



SWX Europe

Directive 8: Handling of Mistrades

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1. Introduction

In the interests of maintaining an orderly market, SWX Europe may declare trades null and void.

2. Conditions

SWX Europe may declare an executed trade null and void if the price of the deal resulting from the trade deviates significantly from the market price.

Where SWX Europe considers such action justified in the prevailing circumstances, SWX Europe may suspend its ability to declare a mistrade as outlined in Practice note 2.15; such suspension may be general or in respect of one or more securities. This does not however affect reversal requests from members under Rule 2.15.

SWX Europe will not declare mistrades after the day on which transaction was effected.

3. Considerable deviation from the market price

It shall be the discretion of SWX Europe to determine the market price and to rule whether the price of a transaction deviates significantly from it.

4. Mistrades after stop trading

In principle, significant deviations from the market price after a stop trading shall not be regarded as mistrades.

5. Consequences of the nullity declaration

If SWX Europe declares a trade null and void, it will instruct the parties involved to enter on the same day a trade reversal (trade confirmation with reversal flag). SWX Europe may confirm the cancellation of the trade to the parties involved via the newsboard. At the request of a party and against reimbursement of the cost thus incurred, SWX Europe shall give both parties the reasons for its decision in writing.

Special provisions apply to trade reversals on SWX Swiss Block; these are as prescribed in Directive 21.

6. Costs

SWX Europe will impose any incurred costs and special fees. The costs of the proceedings shall be borne by the member who caused the trade to be declared null and void or who caused an investigation to be instituted.

7. Publication

SWX Europe will publish the cancellation of the trade.
