



## APPENDIX 1: NASDAQ APA SERVICE DESCRIPTION

Applicable from 1 July 2022

### About APA

The Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (“MiFID II”) and Regulation (EU) No 600/2014 of the European Parliament and of the Council on 15 May 2014 (“MiFIR”) introduced requirements for all investment firms to publish OTC trades executed outside the rules of a trading venue. These requirements were initially introduced for shares in 2007, but was extended to cover all asset classes with the implementation of MiFID II in January 2018 such as:

- All types of bonds incl. structured bonds
- Fixed income derivatives
- Equity derivatives
- Commodities
- Emission allowances
- FX derivatives

For each trade executed OTC, the investment firm is required to publish the price, volume and time of agreement along with various other data elements for the individual trade. This information shall be made public as close to real-time as possible.

The relevant competent authority can authorize deferral of publication. For shares, depository receipts, ETFs, and other similar instruments, the deferral allowed may be between 60 minutes and end of next trading day. For bonds, structured finance products, commodities, emission allowances, and derivatives, the deferral allowed may typically be two days but can in certain cases be up to four weeks.

Investment firms trading OTC are required to publish these trades via an Approved Publication Arrangement (“APA”). Being an APA requires certification by the relevant competent authority.

These Reporting Guidelines describe the use of Nasdaq’s OTC Trade Publication service (the “Nasdaq APA”) and should be regarded as general instructions on how to report OTC trades. Nasdaq APA is under supervision by the European Securities and Markets Authority (“ESMA”).

These Reporting Guidelines do not cover the transaction reports to competent authorities mandated by law in the various jurisdictions for investment firms pursuant to MiFID II.

### General Nasdaq APA information

Nasdaq APA offers clients a service for investment firms and Systematic Internalisers to meet their OTC post-trade transparency requirements in accordance with MiFID II/MiFIR. The Nasdaq APA service covers all relevant instruments subject to the OTC publication requirement, i.e. not only all asset classes but also all covered EU financial instruments. Customers will therefore be able to use the Nasdaq APA for all their OTC trades to be published.

The Nasdaq APA service is based on the INET system infrastructure – the same set-up used for manual trades in Nasdaq Nordic listed equities. Most existing exchange customers enjoy significant benefits from knowledge of technology and connectivity already in place. Customers can also make use of the Genium INET or the NDTs system infrastructure for publication of OTC trades in cash bonds listed on Nasdaq markets and certain derivatives eligible for CCP clearing at Nasdaq Clearing AB.

This means clients can submit trades for publication via the following protocols:

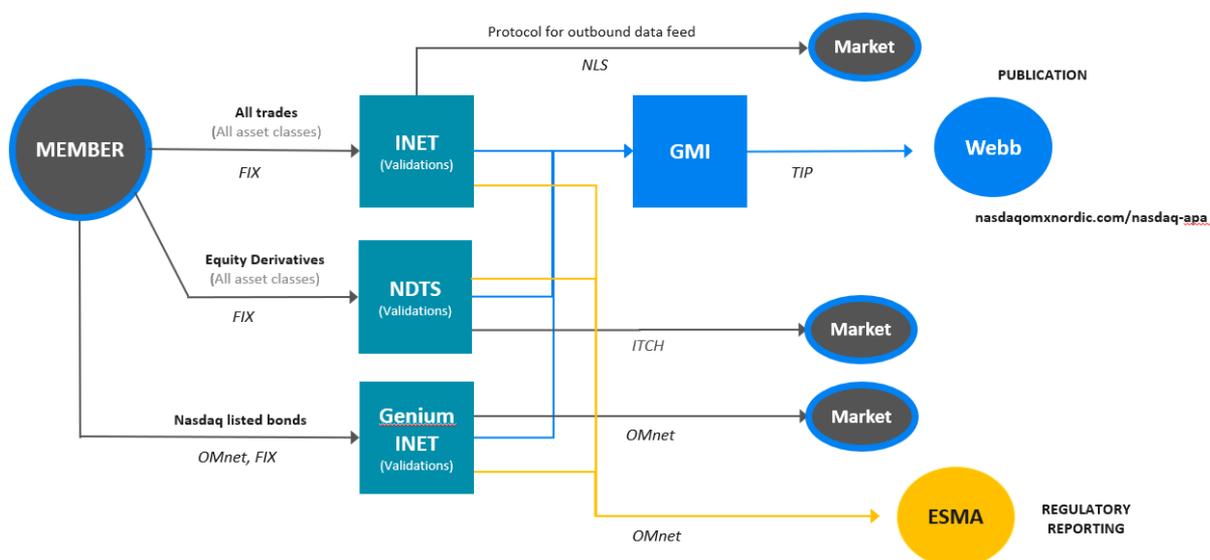
- FIX 5.0 (INET, all instruments)

- FIX 5.0 or OMnet for Genium INET (cash bonds listed on Nasdaq exchanges and derivatives to be CCP cleared at Nasdaq Clearing AB)
- FIX 5.0 (NDTS, Equity Derivatives)

Customers can also send OTC trade reports manually by using the relevant Nasdaq GUI available, i.e. Trading Workstation (Genium INET), Nasdaq Nordic Trader (NDTS) and Nordic Workstation (INET).

OTC trade reports sent to Nasdaq APA are published via Nasdaq’s data feed which provides extensive global coverage. All trades are also published on the Nasdaq APA website.

## APA infrastructure & flow chart



The Nasdaq APA service ensures proper automatic quality checks when receiving trade reports to minimize erroneous trades being sent to the market. If the Nasdaq APA receives a trade for publication that seems likely to be erroneous, the trade report will be rejected and sent back to the submitting customer for verification.

The Nasdaq APA service supports the use of deferred publication of trades where applicable. This allows for the Nasdaq APA to administer deferrals on behalf of the customers instead of requiring all customers to administrate deferrals internally. Customers can submit trades in real-time to the Nasdaq APA stating the trade should be deferred and the time of publication to be applied. The Nasdaq APA will then publish the trade at the end of the applicable deferral period.

The Nasdaq APA is open for publication of OTC trades for all types of instruments between 08:00 CET and 22:00 CET, i.e. open on trading days where any of the Nordic or Baltic markets are open. OTC trade publication via Genium INET is open for trade publication within opening hours depending on the asset class of the security reported, which can deviate from the general opening hours. Trades negotiated after market close should be made public can be reported before the opening of trading at Nasdaq on the next day (T+1) before market opens.

Cancellation of trades are possible within the time limit of one year. Trades with a time stamp older than one year from current date will not be possible to cancel. The Nasdaq APA only allows trade reports with agreement dates later than 1 January of the previous year (for example if today’s date is 1 August 2021, trade reports need to have agreement date 1 January 2020 or later).

The Nasdaq APA only allows ISO 4217 currency codes (no “sub currencies” such as GBX a Penny sterling, ZAC South Africa Rand cents, etc.).

## INET specific information

The INET trading system supports publication of OTC trades. INET supports publication of trades in all securities subject to OTC publication under MiFID II/MiFIR. The specifications of the FIX protocol used for submitting OTC trades for publication via INET can be found on Nasdaq's [website](#).

### Process for publication of OTC trades in INET (all instruments)

1. The deal: The participants conclude a deal outside the rules of the trading venue. It can be an OTC trade or an SI trade.
2. The counterparties are responsible for determining the counterparty which is required by MiFID II/MiFIR to perform the transparency reporting (publication).

For RTS 2 instruments, trades must be reported within 5 minutes after execution through a supported interface. For RTS 1 instruments, trades must be reported within 1 minute after execution.

All mandatory fields must be entered in correct format before the transaction can be submitted. Mandatory fields in FIX are specified in the protocol [description](#).

3. If the transaction is approved, a message is sent back to the participants in the deal confirming that the transaction was approved. The transaction contains a unique identification code (Nasdaq assigned trade ID).

In any subsequent communication with the reporting firm regarding the reported transaction, the unique identification code shall be included.

4. Once the transaction is approved, it will automatically be published via GCF (TIP), on the Nasdaq APA website and NLS which will make the transaction public through the Nasdaq feeds. APA trades are labeled with "XOFF" or "SINT". However, a customer has the possibility to choose XOFF Non-Standard or SI Non-standard if the trade report is not executed in standard terms.
5. Deferrals are applied per instrument according to applicable deferrals rules, see below.

### Validations

On receipt of an OTC trade report, an APA shall be able to identify trade reports that are incomplete or contain information that is likely to be erroneous and request a confirmation or re-submission in case of erroneous information. This means the APA must check that the required fields are filled in, and check that the price and volume is likely to be correct, taking into account a number of factors such as asset class and liquidity.

Nasdaq imports the ESMA database of all listed securities on a daily basis. The Nasdaq APA accepts all instruments which are in the ESMA database as well as instrument identification codes that are not in the ESMA database. OTC trades reported in securities found in the ESMA database will be subject to a detailed validation. The price reported in the trade will be benchmarked against a reference price. The reference price will usually be the last known closing price for the instrument. The deviations allowed from this reference price depends on the asset class and liquidity of the instrument. The following table shows the allowed deviations when the Nasdaq APA service was launched. This set-up can however be updated if needed:

Asset Class, (MiFIR ID)	Liquid instruments		No liquid market instruments	
Shares (SHRS, ETFs, DPRS, CRFT, OTHR)	-10%	+10%	-25%	+25%
All bonds except ETCs and ETNs and structured finance products (BOND)	-5%	+5%	-15%	+15%
ETCs and ETNs bond types (ETCS, ETNS)	-5%	+5%	-15%	+15%
Securitized derivatives (SDRV)	-5%	+5%	-15%	+15%
Interest rate derivatives (INTR)	-5%	+5%	-15%	+15%
Foreign Exchange Derivatives (CURR)	-5%	+5%	-15%	+15%
Equity derivatives (EQUI)	-5%	+5%	-15%	+15%
Commodity derivatives (COMM)	-5%	+5%	-15%	+15%
Credit derivatives (CRDT)	-5%	+5%	-25%	+25%

Contract for differences (CFDS)	-5%	+5%	-15%	+15%
C10 derivatives	-5%	+5%	-15%	+15%
Emission allowance derivatives (EMAL)	-5%	+5%	-15%	+15%
Emission allowances (EMAL)	-5%	+5%	-15%	+15%

Further, the reported volume will undergo a similar check. The applied checks of reported volume will be performed according to the following table:

Type of instrument	Volume/Quantity measure	Liquid Max quantity	Non-Liquid Max quantity
Shares (SHRS, ETFs, DPRS, CRFT, OTHR)	Number of contracts	€100.000.000	€50.000.000
All bonds except ETCs and ETNs and structured finance products (BOND)	Total nominal value of debt instruments traded	€500.000.000	€200.000.000
ETCs and ETNs bond types (ETCS, ETNS)	Number of units traded	€50.000.000	€50.000.000
Securitized derivatives (SDRV)	Number of units traded	€100.000.000	€100.000.000
Interest rate derivatives (INTR)	Notional amount of traded contracts	€100.000.000	€100.000.000
Foreign Exchange Derivatives (CURR)	Notional amount of traded contracts	€500.000.000	€200.000.000
Equity derivatives (EQUI)	Notional amount of traded contracts	€200.000.000	€50.000.000
Commodity derivatives (COMM)	Notional amount of traded contracts	€250.000.000	€100.000.000
Credit derivatives (CRDT)	Notional amount of traded contracts	€200.000.000	€100.000.000
Contract for differences (CFDS)	Notional amount of traded contracts	€50.000.000	€250.000.000
C10 derivatives	Notional amount of traded contracts	€100.000.000	€100.000.000
Emission allowance derivatives (EMAL)	Tons of Carbon Dioxide equivalent	€250.000.000	€100.000.000
Emission allowances (EMAL)	Tons of Carbon Dioxide equivalent	€125.000.000	€100.000.000

Price and volume checks are only applied on those ISIN codes that are in the ESMA database at the time of reporting. Transactions holding ISIN codes not in the ESMA database will be accepted and published immediately if they pass a basic check of price (below SEK 100.000 or equivalent) and volume.

If a trade is rejected due to failing any of the above-mentioned validations, a reject message is sent back. The customer is then asked to correct any erroneous information and re-submit the trade for validation and publication. If all information is correct in situations where the trade is initially rejected, the trade can be re-submitted using the original reference number and it will then be published even if it fails the validations.

## Deferrals

The Nasdaq APA supports different forms of deferred publication.

1. The customer can set a time of publication when submitting the OTC trade report. INET will then publish the trade according to this specified time and set flags accordingly.
2. The customer can choose to use standard deferral types. For RTS 1 instruments, the standard ESMA deferral regime applied. For RTS 2 instruments, the standard deferral time is T+2.

## Cancellations and Amendments

Cancellation/amendments shall be done by cancelling the original transaction and submitting a new trade report, where the new amended transaction has a reference id to the one that was cancelled. It is possible to amend all reported fields except the "time of agreement".

Only intraday APA reports can be cancelled by Nasdaq's trade support. Cancellation of older trade reports is an only client option on FIX protocol to be cancelled by client themselves.

## Support for APA functionality in INET

Operator support the Nasdaq APA related functionality in INET. In case customers need help to amend or cancel trades due to technical problems for their own systems, Operator can be contacted on [operator@nasdaq.com](mailto:operator@nasdaq.com).

## Genium INET and NDTs specific information

A subset of instruments is also available for OTC publication via the Nasdaq APA in Genium INET. This applies to bonds, fixed income derivatives and equity derivatives.

### Process for OTC trades in Nasdaq-listed bonds in Genium INET

1. The deal: The participants conclude a deal outside the rules of the trading venue. It can be an OTC trade or an SI trade.
2. The counterparties are responsible for determining the counterparty which is required by MiFID II/MiFIR to perform the transparency reporting (publication).

Trades must be reported within 5 minutes after execution through a Nasdaq supported interface; Trading Workstation, Q Port, OMNet API or FIX.

All mandatory fields must be entered in correct format before the transaction can be submitted. Mandatory fields are specified in the relevant (OMnet or FIX) protocol [description](#).

The validation: When the sender submits the transaction, Genium INET validates that all mandatory fields have been filled in, that the format is correct and that the price and quantity are within the allowed range.

If the price or quantity is outside the allowed range the transaction is rejected.

3. If the transaction is approved, then a message is sent back to the participants in the deal confirming that the transaction was approved. The transaction shall contain a unique identification code (Nasdaq assigned trade ID).
4. Once the transaction is approved, it will automatically be published via GCF (TIP), OMNet, the Nasdaq APA website and FIX which will make the transaction public through the Nasdaq feeds. APA trades are labeled with "XOFF" or "SINT" depending on the trade type used.
5. If selected, standard deferrals are applied per instrument according to applicable deferrals for exchange trades.

### Process for OTC trades in listed fixed income derivatives in Genium INET

1. The deal: The participants conclude a deal outside the rules of the trading venue. It can be an OTC trade or an SI trade.
2. The reporting:
  - a) If the trade is a dealer-to-client transaction, then the broker-dealer (member) submits a two-sided trade report to the Nasdaq APA.
  - b) If the trade is an interbank transaction, then either the inter-dealer broker (member) submits a two-sided trade report to the Nasdaq APA, or each dealer (member) submits its side as a one-sided trade report.

Trades must be reported for APA publication within 5 minutes after execution through a Nasdaq supported interface; Trading Workstation, Q Port, OMNet API or FIX. All mandatory fields must be entered in correct format before the transaction can be submitted.

3. The validation: When the sender submits the transaction, Genium INET shall validate that all mandatory fields have been filled in, that the format is correct and that the price and quantity are within the allowed range.  
If the price or quantity is outside the allowed range for the instrument the transaction shall be rejected.
4. Approval: If the transaction is approved then a message (BD6) is sent back to the participants in the deal confirming that the transaction was approved. The transaction shall contain a unique identification code (Nasdaq assigned trade ID).  
An approved OTC transaction goes into the clearing system. It will not update high, low, last or turnover statistics for the exchange, but it will contribute to the Open Interest statistics for the CCP.
5. Once the transaction is approved, it will automatically be published via GCF (TIP), OMNet, the APA web site and FIX which will make the transaction public through the Nasdaq feeds. APA trades are labeled with "XOFF" or "SINT" depending on the trade type used.
6. If selected, standard deferrals are applied per instrument according to applicable deferrals for exchange trades.

#### **Process for OTC trades in listed equity derivatives in NDTs**

1. The deal: The participants conclude a deal outside the exchange rules. It can be an OTC trade or an SI trade.
2. The reporting:
  - c) If the trade is a dealer-to-client transaction, then the broker-dealer (member) submits a two-sided trade report to Nasdaq.
  - d) If the trade is an interbank transaction, then either the inter-dealer broker (member) submits a two-sided trade report to Nasdaq, or each dealer (member) submits its side as a one-sided trade report.

Trades must be reported for APA publication within 5 minutes after execution through a Nasdaq supported interface; Nasdaq Nordic Trader or FIX. All mandatory fields must be entered in correct format before the transaction can be submitted.

3. The validation: When the sender submits the transaction NDTs shall validate that all mandatory fields have been filled in, that the format is correct and that the price and quantity are within the allowed range.  
If the price or quantity is outside the allowed range for the instrument the transaction shall be rejected.
4. Approval: If the transaction is approved then a message (BD6) is sent back to the participants in the deal saying that the transaction was approved. The transaction shall contain a unique identification code (Nasdaq assigned trade ID).  
An approved OTC transaction goes into the clearing system. It will not update high, low, last or turnover statistics for the exchange but it will contribute to the Open Interest statistics for the CCP.
5. Once the transaction is approved it will automatically be published via GCF (TIP), ITCH, the Nasdaq APA website and FIX which will make the transaction public through the Nasdaq feeds. APA trades are labeled with "XOFF" or "SINT" depending on the trade type used.
6. If selected, standard deferrals are applied per instrument according to applicable deferrals for exchange trades.

#### **Support for APA functionality in Genium INET and NDTs**

Trading Operations support the Nasdaq APA related functionality in Genium INET and NDTs. In case customers need help to amend or cancel trades due to technical problems for their own systems, Trading Operations can be contacted on [tradingoperations@nasdaq.com](mailto:tradingoperations@nasdaq.com) or +46 8 405 6660.

## Trade Types available for OTC trade publication in Genium INET

The following trade types are available for publication of OTC for cash bonds.

Trade Report ID	APFI	APSI	ANFI	ANSI	AVGP	AVSI	OTLP	OTPT
<b>Description</b>	OTC Standard Trade	SI Standard Trade	OTC Non-standard Trade,	SI Non-standard Trade	OTC-Std Duplicate	SI-Std Duplicate	OTC-Loan Payment	OTC-Primary Transaction
<b>Single-Instrument / Multi-Leg Use</b>	Single-instrument	Single-instrument	Single-instrument	Single-instrument	Single-instrument	Single-instrument	Single-instrument	Single-instrument
<b>One-/Two-Sided Reporting Mode</b>	Both	Both	Both	Both	Both	Both	Both	Both
<b>OMnet ext_t_state_c</b>	71	72	73	74	75	76	77	78
<b>FIX OffBookType (20202)</b>	71	72	73	74	75	76	77	78
<b>Updates Trade Statistics</b>	No	No	No	No	No	No	No	No

The following trade types are available for OTC trade reporting for derivatives

Trade Report ID	Fixed Income Derivatives				Equity Derivatives	
	OTFI	SI	OTPF	SIPF	OFF	SI
<b>Description</b>	OTC Disclosed	Systematic Internaliser Disclosed	OTC Disclosed Package	Systematic Internaliser Disclosed Package	OTC, Disclosed	Systematic Internaliser, Disclosed
<b>Single-Instrument / Multi-Leg Use</b>	Both	Both	Both	Both	Both	Both
<b>One-/Two-Sided Reporting Mode</b>	Both	Both	Both	Both	Both	Both
<b>OMnet ext_t_state_c</b>	113	155	118	119	154	155
<b>FIX OffBookType (20202)</b>	113	155	118	119	154	155
<b>Updates Trade Statistics</b>	No	No	No	No	No	No

## Publication

### Publication of APA trades via Genium Consolidated Feed

All APA trades from INET, NDTs and Genium INET are redistributed via the Genium Consolidated Feed (GCF).

All APA trades which can be mapped to an instrument listed on any of Nasdaq's Nordic Equity, Fixed Income, Derivatives or Commodities markets are distributed with GCF instrument ID used for that individual instrument as an External Trade Report message as part of Nordic Asset classes packaged sent out from GCF.

For APA trades which are not listed on any of Nasdaq's Nordic markets, the trade is also distributed via GCF as External Trade Report message. The reference data available for these trades will be limited to information provided by the reporter of the trade. The Non-Nasdaq listed APA trades are available in GCF to all asset classes based on request on reasonable commercial terms.

### Publication of APA trades via Nasdaq Nordic Last Sale

APA trades from INET are available in the Nordic Last Sale ITCH feed in the OTC Trade Message. NLS OTC Trade Message contains limited reference data.

**Publication of Deferrals**

Daily and weekly APA reports containing the deferrals are available for APA customers via File Delivery Service (FDS). Access to reports in FDS is given free of charge for members and other participants based on requests. Access is not per individual user but on company level and provides access to these daily and weekly APA reports only.

**Publication of APA trades on Nasdaq's website**

All trades published via the Nasdaq APA are also published on the Nasdaq APA website:

<http://www.nasdaqomxnordic.com/nasdaq-apa/intraday>. However, trades reported with the trade types AVGP, AVSI, OTC-loan and OTC-Primary Transaction are not published on the Nasdaq APA website, as these trades are not MiFID II/MiFIR transactions.