Request for Quote Trading System Procedures

Commodity Derivatives

Issued by Nasdaq Oslo ASA

Effective date: 2 January 2020
REQUEST FOR QUOTE TRADING SYSTEM PROCEDURES

1 THE REQUEST FOR QUOTE TRADING SYSTEM (RFQS)

1.1 Exchange Members may within Opening Hours on any Bank Day for the relevant Series submit Request for Quote (RFQ) and enter into Exchange Transactions through the Request for Quote Trading System in accordance with the Request for Quote Trading System Procedures set out herein and in the Genium INET Market Model Nasdaq Commodities.

1.2 The RFQS allows RFQ Responders to provide Directed Quote Responses (DQR’s) in response to an RFQ submitted by an RFQ Requestor. The DQR’s are executable exclusively by the RFQ Requestor, who may conclude an Exchange Transaction by accepting one or more DQR’s provided to the initiated RFQ by submitting a Directed Quote Accept (DQA).

1.3 For all DQR’s in response to an RFQ, the Exchange will publish the series, side, price, volume and time no later than when they become executable. Cancelled and/or DQR’s that has not been accepted will also be published.

1.4 Any Exchange Member may arrange for and register an RFQ and/or a DQR and/or a DQA on behalf of another Exchange Member, provided that the arranging Exchange Member maintains all necessary Required Authorisations, obtains all necessary consents and executes such documentation as required by the Exchange from time to time. Hereunder, a signed Block Broker Appointment Form shall constitute valid authorisation to arrange RFQ’s, DQR’s and DQA’s.

1.5 The Exchange accepts RFQ’s in all Exchange Listed Products, unless otherwise specified in the Genium INET Market Model Nasdaq Commodities.

1.6 All RFQs submitted will be disseminated to one or more Exchange Members on an anonymous basis.

1.7 An RFQ and related DQR’s and/or DQA are valid from the time of submission in the RFQS in accordance with Section 2, until it is concluded, cancelled or amended as specified in Section 1.8, or has expired pursuant to its individual RFQ specification.

1.8 Amendments to or cancellations of RFQ’s and/or DQR’s become effective when such are submitted in RFQS.

1.9 The minimum number of lots that can be quoted as an RFQ is dependent on the Trade Lot for the specific Series, unless specified in the Genium INET Market Model Nasdaq Commodities.

2 SUBMISSION OF RFQ’s, DQR’S AND DQA’S

2.1 Exchange Members must submit RFQ’s, DQR’s and DQA’s to the Exchange in the form and manner designated by the Exchange from time to time.

2.2 Exchange Members must not delay submission of on behalf RFQ’s to the Exchange. The Exchange reserves the right to reject late submissions of RFQ’s.

2.3 All Quotes and Transactions in the RFQS will be stored electronically and kept by the Exchange in accordance with applicable law.

2.4 The RFQ Responder must ensure that the price(s) of any DQR’s represents a “fair market value price” for that quote, defined as the price considered to be the best available for a quote of that size and kind at that time.
2.5 Prices of a RFQ concluded Exchange Transactions will not be included in the determination or calculation of any Daily Fix amounts.

2.6 RFQ concluded Exchange Transactions will be flagged with MMT (Market Model Typology) flag specified in the Genium INET Market Model Nasdaq Commodities.

2.7 Notwithstanding any other provisions of the Trading Rules, the Exchange reserves the right, in its sole discretion and without prior notice to the relevant Exchange Member, to reject, cancel or refuse to display or conclude any Exchange Transactions through the RFQS which in the Exchange's determination would contravene the Trading Rules or applicable law. Any such decision should be reasonably founded, and the Exchange shall notify the relevant Exchange Member immediately after such decision has been made.

2.8 All RFQ's shall include the following information to be valid:

a. The identity of the Exchange Member registering the RFQ when relevant;
b. The identity of the Exchange Member initiating the RFQ;
c. The Series Designation of the applicable Series;
d. Side, whether the RFQ is for a Bid, Offer or both;
e. The number of Instruments in the Exchange Series concerned, denoted as "volume" or "quantity"
f. The lifetime of the RFQ in seconds;
g. Trader ID of the Exchange Trader initiating the RFQ;
h. in what trading capacity the RFQ is submitted, including whether the RFQ is submitted as part of a Market Making Strategy or any other liquidity provision activity;
i. Trading Account; and
j. any additional information as required by the Exchange or Clearing Rules and the prevailing functionality of the Clearing System or the Trading System, including the applicable technical documentation, protocol and contract specifications (where relevant).
k. If applicable and/or desirable: Any additional information as mandated and/or allowed by (i) the Trading Rules (including the Market Conduct Rules) and/or (ii) the prevailing functionality of the RFQS.
l. The receiver(s) of the RFQ.

The RFQS will automatically validate that this Section 2.8 is fulfilled for all RFQ's registered.

2.9 All DQR's shall include the following information to be valid:

a. The identity of the Exchange Member submitting the DQR(s) when relevant;
b. The identity(s) of the Exchange Members responding to the RFQ;
c. The Series Designation of the applicable Series;
d. Side, whether the response(s) is/are a Bid, Offer or both;
e. The number of Instruments in the Exchange Series concerned, denoted as "volume" or "quantity" the response if for;
f. The price (Bid/Offer or both) of the response(s);
g. Initiation time, representing the time when a DQR is submitted in the RFQS, when relevant;
h. Trader ID of the Exchange Trader responding to the RFQ;
i. in what trading capacity the DQR is submitted, including whether the DQR is submitted as part of a Market Making Strategy or any other liquidity provision activity;

j. Trading Account; and

k. any additional information as required by the Exchange or Clearing Rules and the prevailing functionality of the Clearing System or the Trading System, including the applicable technical documentation, protocol and contract specifications (where relevant).

l. If applicable and/or desirable: Any additional information as mandated and/or allowed by (i) the Trading Rules (including the Market Conduct Rules) and/or (ii) the prevailing functionality of the RFQS.

The RFQS will automatically validate that this Section 2.9 is fulfilled for all DQR’s registered.

2.10 All DQA’s shall include the following information to be valid:

a. The identity of the Exchange Member submitting the DQA when relevant;

b. The identity of the Exchange Member responding to a DQR with a DQA;

c. The Series Designation of the applicable Series;

d. Side, whether the DQA is a Bid or Offer;

e. The number of Instruments in the Exchange Series concerned, denoted as "volume" or "quantity" the DQA if for;

f. The price of the DQA, matching the DQR;

g. Trader ID of the Exchange Trader responding to the DQR with a DQA;

h. in what trading capacity the DQA is submitted, including whether the DQA is submitted as part of a Market Making Strategy or any other liquidity provision activity;

i. Trading Account; and

j. any additional information as required by the Exchange or Clearing Rules and the prevailing functionality of the Clearing System or the Trading System, including the applicable technical documentation, protocol and contract specifications (where relevant).

k. If applicable and/or desirable: Any additional information as mandated and/or allowed by (i) the Trading Rules (including the Market Conduct Rules) and/or (ii) the prevailing functionality of the RFQS.

The RFQS will automatically validate that this Section 2.10 is fulfilled for all DQA’s registered.

3 POST TRADE PUBLICATION

3.1 Once an Exchange Transaction has been concluded in the RFQS the series, price, volume and time will be published to all Exchange Members by electronic display in the Trading System or as otherwise determined by the Exchange from time to time.

4 COMPLIANCE

4.1 The Exchange may instigate disciplinary procedures in the event that the RFQ, DQR and/or DQA is subsequently found to have not been made in compliance with the applicable provisions of the Trading Rules and/or the Clearing Rules, nor does it preclude the Clearinghouse from voiding or taking other action in relation to an Exchange Transaction concluded in the RFQS.

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