

EFFICIENT EXECUTION OF LARGE TRANSACTIONS

Large In Scale Non-displayed Limit Order

Nasdaq, a leader and pioneer in the exchange industry provides Non-displayed Limit Orders (a.k.a. Hidden Orders) in the central Lit Order book for efficient execution of large Blocks on Nasdaq Nordic.¹

Highlights

- Limit Orders meeting the MiFID Large In Scale (LIS) criteria can be entered into the central Lit Order book as Non-displayed Limit Orders.
- Minimum Acceptable Quantity (MAQ) is supported.
- LIS Orders can execute within the visible spread, including off-tick Mid-Price when pegged (see separate fact sheet on pegging examples).

Benefits

- Protection for Order confidentiality (reducing market impact).
- Full interaction with Lit Orders, and reduced cost of trading.
- Future “MiFID II proof” Hidden Orders:
 - Pre-trade transparency waiver will be available for LIS Orders, remaining outside of the MiFID II volume caps limiting the use of the Reference price and Negotiated trades waivers

Large In Scale definition

Non-displayed Limit Orders are hidden from other participants than the participant entering it. The Hidden Order stipulates a maximum purchase price or minimum selling price, and is ranked after visible Lit Orders at the same price.

The Non-displayed Order has to be large in scale (LIS) defined as specified in the table below at the time of entry. If the volume is reduced due to a partial execution, the Hidden Order still remains Non-displayed even when the residual is smaller than LIS.

Class in terms of average daily turnover (ADT)	ADT < € 500,00	€ 500,00 ≤ ADT < € 1,000,000	€ 1,000,000 ≤ ADT < € 25,000,000	€ 25,000,000 ≤ ADT < € 50,000,000	ADT ≥ € 50,000,000
Minimum size of Order qualifying as large in scale compared with normal market size	€ 50 000	€ 100 000	€ 250 000	€ 400 000	€ 500 000

¹For the purposes of this document Nasdaq Nordic represents the common offering by Nasdaq Copenhagen, Nasdaq Helsinki, Nasdaq Iceland, Nasdaq Stockholm, Nasdaq Tallinn, Nasdaq Riga and Nasdaq Vilnius. Nasdaq Copenhagen, Nasdaq Helsinki, Nasdaq Iceland, Nasdaq Riga, Nasdaq Stockholm, Nasdaq Tallinn and Nasdaq Vilnius are respectively brand names for NASDAQ OMX Copenhagen A/S, NASDAQ OMX Helsinki Ltd, NASDAQ OMX Iceland hf., NASDAQ OMX Riga AS, NASDAQ OMX Stockholm AB, NASDAQ OMX Tallinn AS and AB NASDAQ OMX Vilnius.

Non-displayed Orders that do not meet the LIS criteria will automatically be converted to an IOC (default behavior), or rejected if that is preferred by the Member.

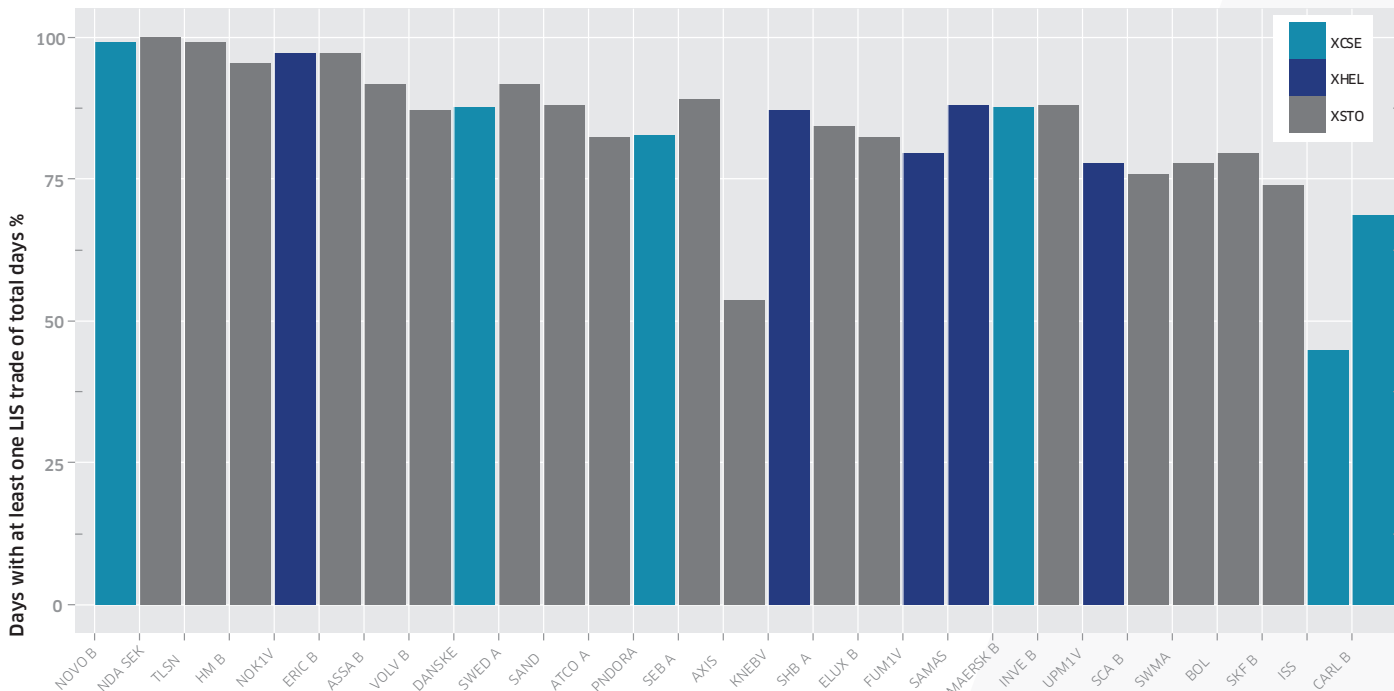
Large blocks are often traded in Lit Order books

In many Order books, a LIS trade is matched almost every day. By submitting Hidden Orders into the Lit Order book there may be a possibility to interact with this flow.

Number of companies qualifying (per market, June 2015)

(EUR)	50K	100K	250K	400K	500K
Denmark	130	5	26	1	1
Finland	101	5	26	2	1
Sweden	211	31	73	11	6
Iceland	12	2	0	0	0

LIS trades occur frequently



Note: Days with Large in scale trades of total traded days. Stocks are ordered by total lis turnover in 2015 Source: Nasdaq OMX Economic & Statistical Research 2015-06-11.

Minimum Acceptable Quantity (MAQ)

MAQ is allowed on Non-displayed Orders. Here the Non-displayed Order still need to meet LIS criteria, but the participant is able to state that the Order should only match during continuous trading if the MAQ criteria is met or exceeded. Nasdaq allows “bulking” or “aggregation” on the passive side, meaning that a MAQ condition can be fulfilled with multiple fills as long as the total filled quantity exceeds the MAQ.

Fees

Trading fees for LIS order executions are the same as the normal lit Order book trading fees.

DISCLAIMER

While this fact sheet has been prepared on the basis of the best information available, Nasdaq Nordic Member Rules (NMR) is the legally binding document between Members and Nasdaq Nordic. The purpose of this fact sheet is solely to provide guiding information for trading Members.