

Crossed Trade Handling Considerations on Chi-X

This paper provides clarity to Chi-X Trading Participants about various mechanisms available to handle crossed trade scenarios.

SELF-TRADE PROTECTION

Chi-X also provides Self Trade Protection to avoid buy and sell orders from the same Participant matching, where both orders have:

- the same first three digits of the Trading PID, and
- the same *NoSelfTrade* key

Participants may choose from the following 3 Self Trade Protection outcomes per order:

- **Cancel Newest** - passive order remains unchanged.
- **Decrement & Cancel** - largest order is decremented and smallest order is cancelled.
- **Booking Purpose** - orders are matched but the trade is converted to a Booking Purpose trade report.

This tool may also ensure broker preferencing does not apply for an order or set of orders, resulting in the order(s) being in the ordinary course of trading.

Technical Specification Details

FIX tag **8174 NoSelfTrade**: orders with matching *NoSelfTrade* key from the same Participant ID (as determined by the first three digits of the Trading PID), will result in 'Cancel Newest' unless FIX tag **7713 NoTradeFeat** is populated to instruct Chi-X systems to handle as follows:

- N = Cancel Newest
- D = Decrement & Cancel
- X = Booking Purpose

The OUCH (CHIXOE) specification has equivalent fields to handle self-trade protection.

Note that Booking Purpose trades are not disseminated on public market data feeds.

Please refer to section 10 of the Order Type Overview document for full details.

REMOVE CROSSING FROM CLEARING

Crossed trades are sent to CHESSE by default. Settings are available to Participants who do not wish their crossing trades (as determined by the first three digits of the Trading PID), to be cleared by CHESSE. The settings apply to both **On Market** continuous trades and **Off Market** Trade Reports. The following options are available:

1. Crossing trades **will not be sent to CHESSE** (thus avoiding the CHESSE 'crossing registration fee'), where Participants:
 - a) have pre-requested with Chi-X to not send crossing trades to CHESSE, and
 - b) orders and trades have been submitted to Chi-X with "Y" in tag 8177;
2. Crossing trades **will be sent to CHESSE** (with a **Booking Purpose** indicator) where Participants:
 - a) have not pre-requested with Chi-X to not send crossing trades to CHESSE, and
 - b) orders and trades have been submitted to Chi-X with "Y" in tag 8177.

Technical Specification Details

FIX tag **8177 RemoveCrossingFromClearing**: is Boolean field that instructs Chi-X how it should handle crossing trades with CHESSE.

The CHIXOE specification does not have an equivalent field.