



Arrangements for Anomalous Order Thresholds

Version 1.6

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1. Introduction

Under Part 8.1 of ASIC's Market Integrity Rules (Securities Markets), Chi-X is required to have arrangements in place for rejecting orders at prices outside the valid price range determined by Chi-X for each equity market product traded on the Chi-X market.

The valid price range determined by Chi-X for each equity market product is known as an Anomalous Order Threshold (**AOT**).

This document provides:

- i. a description of the AOT framework, validation process and reference prices; and
- ii. the list of Threshold Groups and the parameters associated with each group.

2. Framework

Orders entered into the Chi-X trading system are subject to validation against a Reference Price using two parameters known as the Relative Threshold Value and the Absolute Threshold Value.

The Reference Price is determined in accordance with [Section 5](#) of this document.

3. Order Validation

When an order entry or order amendment is received by Chi-X, the limit price of the order will be subject to the following two validation checks, and the order will be rejected if it fails BOTH checks.

3.1 CHECK 1 - RELATIVE THRESHOLD VALUE

This is the maximum **percentage** the price of an order may deviate from the Reference Price. An order will fail the relative check if it deviates from the Reference Price in the following circumstances:

- i. A buy order fails the relative check if:
Price of order > Reference Price x (1 + Relative Threshold Value).
- ii. A sell order fails the relative check if:
Price of order < Reference Price x (1 - Relative Threshold Value).

3.2 CHECK 2 - ABSOLUTE THRESHOLD VALUE

This is the maximum **value** the price of an order may deviate from the Reference Price. An order will fail the absolute check if it deviates from the Reference Price in the following circumstances:

- i. A buy order fails the absolute check if:
Price of order > Reference Price + Absolute Threshold Value.
- ii. A sell order fails the absolute check if:
Price of order < Reference Price – Absolute Threshold Value.

4. Threshold Groups

The allocation of each equity market product to a Threshold Group is updated each day and is based on the current dollar valuation of each equity market product, known as the Reference Price which is determined in [Section 5](#) of this document.

The Relative Threshold Value and the Absolute Threshold Value for each Threshold Group is outlined in the table below.

Threshold Group	Reference Price Range		Relative Threshold Value (%)	Absolute Threshold Value (\$)
	Lower price (\$) (Inclusive)	Upper price (\$) (Exclusive)		
A	\$0	\$1.00	15%	\$0.10
B	\$1.00	\$2.00	12%	\$0.20
C	\$2.00	\$5.00	11%	\$0.50
D	\$5.00	\$10.00	10%	\$1.00
E	\$10.00	\$30.00	9%	\$3.00
F	\$30.00		8%	\$5.00

If required, Chi-X may change the Threshold Group for an equity market product based on market event factors.

5. Determination of Reference Price

The Reference Price of an equity market product is determined on each trading day per security type as listed in the following table.

Security Type	Reference Price Determination
ASX Equities & ASX ETFs	<ul style="list-style-type: none"> i. the price of the most recent trade executed on ASX TradeMatch or the Chi-X market on that trading day, or, if there is no such trade: ii. the price of the last trade executed on the previous trading day on ASX TradeMatch, or, if there is no such trade: iii. the most recent closing price on ASX TradeMatch.
Chi-X TraCRs	<ul style="list-style-type: none"> i. the price of the most recent trade executed on the Chi-X market on that trading day, or, if there is no such trade: ii. the calculated valuation of the TraCR prior to the open of Chi-X continuous trading, where the calculated valuation is equal to the most recent on-market closing price of the underlying on the underlying listing exchange multiplied by the AUD exchange rate to the currency of the underlying listing exchange prior to 09:30 Chi-X time on the current day.
Chi-X QMFs & ETFs	<ul style="list-style-type: none"> i. the price of the most recent trade executed on Chi-X on that trading day, or where there is no such trade: ii. the most recent closing price on Chi-X, or where there is no such price: iii. the iNav valuation supplied by the issuer prior to 9:30 Chi-X time on the current day.

For clarity, the following Security Types are not subject to Anomalous Order Threshold checks.

Chi-X Warrants	Chi-X Warrants are not categorised as equity market products and therefore are not subject to AOTs.
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In limited circumstances Chi-X may be required to manually change the Reference Price to take into account matters such as corporate actions or overnight market sensitive news.

6. Notifying changes to Threshold Groups

The Relative and Absolute Threshold Values for each equity market product are published each business day in the CHIXTSL (Chi-X Securities List) reference data file which can be found on the Chi-X FTP site and the [Chi-X website](#) (noting the Percentage Threshold and Absolute Threshold columns).