

# Nasdaq Nordic

## Exchange Traded Product (ETP) Functionalities

This quick guide outlines the Exchange Traded Product functionalities available on Nasdaq Nordic\*. For generic Market Model features for the ETP market, please refer to the Nasdaq INET Nordic Market Model found on [www.nasdaqomx.com/nordicrules](http://www.nasdaqomx.com/nordicrules).

### **KNOCK-OUT AND SOFT KNOCK FUNCTIONALITIES /**

Codes related to the events are disseminated through the market data feed and displayed on [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com).

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#### **Knock-Out Reason Code For Warrants And Exchange Traded Notes**

When a knock-out event occurs in Warrants or Exchange Traded Notes, this is signaled with a specific "Trading Halt - Knock-Out" reason code. "KO" will appear on the price site next to the instrument's name.

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#### **Knock-Out Buy-Back For Turbo Warrants And Mini Futures\*\***

Following a knock-out event in a Turbo Warrant or Mini Future, the issuer can opt to use the Knock-Out Buy-Back functionality. The demand for this service stems from the fact that cash settlement takes place at T+8 and that through the practice of opening the bid-side after knock-out, investors can get their money released quicker.

Where the issuer wants to make use of this functionality, they contact the surveillance team at Nasdaq Nordic who will place the instrument in Knock-Out Buy-Back until the end of the trading day. Only selling back to the market maker will be possible during this time. "KB" will appear on the price site.

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\* For the purpose of this document Nasdaq Nordic refers, either each individually or all together, to Nasdaq Stockholm AB, Nasdaq Copenhagen A/S and Nasdaq Helsinki Ltd.

\*\* This functionality is currently available only on Nasdaq Stockholm AB and Nasdaq Helsinki Ltd.

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## **Soft Knock For Certificates And Exchange Traded Notes**

Soft Knock is an optional functionality for issuers of Certificates and ETNs. Where a certain barrier level is reached, the issuer may request the instrument to be placed in Soft Knock. The barrier level will be detailed in the final terms or other official documentation for the instrument. Soft Knock will commence by the instrument being placed in Trading Halt. "SK" will appear on the price site.

## **BUY-BACK FUNCTIONALITIES /**

Codes related to these events are disseminated through the market data feed and displayed on [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com).

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### **Buy-Back for Warrants, Certificates And Exchange Traded Notes**

Buy-Back for Warrants, Certificates and ETNs can be used by issuers where they have an instrument which is getting close to maturity and they have issued an equivalent, replacement product.

The maturing instrument can be placed in Buy-Back where only selling back to the Market Maker is possible. "BB" will appear on the price site. The maturing instrument can stay in Buy-Back until expiry.

Buy-Back can also be used in unforeseen and exceptional circumstances where it is unreasonable for the Market Maker to be expected to maintain double-sided prices.

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### **Sold-Out Buy-Back For Warrants, Certificates And Exchange Traded Notes**

Sold-Out Buy-Back for Warrants, Certificates and ETNs is an optional functionality for Market Makers and aimed at protecting investors in situations where an instrument has been sold-out.

Where a Sold-Out situation arises, a Market Maker can contact Nasdaq Nordic to inform that they are no longer able to maintain sell orders in a given instrument and to activate the Sold-Out Buy-Back. After activation, only selling back to the Market Maker is possible for the duration of the Sold-Out Buy-Back. The price site will show  and the data feed will disseminate "SO". Any buy orders from other market participants than the Market Maker in the specific instrument will be rejected. Once the Market Maker is satisfied with their inventory, they will contact Nasdaq Nordic to deactivate the Sold-Out period. Trading will resume according to the trading schedule at that time.

Sold-Out can also be used in unforeseen and exceptional circumstances where it is unreasonable for the Market Maker to be expected to maintain double-sided prices.

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### **Knock-Out Buy-Back For Turbo Warrants And Mini Futures**

Information about Knock-Out Buy-Back is detailed under "Knock-Out functionalities".

## OTHER FUNCTIONALITIES /

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### **Market Maker Orders For Warrants, Certificates And Exchange Traded Notes**

Market Makers in Warrants, Certificates and Exchange Traded Notes can sign up to use Market Maker Orders (MMOs). Whenever there is an attempt to match with an MMO, an “MMO Refresh Request Message” is sent to the Market Maker and the order book is placed in a suspended state. During this time, the Market Maker has the possibility to modify/cancel existing MMOs and submit new ones. Trading resumes once the Market Maker submits an MMO with an instruction to release the order book or, failing that, after a timeout period of 0,6 seconds.

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### **Dynamic Reference Data for Mini Futures And Unlimited Turbo Warrants**

Issuers of Mini Futures and Unlimited Turbo Warrants are able to send dynamic reference data updates which Nasdaq Nordic disseminates through the market data feed and displays on the price site. Current fields available for dynamic updates include Stop Loss, Financing Level, Leverage and Contract Size. Issuers can opt to send any number of updates ranging from daily to real-time.

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### **Indicative Close Price For Warrants, Certificates And Exchange Traded Notes**

An Indicative Close Price (ICP) is calculated for Exchange Traded Products on Nasdaq Nordic. The ICP is the Average Best Bid and Ask from the last minute of Continuous Trading. The Indicative Close Price will be calculated provided that there is a spread present in the order book for 90% of the calculation period. If no ICP can be calculated, the previous ICP value will be shown as ICP with its corresponding timestamp. The ICP will be sent out in the market data feed and will be displayed on the price site. The ICP does not impact the official close price of the instrument but is an additional piece of reference data.

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### **EUSIPA code for Warrants, Certificates And Exchange Traded Notes**

The reference data for Warrants, Certificates and Exchange Traded Notes contains a EUSIPA code provided by the issuer of the instrument at listing. The EUSIPA code is a four digit code that helps to provide a uniform categorization for the instruments and promotes further transparency. More information about the EUSIPA codes can be found on [www.eusipa.org](http://www.eusipa.org).