



## Compliance Notice

Friday 20th July 2018

Reference Number: 0004/18

### Subject: TraCR rules coming into force

Chi-X is pleased to announce that the amendments to the Operating Rules (Rules) and Operating Rules: Procedures (Procedures) to accommodate the launch of the market for Transferable Custody Receipts (TraCRs), are now due to come into force on Monday, 30 July 2018 and can be accessed via the following links:

- [Operating Rules](#)
- [Operating Rules: Procedures](#)

An announcement will be made shortly on the date of the TraCR market launch. The new Rules and Procedures do not create any new obligations with respect to non-TraCR activities.

Chi-X has previously advised participants of these amendments (see [Compliance Notice 0006/17](#)).

Since that time Chi-X has made the following minor amendments to the Rules and Procedures that will come into force:

(a) procedure 14.15 has been amended to:

- clarify the differences between market making fee arrangements coming within the third or 'other arrangements' limb of rule 14.15(b)(iii), and the formal rule 4.9 market making arrangements referenced in rules 14.15(b)(ii) and 14.16 (see the new Part 1 of procedure 14.15);
- clarify that a TraCR issuer is not required to ensure on an ongoing basis, that liquidity is provided pursuant to the market making fee arrangements (see paragraph 4.3);
- clarify that the ongoing satisfaction by a TraCR, of the liquidity criterion in rule 14.14(a), will be considered on a case by case basis taking into account whether liquidity is provided pursuant to the market maker fee arrangements and, if it is not, whether:

- trading in the TraCR should be suspended until such time as liquidity is provided pursuant to those fee arrangements; or

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- an issuer can rely upon natural levels of liquidity to satisfy the liquidity criterion in rule 14.14(a) on an ongoing basis.

(b) the Rules and Procedures now reference the defined term 'business day' instead of:

(i) 'working day' (rule 14.23(c)); and

(ii) 'trading day' (rules 14.30, 14.31 and 14.34 and procedures 4.3, 4.5, 4.8, 14.15 and 14.29).

Any queries on the new Rules and Procedures should be addressed to the **Chi-X Compliance** team.

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The logo for Chi-X, featuring the lowercase letters 'chi-x' in a bold, sans-serif font. The 'i' and 'x' are in a dark grey color, while the 'h' is in a bright red color.