting of Beneficial Owner	3.2.3	From 23 October 2017 the Beneficial Owner will not be validated and ignored on Transaction Report. From 1 January 2017 the Beneficial Owner will be stored but not validated against the order capacity. From approx. mid-September 2018, the full Beneficial Owner validation according to Specification will apply.	1 October 2018
Post-Trade Transparency	3.3.1	23 October 2017	23 October 2017
Reference Data	3.4.1	23 October 2017	-
Synchronisation and Granularity of Business Clocks	3.5	23 October 2017	3 January 2018

Updates to the Rules, Directives and Guidelines which will enter into force on 23 October 2017 will be communicated in September by means of a SIX Corporate Bonds notice. They will also be published on the website of SIX Corporate Bonds.

6 Migration

The upgrade requires the migration of transactional as well as participant and instrument reference data. In addition the migration requires various configuration changes. SIX Corporate Bonds will ensure that the technical and business upgrade and migration impact on Participants, ISVs and ASPs is a minimal as possible.

6.1 Business Migration

6.1.1 Transactional Data

6.1.1.1 Activity

All IOI's, Quotes and Orders will be upgraded to the new release and Participants do not have to take any action in this regard.

6.1.1.2 Trades

The trades will not be upgraded and therefore the following post-trade processing restrictions apply:

- On the first trading day after the release it will not be possible to correct nor cancel trades executed on Friday before the upgrade

6.1.2 Security and Segment Reference Data

6.1.2.1 Security Reference Data

6.1.2.1.1 SIX Swiss Exchange Instrument Data

All securities admitted to trading on SIX Corporate Bonds will be enriched with the following new or changed reference data:

- New attributes relevant for publication of trades
 - liquidityFlag
 - preTradeLISThreshold (expressed in the nominal currency of the instrument)
 - postTradeLISThreshold (expressed in the nominal currency of the instrument)
 - reportingLevel

Please note that during the Membertest Phase, SIX Corporate Bonds will provide two versions of the SCB Reference Data Interface files for the Membertest environment:

- SCB Reference Data Interface files based on the current Production Release (Version 1.13.0, valid with Benchmark Hedging)
- SCB Reference Data Interface files based on the current Membertest Release (Version 1.15.0, valid for Regulatory Changes Release)

Find the respective versions of the specifications on the Member Section:



[SIX Corporate Bonds Reference Data Interface Specifications](#)

6.1.3 Participant Configuration and Reference Data

6.1.3.1 Generate Transaction Reports from Trades

With this release, SIX Corporate Bonds offers the service to automatically generate Transaction Reports for trades on the Party ID level. This service will not be configured by default for Participants.

Participants interested in using the Generate Transaction Reports from Trades offering, are kindly invited to request the respective configuration with Member Services (member.services@six-group.com / +41 58 399 2473).

Member Services will setup the requested configuration in the Membertest environment in order that Participants can test their new configuration prior to Production go-live.

During the migration of this release in the Production environment, SIX Corporate Bonds will automatically migrate the configuration to the production environment.



Please note that the offering to generate Transaction Reports from Trades will only be provided in the Production Environment starting 3 January 2018.

Testing in the Membertest environment will be available starting 4 September 2017.

7 Key Dates

The following table shows the key dates as scheduled at this stage:

Date	Mbtst	Prod	Activity
07.05.2017	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Publication of initial announcement
02.09.2017 – 03.09.2017	<input checked="" type="checkbox"/>		Membertest Upgrade weekend
04.09.2017	<input checked="" type="checkbox"/>		Start of Membertest phase
Early September	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Publication of updated Rules and Directives
27.09.2017	<input checked="" type="checkbox"/>		Intraday Recovery Test
20-22.10.2017		<input checked="" type="checkbox"/>	Production Migration weekend
23.10.2017		<input checked="" type="checkbox"/>	Production live date and first business day
23.10.2017		<input checked="" type="checkbox"/>	Entry into force of Rules and Directives
01-03.12.2017		<input checked="" type="checkbox"/>	Contingency date for Production Migration weekend only to be used in case of unexpected events.
04.12.2017		<input checked="" type="checkbox"/>	Contingency date for Production live date

8 Testing

Before the introduction of the maintenance release in the Production environment, Participants and third parties will have the possibility to test the new and changed functionality in the Membertest environment for approximately 6 weeks.

SIX Corporate Bonds recommends that all Participants, Independent Software Vendors (ISVs) and Application Service Providers (ASPs) test their own applications and interfaces as well as business processes and back office workflows during the Membertest phase.

The main focus of the Membertest phase is to verify the changes to the configuration and business functionality.

Suggested mandatory tests:

- Pre-Trade Controls
- Transaction Reporting via File
- Reporting of Beneficial Owner
- Corrections and Cancellations
- Deferred Publication of trades

You are kindly invited to contact Member Services (member.services@six-group.com / +41 58 399 2473) if you require assistance with testing in the Membertest environment.

Please refer to the following links for further information about the Membertest environment availability and trading hours:

Document	Link
Environment Calendar	https://secure.six-swiss-exchange.com/member_section/scb_environment_calendar.html

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