

IT – INET Nordic – Closing Auction and Indicative Close Price for Exchange Traded Funds (112/14)

Nasdaq Nordic is planning to introduce a Closing Auction for Exchange Traded Funds (ETFs) on Nasdaq Helsinki and Nasdaq Stockholm. An Indicative close price (ICP) calculation is planned to be added for Exchange Traded Funds in coordination with the launch of the Closing Auction. Current Auction Safeguards in place on Nasdaq Stockholm in the Opening Auction will be applied also to the Stockholm ETF Closing Auction.

The introduction of the Closing Auction for ETFs is based on requests from Issuers, Market Makers and Liquidity Providers as a measure to improve price information. As closing prices are currently based on the last traded value, the last traded price can deviate greatly from the Net Asset Value/current price levels, especially in less liquid ETFs. Nasdaq Nordic will keep the closing price process for ETFs unchanged but will complement this process by taking into use the *IndicativeClosePrice* (ICP) field. This field will contain the auction price and where the auction price is unavailable, a calculated Indicative close price.

Closing Auction is planned to be used in production from Q2 2015 (production date, dependent on the Genium Consolidated Feed (GCF) 3.0 release, to be confirmed in a later notice) and is planned to be available for testing in INET OTF and GCF test environment as of March 9, 2015. The Indicative close price will be available in production at the same time as the Closing Auction and is planned to be available for testing in GCF test environment as of March 9, 2015. The GCF test environment details will be communicated in a later notice.

INET identifiers:

Market segments impacted by the Closing Auction and Indicative close price

Exchange / MIC	Segment name	Segment symbol	Currency	Seq. no	GCF ID
XSTO	OMX STO Fund Units	SEEQ XFU	SEK	17	22
XHEL	OMX HEL Fund Units	FIEQ FUI	HEL	69	94

Closing auction schedule:

The regular Closing Auction is planned to take place as below:

Market	End of Continuous Trading	Closing Call		After market	
		Pre-close	Uncross	Post Trade	Closed
CET					
Stockholm Fund Units	17:25	17:25	~17:27*	17:27*	18:00 -
Stockholm Fund Units - Half days	12:55	12:55	~12:57*	12:57*	13:30-
Helsinki Fund Units	17:25	17:25	~17:27	17:27	18:00-

*Uncross of an Order Book is subject to auction safeguards. In case an extension is triggered in an Order Book in the closing call, Uncross in that Order Book takes place 3 minutes later, leading to Post Trade also starting 3 minutes later. The market segment will enter the Post Trade state only once all the Order Books in that segment have uncrossed.

Genium Consolidated Feed (GCF) – TIP:

In Genium Consolidated Feed, the TIP message *OrderbookSummary* will hold the equilibrium price from the closing auction in the *IndicativeClosePrice* field. If there is no price from the closing auction in the trading system, an Indicative close price shall be calculated in GCF.

The Indicative close price will be calculated as the Average Best Bid and Ask from the last 2 minutes of Continuous Trading at end of the day. Order coverage criteria of 80% will be applied.

Protocol specifications:

Next versions of INET protocol specifications are available at the Nasdaq Nordic Technical Information website, under [INET Nordic Protocol Specifications](#).

Time schedule:

The Closing Auction and Indicative close price for Exchange Traded Funds is planned for launch:

- INET Test (OTF), GCF – March 9, 2015. GCF test environment to be confirmed in a separate notice
- INET Production – Q2 2015. Exact date to be confirmed in a separate notice

INET Nordic Market Model:

Changes will be reflected in the Market Model valid from Q2 2015 (exact date to be confirmed in separate notice).

Questions and feedback:

If you have any questions regarding this Exchange Notice, please contact Nasdaq Tech Support at: +46 8 4056410, operator@nasdaq.com.

Best regards,

Nasdaq Nordic

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