



Guidelines for Members' On-
Exchange Trade Reporting in Fixed
Income Instruments on Nasdaq
Iceland

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1. General information on reporting

1.1 The Reporting Guidelines for Fixed Income Instruments

These Reporting Guidelines supplement the Nasdaq Nordic Member Rules (“NMR”) and offer guidance on the reporting/publishing of trades in fixed income instruments executed outside the order book. NMR regulate in a general manner the members’ requirements to report manual trades, i.e. trades that members execute under the NMR but outside the order book in financial instruments admitted to trading on the Exchange (“**Manual Trades**”).

These Reporting Guidelines cover publishing situations for fixed income instruments admitted to trading on Nasdaq Iceland (“**The Exchange**”). Please note that this document is intended as a practical guidelines on the publishing of the most common transactions and does not purport to be comprehensive. Situations may arise that are not covered by these Reporting Guidelines. Surveillance can be contacted if there are any questions.

According to article 5.14.3 of NMR, all trades in fixed income instruments admitted to trading on Nasdaq Iceland that are entered into outside the order book shall be reported on the Exchange. All fixed income trades executed by members must therefore be made in accordance with NMR¹. The members therefore benefit from the Exchange’s regulatory environment and Market Surveillance. This means that the Exchange is responsible for the trading environment and ensures that the demands of a fair and orderly execution, as well as requirements on neutrality and non-discriminatory treatment, are being satisfied. Thereby the Exchange upholds efficient trading for all members.

1.2 Transactions subject to reporting/publishing obligations

The requirement to publish trades applies to trades as they are defined in regulation no. 994/2007 implementing regulation (EU) No 1287/2006 (see article 5).

The diagram below sets forth examples of various transaction situations and the reporting obligations applicable thereto if the transactions are made as Manual Trades.

	Transaction situation	Reporting obligation ²	Trade type	Capacity (Owner category)
1.1	Subscription for and sale of fixed income instruments prior to listing.	Shall not be reported. The instruments are not admitted to trading on the Exchange at this time.		
1.2	Subscription for and sale of previously unsold fixed income instruments.	Primary market transaction. Shall not be reported.		

¹ It must be clarified that it is not the intention of Nasdaq to regulate in NMR how the member comes to an agreement with its client on the execution of Manual Trades. How the member agrees with its client when executing Manual Trades is not specifically stated in NMR and from the Exchange perspective this can be described in the members order execution policy and other terms for trading, if in accordance with applicable law. Rules for the reporting and publishing of a Manual Trade to Nasdaq are determined in NMR.

² Based on the Exchange’s interpretation of art. 29 of the Icelandic Act on Securities Transactions no. 108/2007.

1.3	Buy-back by the issuer for the purpose of cancellation of fixed income instruments, which, at the time, are still admitted to trading on the Exchange.	Must be reported.	Standard Trade.	Issuer Holding.
1.4	Recall or compulsory redemption of fixed income instruments in accordance with terms of the instruments, which, at the time, are still admitted to trading on the Exchange.	Shall not be reported.		
1.5	Conversion of convertible bonds into shares.	Shall not be reported.		
2.1	Trade between companies within the same group	Must be reported. Entails a transfer of ownership between different legal entities.	Standard Trade.	
2.2	The member has <i>no</i> price risk: client sell or buy order is placed in own trading book in order to be subsequently bought or sold, possibly together with a larger unit.	Client order shall not be reported as a trade.		The related Manual Trade between members shall be marked as on behalf of "client".
2.3	The member <i>has</i> price risk: Client sell or buy order is placed in own trading book in order to be subsequently bought or sold, possibly together with a larger unit.	Client order must be reported as a trade.	Standard Trade.	The related Manual Trade between members shall be marked as on behalf of „own account“.
2.4	Manual Trades in which the price is set at a guaranteed VWAP (Volume-Weighted Average Price).	Must be reported when the clients price becomes known, because of the member's price risk.	VWAP	The related trade between members shall be reported continuously with the indication that the trade is effected on behalf of „own account“. The final trade with the client must be marked on behalf of client on one side and on behalf of „own account“ on the other side.
2.5	Buy and sell orders from clients matched internally at the member (internal Manual Trades).	Must be reported.	Standard Trade	
2.6	Trades in which the settlement date deviates from the standard	Must be reported	Non-standard Settlement	

	settlement time (T+2)			
2.7	Trades according to a special permit from the Exchange	Must be reported	Exchange Granted Trade	
2.8	Financing transactions ³ .	May be reported	Both legs should be reported as Derivative Related Transaction	
2.9	Exercise or expiration of futures or other derivative products, excluding options and covered warrants, with delivery where the underlying asset is admitted to trading on the Exchange.	Must be reported.	Derivative Related Transaction	
2.10	Exercise of options or covered warrants	May be reported.	Derivative Related Transaction	
2.11	Transfer of economic cost and benefit of owning a fixed income security where the ownership of the underlying security does not change, e.g. a total return swap.	May be reported.	Derivative Related Transaction	
2.12	When a member acts as a client to another member.	Reported by the member executing the trade on behalf of the client (the other member) or both members report their leg of the trade.	Standard Trade	

³ Financing transaction means an instance of lending or borrowing financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.