



UBS MTF Trading Notice

Update to User Guide

11 August 2016

Dear Member,

UBS MTF would like to announce an update to the UBS MTF User Guide, a supplement to the Rule Book, effective from 29 August 2016. A copy of the User Guide is attached to this notice. No action is required from members.

UBS MTF Notices and documentation are available at <http://ubs.com/mtf>. If you have any queries regarding this notice please contact the UBS MTF Supervisors at +44 20 7568 2052 or ubs_mtf@ubs.com.

UBS MTF Management

Notice 10, 2016

UBS Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

UBS Limited is a subsidiary of UBS AG.

UBS Limited is a company limited by shares incorporated in the United Kingdom registered in England and Wales with number 2035362.

Registered office: 5 Broadgate, London EC2M 2QS.

UBS MTF User Guide

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1. Introduction

This Guide explains the policies, procedures and technology used by UBS Limited to operate the UBS multilateral trading facility.

Terms defined in the UBS MTF Rulebook shall have the same meaning in this Guide.

1.1. 2. Overview of How UBS MTF Works

1.2. UBS MTF is an FCA authorised Multilateral Trading Facility (UBS MTF). It is a dark pool that allows professional investors to trade pan-European securities. Trades are matched anonymously through the UK based UBS MTF matching engine at the midpoint, bid or offer of the relevant primary exchange. UBS MTF offers a simple, transparent fee structure based on value traded.

2.1. UBS MTF, operating as a dark pool, is eligible for the pre-trade transparency waiver available to reference price systems under the Markets in Financial Instruments Directive.

2.2. This Guide aims to provide you with an understanding of UBS MTF's most relevant features but you should also read the related documents, including but not limited, to the UBS MTF Rulebook and the UBS MTF Membership Agreement.

2.3.

3. Technology

3.1. UBS Limited has a wealth of experience of providing and managing data, developed through its extensive Equities businesses. UBS MTF was delivered by similar standards of excellence, using IT systems already in place. UBS Limited has proven experience of providing high levels of security and reliability which continue to be evident in the maintenance of UBS MTF.

4. Participation in UBS MTF

4.1. Participation in UBS MTF is open to all who meet the Eligibility Criteria delineated in the UBS MTF Rulebook.

4.2.

As UBS MTF operates as a dark pool, there is complete pre- and post-trade anonymity. All trades are reported to BATS on a real-time basis.

5.1. 5. Applications

5.2. Applications for participation may be made using the UBS MTF application form, available upon request.

6.1. UBS MTF may also request additional information and will request any such information as it may from time to time require.

6. Continuing Obligations

6.2. Members are responsible for ensuring that, at all times, they, their directors, officers, employees and agents who have access to the UBS MTF have adequate experience, knowledge and competency to conduct transactions on UBS MTF.

6.3.

Members must have and maintain adequate internal procedures and controls to ensure the competency of their staff. The procedures are detailed further in the UBS MTF Rulebook.

Members must have in place a valid agreement with a UBS MTF central counterparty for clearing and settlement services in accordance with the Rules in the MTF Rulebook.

7. UBS MTF Information

The following table gives the key pieces of information in respect of the UBS MTF:

Market Coverage:	Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.
Contact Details:	Richard Semark – Head of UBS MTF 5 Broadgate London EC2M 2QS E-mail: Richard.Semark@ubs.com Jean-Philippe Minet & Andrew Lynch MTF Supervisors 5 Broadgate London EC2M 2QS Telephone: 0207 568 2052 E-mail: ubs_mtf@ubs.com
Market Calendar:	UBS MTF observes the market practice for open business days. Where a primary local market is closed on a business day or will not trade a particular stock, UBS MTF will be closed for that market (or will not trade the stock in question, as the case may be).
Market Hours:	08:00 to 16:30 UK time. Crossing within the UBS MTF follows the hours of the underlying primary market but always stops at 16:30 UK Time.
Currencies Quoted:	Securities are traded in their local currency (EUR, GBX, GBP, SEK, DKK, NOK, CHF, HUF, CZK and USD).
Matching logic:	Price time priority with execution at the mid, bid or offer of PBBO (primary market). Well-formed market checks are applied.
Connectivity:	Standard FIX 4.2 connectivity
MIC Code:	XUBS
Bloomberg Exchange Code:	S2
TSO Code:	V
Symbology:	As set out in the FIX Rules of Engagement
Regulatory status:	UK Regulated pan-European MTF operated by UBS Limited.
CCP	SIX x-Clear, LCH.Clearnet, and EuroCCP

8. Trading Sessions

Each of the trading days within UBS MTF is divided into the sessions described in the following table.

Period	Time
Technical Connectivity	From 06:35 UK time.
Pre-Market Continuous Trading Period	N/A
Continuous Trading Period	08:00 – 16:30 UK time.

Post Trading Administration Period	N/A
Technical Connectivity Ends	19:00 UK time.
Time in Force	IOC and Day orders only. All orders automatically expire after market close.

UBS MTF does not cross orders during suspensions or trading halts on the primary markets, or when crossing is prevented due to well-formed market checks. Please note that UBS MTF has no opening or closing auctions and there will be no matching on UBS MTF during auctions on the primary markets.

9. Market Data

UBS MTF trade reports to the Bats BXTR service. As the MTF is a "dark" venue, pre-trade market data such as bid / ask, market depth, and turnover is not published.

10. Securities Available On UBS MTF

UBS MTF offers trading in pan-European Equity instruments, including shares, Depository Receipts and ETFs.

11. Order Functionality Available On UBS MTF

11.1. Visibility

All Orders are dark and as such will not be displayed to other participants on UBS MTF.

11.2. Duration

UBS MTF accepts only Pegged, IOC and Day Orders (See Rulebook for definitions of order types).

11.3. Size Displayed

11.4. The minimum order size is 1.

Peg Types / MAQ

Orders must be pegged to the best bid, mid or offer of the primary market.

11.5. UBS MTF permits a Member to place an order which excludes matching against another order unless that other order is of a minimum acceptable quantity.

Self-Cross Prevention

Orders may be instructed not to cross against other orders entered under the same participant ID. If no such instruction is given, orders are eligible to cross against any matching order, including orders entered by the same participant.

12. Fees

Fees and charges are applicable as laid out in the UBS MTF Rules, Membership Agreement, and Fee Schedule as notified to all Members from time to time. The UBS MTF Fee Schedule is published on the UBS MTF website at <http://www.ubs.com/mtf>.

- 12.1. Members will pay settlement fees to the central counterparty it has chosen to settle transactions on the MTF. Pricing of this service will depend on the terms of the agreement between the central counterparty and the Member.
- 12.2. There are no membership fees and no per trade or cancellation fees. However, Members shall pay to UBS MTF all applicable subscriptions, charges, fees and any other costs due in accordance with the UBS MTF Rulebook, the UBS MTF Membership Agreement or the fee schedule for UBS MTF as notified to all Members from time to time.
- 12.3.

13. Tick Sizes

UBS MTF follows the tick size structure as defined by the reference market for each instrument.

13.1.

14. Notifications

Notification of changes to UBS MTF by Members (as delineated within the UBS MTF Rulebook) should be made as soon as is reasonably practicable and, in any event, wherever possible at least twenty-one (21) calendar days prior to the effective date of any such change.

14.1.

15. Substantial Shareholdings

A Member should ensure that, where necessary, any Relevant Transactions executed on UBS MTF are incorporated into its calculations with regard to any applicable substantial shareholdings rules.

15.1.

15.2.

Where there is a requirement under any applicable substantial shareholdings rules to notify any person or body as to the existence of a substantial shareholding, Members must ensure compliance with such obligations. Please note that notification to UBS MTF will not discharge any obligations under any applicable substantial shareholding rules or their equivalent.

16.1.

16. Rules of fair practice

Each Member shall ensure its compliance with the UBS MTF Rulebook and the rules and guidance of the FCA and any other relevant regulatory authority, the EU Market Abuse Directive 2014/57/EU, Market Abuse Regulation (EU) No 596/2014, and any other applicable regulation or law.

17.1.

17. Erroneous transactions

The UBS MTF Management has discretion to cancel an order or transaction where it decides that an order or transaction is erroneous.

18.1.

18. Default

If at any time a Member suffers an Event of Default, UBS MTF may take action in accordance with Rule 8 of the UBS MTF Rulebook. Pursuant to Rule 8, UBS MTF shall be entitled, without prior notice to the relevant Member, to take any actions it deems appropriate at its sole discretion. Such actions may include but shall not be limited to the following:

- a) to cancel some or all orders or transactions;
- b) to suspend the Member's participation on UBS MTF;
- c) to treat any or all Orders or Relevant Transactions then outstanding as having been repudiated by the Member, in which case UBS MTF's obligations under such Orders and / or Relevant Transactions shall be cancelled and terminated.

19. Clearing and Settlement

Members must have in force a valid clearing agreement with a CCP. The CCP concerned will administer the clearing and settlement of all transactions on UBS MTF and the relevant CCP's rules will govern such clearing and settlement in addition to these Rules.

19.1.

The standard settlement cycle / the standard place for settlement for the relevant security will apply to transactions on the MTF.

19.2.

Members must ensure that securities and/or cash delivered in settlement of a transaction are free of any lien, charge or encumbrance.

19.3.

19.4. A Member shall treat a security as being 'ex' a benefit from the time that security is marked 'ex' that benefit on the Primary Market. However, UBS MTF will take no responsibility for marking a security as 'ex' or 'cum' a benefit on the UBS MTF. The responsibility for accurately pricing a security undergoing a corporate action is solely with the Member.

This guide and other relevant materials including but not limited to the UBS MTF Rulebook and the UBS MTF Membership Agreement, are being distributed by UBS Limited only to, and is directed only at (a) persons who have professional experience in matters relating to investments who fall within Article 19(1) of the FSMA 2000 (Financial Promotion) Order 2005 and (b) persons to whom it may otherwise lawfully be communicated (together "relevant persons"). Any investment or investment activity to which this document relates is available only to and will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this guide or any of its contents.

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System response times may vary for a number of reasons including market conditions, trading volumes and system performance.