



SWX Europe

Directive 7: Emergency Situations (System Failure)

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1. Emergency situations

1.1 Emergency situations in general

Emergency situations within the meaning of this provision shall be, in particular

- a. failure of the Exchange system;
- b. failure of trading systems;
- c. force majeure; or
- d. other events likely to hamper fair and orderly trading.

SWX Europe shall endeavour to maintain trading as far as possible in emergency situations.

In the event of an emergency situation, SWX Europe may take whatever measures it deems necessary to maintain a fair and orderly market.

It may, in particular, suspend rules and regulations in whole or in part and temporarily replace them with new stipulations, and also temporarily suspend trading in whole or in part.

1.2 Declaration of an emergency

It shall be at the discretion of SWX Europe to determine

- whether an emergency situation has arisen,
- who is affected by it,
- which special provisions will be applicable and
- when an emergency situation has ended.

Short-term technical disruptions of the Exchange system or one of the trading systems will not constitute an emergency situation.

In the event of the simultaneous failure of several trading systems, SWX Europe will, in assessing the resulting emergency situation, take into account in particular the number and the location of the failed trading systems as well as the market share of the members concerned.

1.3 Post-recorded-trade function

Data entered by means of the function "post-recorded trades" will be received and processed by SWX Europe after the emergency situation has ended. Members will be informed when and for how long this function will be available.

1.4 Duty to inform

SWX Europe will immediately notify members of an emergency situation and also at the end of the same trading day.

2. Failure of the Exchange system

SWX Europe would evaluate a failure on the basis of the information available and would declare an emergency situation either for the whole Exchange system or parts thereof.

In the event of failure of the Exchange system, SWX Europe would immediately inform members of any special regulatory provisions. As soon as the Exchange system is available again, SWX Europe will determine when trading may resume. The re-opening time will be determined so as to provide enough time for members to update their orders. Trades executed during the failure must be reported promptly.

2.1 Off-order book functions

Should certain off-order book functions not be available, members may use comparable substitute functions. SWX Europe may extend the reporting deadline.

Failure of the function "statement of interest" or "addressed offer" will not constitute an emergency situation.

2.2 Settlement system

If the connection between SWX Europe and a settlement or clearing organisation recognised by SWX Europe fails, the data will be transmitted to these organisations by means of data carriers. This shall not constitute an emergency situation.

In the event that the Exchange system cannot transmit settlement instructions to a settlement or clearing organisation recognised by SWX Europe, SWX Europe may order members to submit delivery or payment instructions directly to these organisations. SWX Europe will inform members accordingly, at the latest on the morning prior to the value date. It will immediately inform members when the emergency situation has been rectified and settlement instructions can again be transmitted through the Exchange system. SWX Europe shall help to prevent any possible duplication of instructions by providing appropriate information.

3. Failure of trading systems

The member concerned shall immediately notify SWX Europe of failure or serious disruption of the trading system. It shall simultaneously apply for permission to trade on a makeshift basis. SWX Europe will, as a rule, agree to such trading within a maximum of 5 minutes and notify the member of any special regulatory provisions.

A member may request SWX Europe to delete all or some of its orders.

Any instruction to SWX Europe to delete orders must be confirmed in writing to SWX Europe by the end of the trading day.

All trades executed during a trading system failure must be reported promptly.

4. Post-recording procedure

Members are obliged to report their trades to SWX Europe as soon as possible after the end of an emergency situation, but at the latest before the start of trading (opening) on the following Exchange day. Members shall notify SWX Europe immediately if they are unable to respect the post-recording deadline.

SWX Europe will determine when the post-recording procedure shall commence and the post-recorded trades shall be processed. It shall also determine when the post-recording procedure may no longer be utilised.

5. Reversal of transactions

In the event of a failure of all or part of the SWX Europe system, SWX Europe's determination that a transaction has, or has not, been made shall be conclusive and binding. The Reversal has to be executed by the member by using the trading system subject to other instructions given by SWX Europe.