



ZSE Trading Rules

Zimbabwe Stock Exchange

ATS Trading Rules

ZSE Trading Rules and Procedures 06 July 2015 as amended

Date	Notice Number	Amendments
26 February 2018	01/2018	Included Preopen Session, Amended Lot size and tick size
01 July 2018	ZSEBD01062018(05)	Extending Trading Hours
10 September 2018	ZSE10092018	Section 4.5.1 Amended how the Minimum Fill Functionality to accumulate one to many orders

Zimbabwe Stock Exchange Trading Operations Rules

Rules made by the Zimbabwe Stock Exchange under Section 65 of the Securities and Exchange Act 2004

1. Short Title

These rules are cited as the Stock Exchange Trading Rules 2013 made under the repealed Stock Exchange Act 1974 and in force under the Securities Act Cap 24:25 of 2004.

2. Interpretation

(1) In these rules, unless the context otherwise requires-

“Act” means the Securities Act 2004.

“ATS” or “ATS Service” means the software, hardware, communications and network systems, which are used to carry out transactions or other operations related to transactions on Zimbabwe Stock Exchange.

“ZSEATS Operator” includes a representative of a Securities dealing firm also known as a Stockbroking firm designated as such by the ZSE and registered with the ZSE.

“CSD” means the Central Securities Depository established under Section 69 of the Securities Act Cap 24:25.

“CSD Rules” means the Securities (Central Securities Depository) Rules of 2010.

“SECZ” means the Securities & Exchange Commission of Zimbabwe under the Securities Act 2004.

“Securities Dealing firm” or “Stockbroking Firm” means a company licensed as such under the Act.

“Official Bulletin” means an official publication of the ZSE which provides information about the trading volumes and prices of securities traded on the ZSE and covers activities of the ZSE, securities dealing firms and listed issuers.

“Schedule” or “Schedule of Trading Procedures” means the procedures adopted by Zimbabwe Stock Exchange and which form part of the rules.

“ZSE” means the Zimbabwe Stock Exchange established under the repealed Zimbabwe Stock Exchange Act of 1974.

“Trade” or “Transaction” means any purchase or sale of a security conducted via ATS.

(2) Words and expressions not defined in these rules shall bear the meaning ascribed to them in the Securities Act or the CSD Rules, as the case may be.

PART A – TRADING OPERATIONS

3. Trading Sessions

Trading on the Zimbabwe Stock Exchange (ZSE) is conducted in trading sessions.

Trading sessions shall be conducted in hours established by the ZSE and as set out in the trading schedule detailed in the Zimbabwe Stock Exchange ATS Trading Procedures. The ZSE, with the prior approval of the Securities Exchange Commission of Zimbabwe, may change the time of the trading sessions after having published these changes in on its web site and in two newspapers of wide circulation not later than four business days prior to these changes becoming effective. In addition the ZSE is to remind the market participants of such a change through e-mail alerts originating from the Market Administrator.

3A. Off-market transfers

- (i) All trading in securities listed on ZSE must be conducted through the Zimbabwe Stock Exchange Automated Trading System (ZSEATS).
- (ii) Off-market transfers in listed securities are allowed to give effect to transfers or transmissions effected by operation of law without consideration subject to the approval of the respective issuers, and evidence of the payment of all taxes due in the following exceptional cases, namely:
 - (a) Successions / inheritances and
 - (b) Donations
- (iii) For the purposes of this Rule 3A, “trading in securities” shall include making or offering to make with any person or inducing or attempting to induce any person to enter into or to offer to enter into –
 - (a) any agreement for or with a view to acquiring or disposing of securities, or
 - (b) any agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuation in the price of securities.

4. Supervision of Trading Sessions

Trading on the ZSE shall be supervised and monitored by the Manager of the Trading Department or any other ZSE employee appointed by the ZSE.

5. Suspension of trading

Where instructed by the SECZ, the ZSE shall suspend trading in any or all securities at such time and for such period as shall be determined by the SECZ

Where in the opinion of the ZSE, circumstances exist or are about to occur that could result in an unfair, disorderly and/or suspicious trading of securities, the ZSE may suspend trading of any securities for one or more trading sessions or any part of a trading session. The market shall be notified of all such actions before they take effect.

Securities of companies, which have been suspended from trading by the ZSE shall not be traded during the period of suspension.

All decisions to suspend or resume trading shall be communicated to all securities dealing firms / stockbroking firms through the ZSEATS messaging system, the ZSE Data Portal. The Central Securities Depository Company shall also be informed of such decisions.

6. Schedule of Trading Procedures

Without prejudice to the requirements of these rules, the trading operations shall be carried out in accordance with the Schedule of Trading Procedures laid down by the ZSE.

The Trading Procedures shall provide for:

- (a) The trade matching mechanisms;
- (b) The transmission and types of orders;
- (c) Days and opening hours of the ZSE trading sessions;
- (d) Types of transactions concluded on the ZSE;
- (e) The types of Markets and Boards operated by the ZSE; and
- (f) The surveillance mechanisms of the ZSE.

7. Trading of securities on ‘cum’ and ‘ex’ basis

For the purpose of trading, all securities will be traded and quoted ‘cum’ for a minimum of ten business days before the last cum date. On the next business day after the last cum date, the securities will be traded and quoted ‘ex’. Buyers of securities who transacted on an ‘ex’ basis shall have no rights to the entitlements declared by the company concerned. The record date shall be the settlement date, as defined in the CSD Rules, of trades effected on the last cum date, that is three (3) business days following the last cum date.

8. Unwinding of trades

In the case of a “Fund Settlement failure” or a “Securities Settlement failure” as defined in the CSD Rules and Procedures, trades already concluded on the ZSE may be unwound pursuant to the CSD Rules and Procedures.

In the event of a trade being unwound, the ZSE shall rectify the volume and the traded value results pertaining to the day the trade was concluded on the ZSE. The ZSE shall publish the fact that there has been a failed trade on the market, indicating the custodian concerned and the reasons.

9. Official Price List and other market data information

The right to record and publish the prices related to Transactions on ZSE is the prerogative and the sole property of the ZSE. The copyrights of the ZSE therein are reserved. No person may make a commercial use of the publication of the prices and any other market data information, in any form or manner whatsoever, unless prior written consent has been given by the ZSE and on such terms and conditions for such use as the ZSE at its absolute discretion shall impose.

The ZSE shall publish daily and periodic information on the prices, traded volumes, indices and any other market data, necessary to ensure transparency and equity to investors.

The ZSE shall maintain a suitable communication system through which it will publish the particulars for all listed securities, and the form in which and the precise time within which the information is to be provided, as well as the means by which it is to be made available, having regard to the nature, size and needs of the market concerned and of the investors operating on that market.

PART B – SECURITIES DEALING FIRMS-

11. Obligations of Securities Dealing Firms (also referred to as Stockbroking firms)

Each securities dealing firm shall keep and maintain records of the date and time of receipt of each client order.

The principal officer of the securities dealing firm dealer shall be solely responsible for the accuracy of details of orders entered into the ZSEATS system in accordance with the Procedures.

12. Client's orders

A Securities dealing firm / stockbroking firm shall not buy or sell securities on or for its own account or on or for the account of a Prescribed Person as defined in these Rules while the firm holds an unexecuted order on the same terms from a client to deal in one or more such securities. For the purpose of this Rule, a limit order, which cannot be executed owing to price differences, shall be deemed not to be an unexecuted order.

For the purposes of this Rule –

(a) Prescribed Persons includes:

- (i) The securities dealing firm also referred to as a stockbroking firm;
- (ii) A director and shareholder of the securities dealing firm also referred to as a stockbroking firm
- (iii) An employee of the securities dealing firm also referred to a stockbroking firm.
- (iv) Immediate families of any such directors, shareholders, employees and consultants of the securities dealing firms also known as stockbroking firms; and
- (v) Family companies and family trusts of any one or more of such directors, shareholders, employees, advisers, or their immediate families.

(b) Immediate family means:

- (i) the spouse and
- (ii) any child or stepchild under the age of 18 years.

A securities dealing firm which allocates a sale or purchase of securities to fulfil all or part of an order from a Prescribed Person for its own account when it has an unfulfilled order on the same terms for those securities from a client which is not a Prescribed Person shall contravene these Rules.

Each securities dealing firm shall maintain a daily record of orders received from clients showing the name of each client, the specific order and the time the order was given. It shall be the duty of the securities dealer / stockbroker to carry out the customer's orders promptly in a manner best suited to serve the customer's interest.

13. Access to the ZSEATS Service

Only securities dealing firms, also known as stockbroking firms, which satisfy the requirements set out in Rule 14 shall deal in securities through ZSEATS.

14. Requirements for Securities Dealing Firms

A securities dealing firm or Stockbroking firm shall at all times demonstrate to the satisfaction of the ZSE that it meets the following standards:

- (a) It has the financial resources to meet its obligations under these Rules or Procedures;
- (b) It has adequate personnel, premises, communication and data processing capabilities, books and records to enable it to fulfil its obligations and operational requirements promptly and accurately; and
- (c) It (i) satisfies all standards prescribed by the ZSE, and (ii) submits all documents or information as the ZSE may from time to time prescribe for the use of the ZSEATS service, and the SECZ shall be informed of any such prescriptions.

14.A Registration of ATS Operators

No securities dealing firm shall appoint any person associated with that securities dealing firm to place orders or execute trades on its behalf through the ATS unless that person is registered with the ZSE as a ZSEATS Operator.

Save where the Exchange otherwise agrees, no person shall be eligible for registration as a ZSEATS Operator unless the person has:

- (a) participated in a training course on how the ZSEATS system works as conducted by the ZSE
- (b) satisfied the ZSE that he / she has the requisite knowledge and experience of markets operations.
- (c) The ZSE reserves the right to restrict the different types of securities a participant may have access to for the purpose of trading.

The ZSE shall maintain a register of all ATS Operators.

15. Security

Each securities dealing firm, also referred to stockbroking firm, is responsible for taking appropriate and diligent security measures concerning its own personnel, physical access to computers and other equipment connected to ZSEATS and the confidentiality of usernames and passwords used to access the ZSEATS computer system.

16. Acting on Securities Dealing Firms instructions

Each securities dealing firm, also referred to a stockbroking firm shall file with ZSE a designation in the format prescribed by the ZSE signed by two stockbrokers employed by the Securities dealing firm, of the name, office, telephone and facsimile numbers, and specimen signatures of those employees who are duly authorised to legally and validly act on behalf of the securities

dealing firm dealer in all trading matters. Such designation becomes effective when ZSE acknowledges receipt thereof by signing a duplicate copy remitted to the securities dealer. ZSE is authorised and instructed by the investment dealer to rely on such effective designation and on any replacement thereof.

Notwithstanding the fact that the ZSE may require further confirmation before acting on an instruction from a securities dealing firm, also referred to as a stockbroking firm, the ZSE shall rely on and accept any written instruction, facsimile, telephoned or electronic message from any designated personnel of the securities dealing firm. ZSE is not required to verify the source of a facsimile, telephone or electronic message given in accordance with this Rule.

ZSE is not responsible or liable for any act done or omitted to be done by it in good faith when relying on any message given in accordance with this Rule even if the message is proven to be erroneous, forged or ambiguous.

17. Exclusion of Liability

When acting in good faith and without negligence, the ZSE shall not be liable to any securities dealing firm or investor for:

- (i) any loss of opportunity, profit, goodwill, interest or use of money or securities;
- (ii) any other special, indirect or consequential loss, damage, expense, liability or claim;

which is suffered or incurred by any securities dealing firm or investor arising from or related to the ZSEATS Service.

18. Limitation of Liability

ZSE's liability to any securities dealing firm in respect of the ZSEATS service, for a loss not excluded by the Rules or arising from any other cause, shall in any event be limited to the net amount that the ZSE recovers from its insurers or any other person for and in respect of that loss.

Where the aforesaid liability is incurred by ZSE towards more than one securities dealing firm or investor, the net amount recovered by the ZSE as aforesaid is distributed among all such securities dealing firms and investors pro rata to their entitlement.

19. System Failure

Where the ZSE or an securities dealing firm is unable to operate the ATS Service due to a system failure as laid down in Rules 20 and 21, or due to an Act of God or force majeure or any act outside the control of ZSE, the ZSE shall not be liable to pay any compensation or indemnity to any person who incurs a loss as a result of a delay in effecting any transaction.

20. Securities Dealing Firms system failures

A securities dealing firm which has system problems, preventing it from updating its quotes or removing orders from the ATS, must inform the ZSE immediately if it wishes to remove such

orders from the system. After informing the ZSE, it is not allowed to deal with its clients, including by telephone, on such quotes or orders until the system is operative again.

If a securities dealing firm encounters a system problem which prevents it from accessing the ATS, it shall notify the ZSE forthwith and an employee who is authorised by the securities dealing firm to do so may request the deletion of all its orders on the ATS. The securities dealing firm's authorised ZSEATS user may also be granted permission to access the ATS from a workstation located at the ZSE's site.

21. ZSEATS System Failure

When there occurs an event that prevents ZSE to operate the ATS at its site, the ZSE shall shift its operations to a "Disaster" Recovery Site in accordance with the Disaster Recovery Plan. Upon adequate notification, securities dealing firms shall ensure that their authorised ZSEATS Operator is present at the "Disaster" Recovery Site. The SECZ shall be informed immediately upon the occurrence of such an event.

PART C – SUSPENSION OF SECURITIES DEALING FIRMS

22. Misleading Acts and Conducts

A securities dealing firm or any of its representatives shall not:

- (a) do any act or engage in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price or value of any security;
- (b) cause or enter into any artificial transaction;
- (c) cause a fictitious transaction or a false price to be input into the ATS;
- (d) effect a transaction at a price which differs from available orders displayed in an order book, during trading sessions;
- (e) do any act or engage in any course of conduct which is likely to damage the image, the good repute, the fairness or the integrity of the securities market; or
- (f) do any act or engage in any course of conduct which causes, or contribute to, a breach of the ZSEs rules by another investment dealer.

23. Suspension of the use of the ZSEATS service

When in the opinion of the ZSE sufficient cause exists, the ZSE may suspend the right of a securities dealing firm/ stockbroking firm / or its authorised representative to use the ZSEATS service until the ZSE determines that the sufficient cause no longer exists. The SECZ shall be informed forthwith.

Sufficient cause for suspension of a securities dealing firm from the ZSEATS Service exists when the ZSE determines, an actual or imminent:

- (i) unjustified non-performance of a material provision, or repeated breach of any provision of these Rules or the Procedures; and
- (ii) revocation of the license or suspension of the securities dealing firm by the SECZ.

PART D – TRADING RULES AND PROCEDURES

24. Amendment of Rules and Schedule of Trading Procedures

The Board of Directors of the ZSE may, with the approval of the SECZ, from time to time amend these Rules and the Schedule of Trading Procedures. For the purpose of proposing and making any such amendment, the ZSE shall promptly notify securities dealing firms / stockbroking firms and the Central Securities Depository of any proposal to amend the Rules or the Schedule of Trading Procedures and of the text of the proposed Rule or Procedure and a brief description of its purpose and effect and their effective date and that such amendment shall be subject to the approval of the SECZ. The Securities dealing firms and the Central Securities Depository may, within the time prescribed by the Board of Directors of the ZSE, submit to the ZSE, for its consideration, its comments with respect to any such proposal, and such comments shall be filed in the ZSE records and copies thereof shall be delivered to the SECZ. The ZSE shall give due consideration to the representations made and thereafter submit its proposed amendments to the SECZ. The proposed amendments shall become effective as soon as the approval of the SECZ is obtained or at such other date as the SECZ may agree.

26. Request for Information by the SECZ

Nothing in these Rules or the Schedule of Procedures shall preclude the SECZ to require the ZSE or any securities dealing firm, pursuant to SECZ's power under the Act or any other enactments, to provide it with such document or information as it may require for the purpose of carrying out its objectives.

27. Waiver

The ZSE may waive the requirement to comply with these Rules and/ or the Schedule of Trading Procedures in exceptional situations, provided prior approval has been obtained from the SECZ.

**ZIMBABWE STOCK
EXCHANGE

ATS
TRADING PROCEDURES**

TABLE OF CONTENTS

Page No.

A.	Subject and Scope of the Procedures	...	...	...	...	...	...	...	17
B.	Definitions of Terms	...	...	...	...	...	...	...	17
1.	Introduction	...	...	...	...	...	...	...	20
2.	Markets & Boards	...	...	...	...	...	...	...	20
3.	Trading Schedule	...	...	...	...	...	...	...	21

PART I:

TRADING IN SECURITIES ON THE MAIN MARKET AND SECONDARY MARKET

4.	Trading in Securities on the Equity Board ...	...	...	...	...	22
4.1.	Operating Hours of the ATS for the Equity Board	...	...	...	...	22
4.2.	Transmission of Orders...	...	...	...	...	22
	4.2.1 Order Input	...	...	...	...	22
4.3.	Types of Orders	...	...	...	...	23
4.3.1	Market Orders ...	...	...	...	...	23
	4.3.2 Limit Orders	...	...	...	...	24
4.4.	Order Attributes	...	...	...	...	24
	4.4.1 Order Qualifiers	...	...	...	...	24
	4.4.1.1 No Qualifiers	...	...	...	...	24
	4.4.1.2 Fill or Kill (FOK)	...	...	...	...	24
	4.4.1.3 Immediate or Cancel (IOC)	...	...	...	...	24
	4.4.2 Time in Force	...	...	...	...	25
	4.4.2.1 Good Till Cancelled (GTC)	...	...	...	...	25
	4.4.2.1.1 Good Till Day (GTD)	...	...	...	...	25
	4.4.2.2 Day Order	...	...	...	...	25
	4.4.3 Disclosed/Hidden Quantity	...	...	...	...	25
4.5.	Trading Unit	...	...	...	...	25
	4.5.1 Minimum Fill	...	...	...	...	26
4.6.	Tick Size	...	...	...	...	27
4.7.	Price Spread	...	...	...	...	27
	4.7.1 Reference Price	...	...	...	...	27
4.8.	Trading Procedure	...	...	...	...	28
	4.8.1 Validation Checks	...	...	...	...	28
4.9.	Order Execution	...	...	...	...	28
4.10.	Sessions	...	...	...	...	28
	4.10.1 Pre-Opening Session	...	...	...	...	28
	4.10.2 Opening Session	...	...	...	...	29
	4.10.2. Algorithm for Calculation of the Opening Price	...	...	...	...	29
	4.10.2.2 Opening Auction Example	...	...	...	...	29
	4.10.3 Continuous Session	...	...	...	...	32
	4.10.3.1 Matching Criteria	...	...	...	...	32
	4.10.3.2 Matching Rules	...	...	...	...	33
	4.10.3.3 Continuous Session Example	...	...	...	...	33
	4.10.4 Closing Session	...	...	...	...	34
4.11.	Post Order Submission	...	...	...	...	35
	4.11.1 Order Cancellation/Amendment	...	...	...	...	35
	4.11.1.1 Cancellation of Orders	...	...	...	...	35
	4.11.1.2 Amendment of Orders	...	...	...	...	35
	4.11.2 Trade Cancellation/Amendment	...	...	...	...	35
4.12.	Calculation of Market Indices	...	...	...	...	36
4.13.	Trading Halts	...	...	...	...	36
	4.13.1 Market Halts	...	...	...	...	36
	4.13.2 Security Halts	...	...	...	...	37
4.14.	Security Suspension	...	...	...	...	37
4.15.	Investment dealers' Obligations	...	...	...	...	38
4.16.	Ex-Entitlement Price	...	...	...	...	39

4.17.	Announcements	...	...	...	...	...	...	40
4.18.	Uploading of Trade Details to CSD...	...	...	...	...	...	...	40
4.19.	Dissemination of market Information...	...	...	...	...	...	...	40
4.20.	Trading Of Rights	...	...	...	...	...	...	41
4.21.	Price Determination of a Newly Listed Security	...	...	...	...	...	...	41
5.	Trading in Securities on the Odd Lot Board	...	...	...	...	...	...	43
5.1.	Operating Hours of the ATS for the Odd Lot Board	...	...	...	...	...	...	43
5.2.	Order Input	...	...	...	...	...	...	43
5.3.	Types of Orders	...	...	...	...	...	...	44
	5.3.1 <i>Limit Orders</i>	...	...	...	...	...	...	44
	5.3.2 <i>Good Till Cancelled</i>	...	...	...	...	...	...	44
	5.3.2.1 <i>Good Till Day</i>	...	...	...	...	...	...	44
	5.3.3 <i>Day Order</i>	...	...	...	...	...	...	44
5.4.	Trading Unit	...	...	...	...	...	...	44
5.5.	Tick Size	...	...	...	...	...	...	44
5.6.	Price Spread	...	...	...	...	...	...	45
5.7.	Validation Checks	...	...	...	...	...	...	45
	5.7.1 <i>Order Execution</i>	...	...	...	...	...	...	45
5.8.	Continuous Trading	...	...	...	...	...	...	45
	5.8.1 <i>Matching Criteria</i>	...	...	...	...	...	...	46
	5.8.2 <i>Matching Rules</i>	...	...	...	...	...	...	46
	5.8.3 <i>Continuous Session Example</i>	...	...	...	...	...	...	46
5.9.	Closing Session	...	...	...	...	...	...	47
5.10.	Order Cancellation/Amendment	...	...	...	...	...	...	47
	5.10.1 <i>Cancellation of Orders</i>	...	...	...	...	...	...	47
	5.10.2 <i>Amendment of Orders</i>	...	...	...	...	...	...	47
5.11.	Trade Cancellation/Amendment	...	...	...	...	...	...	47
5.12.	Visibility	...	...	...	...	...	...	48
5.13.	Statistics	...	...	...	...	...	...	48

PART II:

TRADING IN SECURITIES ON THE DEBT MARKET

8.	Trading in Securities on the Debt Board	...	...	...	...	...	...	51
8.1	Operating Hours of the ATS for the Debt Board	...	...	...	...	...	...	51
8.2	Transmission of Orders	...	...	...	...	...	...	51
	8.2.1 <i>Order Input</i>	...	...	...	...	...	...	51
8.3	Types of Orders	...	...	...	...	...	...	52
	8.3.1 <i>Market Orders</i>	...	...	...	...	...	...	52
	8.3.2 <i>Limit Orders</i>	...	...	...	...	...	...	52
8.4	Order Attributes	...	...	...	...	...	...	52
	8.4.1 <i>Order Qualifiers</i>	...	...	...	...	...	...	52
	8.4.2 <i>No Qualifier</i>	...	...	...	...	...	...	52
	8.4.3 <i>Fill or Kill (FOK)</i>	...	...	...	...	...	...	52
	8.4.4 <i>Immediate or Cancel (IOC)</i>	...	...	...	...	...	...	53
	8.4.5 <i>Day Order</i>	...	...	...	...	...	...	53
	8.4.6 <i>Disclosed/Hidden Quantity</i>	...	...	...	...	...	...	53
8.5	Trading Unit	...	...	...	...	...	...	53
8.6	Tick Size	...	...	...	...	...	...	53
8.7	Reference Price	...	...	...	...	...	...	54

8.8	Validation Checks	...	...	...	...	...	...	54
8.9	Order Execution	...	...	...	...	...	...	54
8.10	Continuous Trading	...	...	...	...	...	...	54
	8.10.1 Matching Criteria	...	...	...	...	...	...	54
	8.10.2 Matching Rules	...	...	...	...	...	...	55
	8.10.3 Continuous Session Example	...	...	...	...	...	...	56
8.11	Closing Session	...	...	...	...	...	...	57
8.12	Order Cancellation/Amendment	...	...	...	...	...	...	57
	8.12.1 Cancellation of Orders	...	...	...	...	...	...	57
	8.12.2 Amendment of Orders	...	...	...	...	...	...	57
8.13	Trade Cancellation/Amendment	...	...	...	...	...	...	58

PART III

9.	TRADING IN SECURITIES ON SPECIAL TERMS BOARD							59
9.1	Crossing Board	...	...	...	...	...	...	59
	9.1.1 Order Input	...	...	...	...	...	...	59
	9.1.2 Price determination Mechanism	...	...	...	...	...	...	59
	9.1.3 Amendments	...	...	...	...	...	...	59
	9.1.4 Orders Life Time	...	...	...	...	...	...	59
	9.1.5 Price Constraints	...	...	...	...	...	...	59
	9.1.6 Trading Unit	...	...	...	...	...	...	59
	9.1.7 Visibility	...	...	...	...	...	...	60
	9.1.8 Statistics	...	...	...	...	...	...	60
9.2	All or None (AON) Board	...	...	...	...	...	...	60
	9.2.1 Price Determination Mechanism	...	...	...	...	...	...	60
	9.2.2 Bidding Constraints	...	...	...	...	...	...	61
	9.2.3 Bidding procedure	...	...	...	...	...	...	61
	9.2.4 Amendments	...	...	...	...	...	...	61
	9.2.5 Order life Time	...	...	...	...	...	...	61
	9.2.6 Price Constraints	...	...	...	...	...	...	61
	9.2.7 Trading Unit	...	...	...	...	...	...	61
	9.2.8 Visibility	...	...	...	...	...	...	61
	9.2.9 Statistics	...	...	...	...	...	...	62
9.3	Buy- In- Board	...	...	...	...	...	...	62
	9.3.1 Buy-In-Sessions	...	...	...	...	...	...	63

A. Subject and Scope of the Procedures

- The Trading Procedures provide for the basic principles and terms of trading in securities at the Zimbabwe Stock Exchange (hereinafter referred to as the “Exchange” or “ZSE”).
- The Trading Procedures regulate the conduct of transactions on the Exchange and any other operations related to Exchange transactions.

B. Definitions of Terms

For the purpose of the Trading Procedures, the following terms shall have the following meaning:

“Automated Trading System (ATS)” is the software, hardware, communications and network systems, which are used to carry out exchange transactions or other operations related to exchange transactions.

“announcement” is the information related to securities traded on the Exchange published by the Exchange either in printed or electronic form.

‘auction’ is the matching of buy and sell orders cumulated over a period of time to determine the execution price of a security based on volume maximisation principle.

“authorised ZSEATS user” refers to a representative of a Securities Dealing firm designated as such by the ZSE and registered with the ZSE for the purpose of carrying out order entry in ZSEATS on behalf of the licensed securities dealing firm.

“bid or ask” means a buy order or a sell order to effect a buy or sell transaction, as displayed by an authorised ZSEATS user in the order book, in respect of securities traded at the Exchange.

‘board’ refers to a security or a group of securities that are traded in accordance with a set of rules and procedures, within a specified market.

“business day” is the day on which securities trading is conducted at the Exchange, namely, Mondays to Fridays, except when such day is a public holiday or when declared as a business holiday by the Exchange.

“cum entitlement” in relation to a security means with the right to receive the entitlement accruing to, or otherwise affecting it.

“CSD” means the Central Securities Depository company established under Section 69 of the Securities Act. .

‘closing price’ is the price of a security determined at the closing session and is its last execution price.

“Debt Market” means a market operated by ZSE for the trading of debt instruments.

“ETF” means fully funded (unleveraged) securities listed on the ZSE that track the performance of a specified security or other asset or group of assets, which include, but are not limited to, indices, commodities, currencies or any other asset acceptable to the ZSE.

“execution price” is the price of a security determined in accordance with the matching rules following order inputs into the ATS, in respect of the security.

“Exchange transactions” means all buy and sell transactions in securities effected by investment dealers on the Exchange through the ATS.

“entitlement” means dividends (whether cash or scrip), bonus issue, rights issue, new issue or other rights attached or accruing to a security traded on the Exchange or otherwise affecting it.

“ex-entitlement” in relation to a security means without the right to receive the entitlement accruing to, or otherwise affecting it.

“ex-entitlement price” is the adjusted closing price to take into account any entitlement declared in respect of the security.

“Equity Board traded quantity” - the permissible trading quantity on the equity board is in multiples of 100 securities and is subject to a minimum of 100 securities.

‘indicative price’ is the price determined by an issuer in respect of a newly listed security prior to its first trading day or the price of a security indicated by the Exchange prior to its first trading day.

“securities dealing firm means a company licensed as such under Section 38 of the Securities Act 17/2004 and to whom the Exchange has given the right to enter orders into the ATS bids and offers for securities traded on the Exchange.

“Main Market” means the Main Market of ZSE.

“market information sheet” is the daily market results related to Exchange transactions, published by the Exchange.

“market halt” occurs when no Exchange transactions can be effected through the ATS.

“order book” is the display in the ATS where orders are routed, registered and matched. Orders, which are accepted by the system and not immediately matched, are registered in the order book and ranked in price/time priority. It shows bids and asks where the bid represents the aggregate number of shares for each buying price and ask represents the aggregate number of shares for each selling price.

‘opening price’ of a security is the price determined by auction at the opening session.

“Odd Lot Board traded quantity” - the permissible trading quantity on the Odd Lot Board is less than 100 securities and is accepted in multiples of one security.

“Price Limit” is the admissible price fluctuation of a security during any one trading day.

“reference price” is the closing price of a security or its adjusted closing price in respect of buy/sell order/s at the maximum/minimum price limit registered in the order book with no trades effected in that security during the trade day or its ex-entitlement price, and is used to calculate the price spread of the security.

“session” means the period of time during which trading progresses at the Exchange in line with the business day’s trading schedule.

“security halt” occurs when trading in one or more securities cannot be effected on an Exchange day.

“Secondary Market” means the Secondary Market of ZSE.

“ZSE” or **“Exchange”** means Zimbabwe Stock Exchange established under the repealed Zimbabwe Stock Exchange Act 1974

“SECZ” means the Securities Commission of Zimbabwe established under the Securities Act Cap 24:25 No 17/2004 and as subsequently amended.

“tick size”, for ordinary & preference shares, is the minimum price set by the Exchange for a security by which the order price and the quotation price of a security can be altered. For debt instruments, tick size refers to the minimum yield variation set by the Exchange.

1. INTRODUCTION

The Automated Trading System (ATS) is designed to match buy and sell orders placed by securities dealing firms. During trading hours, buy and sell orders are entered into a central electronic order book by securities dealing firms using terminals located at their premises. These orders are matched within the ATS under the supervision of the Exchange and execution prices are determined.

The ATS maintains an order book for each security, divided into bids and offers. Prices are determined and trades are effected according to specific rules depending on order parameters. Information regarding all executed trades are electronically communicated to all investment dealers. If an order cannot be matched, it is registered in the order book.

The ATS can be used to trade different types of financial instruments such as equities (Ordinary & Preference Shares), corporate debentures & bonds and government securities all from the same terminal. A financial instrument admitted on the Main Market, Secondary Market, or on the Debt Market can be traded either by continuous matching of buy and sell orders or by an auction pricing procedure following a period during which the orders have been accumulated.

2. MARKETS & BOARDS

The Exchange operates three types of markets: the Main Market, the Secondary Market, and the Debt Market.

The Main Market and Secondary Market comprise the following boards, namely:

- Equity Board – for the trading of listed ordinary shares, preference shares and other securities. Trading unit will be in multiples of 100 subject to a minimum of 100, except for ETFs where the trading unit will be one. Securities denominated in local and foreign currencies will be traded on this board.
- Odd Lot Board – for the trading of listed ordinary shares, preference shares and other securities. Trading unit will be one subject to a maximum of 99. Securities denominated in local and foreign currencies will be traded on this board.
- Special Terms Boards – for undertaking specific types of trades, during business hours of the Exchange as and when the need arises based on market requirements. It consists of All or None Board, Crossing Board and Buy-In Board.

The Debt Market comprises of Debt Board – Government Securities, Debt Instruments and Crossings Board.

Trading in securities on the different boards is carried out as per the procedures described in respect of each board.

3. TRADING SCHEDULE

The Trading Schedule of the Exchange is as follows:

<i>Market</i>	<i>Exchange Day</i>	<i>Trading Hours</i>
Main – Equity Board	Monday to Friday	9.00 a.m to 3.00 p.m
Main - Odd Lot Board	Monday to Friday	9.00 a.m to 3.00 p.m
Debt – Other Govt Securities/ Instruments Debt	Monday to Friday	9.00 a.m to 3.00 p.m
Secondary – Equity Board	Monday to Friday	9.00 a.m to 3.000 p.m
Secondary – Odd Lot Board	Monday to Friday	9.00 a.m to 3.00 p.m
Special Terms Boards	During trading hours of specific Boards and as when the need arises	

1

³ Amended Trading schedule with effect from 01 July 2018

PART I

TRADING IN SECURITIES ON THE MAIN MARKET AND SECONDARY MARKET

4. TRADING IN SECURITIES ON THE EQUITY BOARD

4.1 Operating Hours of the ATS for the Equity Board.

- Trading in securities on the equity board is divided into different sessions with the following operating hours:

Sessions	Time
Pre-opening	9.00 a.m. to 10.00 a.m.
Opening	10.00 a.m.
Continuous	10.00 a.m. to 3.00 p.m.
Closing	3.00 p.m.
Postclose	3.00 p.m. to 3.30 p.m.

- The operating hours of the ATS for the equity board and the length of different sessions shall be set by the Exchange.

4.2. Transmission of Orders

. Only securities listed on ZSE shall be traded through the ATS.

4.2.1 Order Input

4.2.1.1 Clients place their orders with the securities dealing firms. Upon receipt of orders, the time of receipt of the orders is immediately recorded by the ZSEATS authorised users together with other particulars of the orders. The orders are entered by ZSEATS authorised users in the ATS through their trading terminals which are then transmitted directly to the ATS for validation, execution and processing.

4.2.1.2 For order input on the Equity Board, orders should be expressed in multiples of 100.
Example: Upon receipt of a buy/sell order of 10648 shares the order will be broken down in the following manner: 10600 will have to be posted to the equity board and the remaining 48 will have to be posted to the odd lot board.

4.2.1.3 Clients may also place orders using web based functionality provided in the ZSEATS system Where this facility is required, the client must first make the following arrangements through his stockbroker / securities dealing firm:

4.2.1.3.1 The securities dealing firm will request the Exchange to issue a web based terminal to one of its client.

4.2.1.3.2 If approved, the Exchange will ask the Securities dealing firm to deposit a fee for the services applied for.

4.2.1.3.3. The ZSE Market Administrator will issue the terminal applied for along with the username and password) to the security dealing firm concerned.

4.2.1.3.4 The security dealing firm in turn will deliver the security information (username and password to the applicant customer.

5 All orders input by ZSEATS authorised users are validated at the order entry level. Once the order is accepted by the system, it is automatically time stamped and an order ID is allocated which is used for all future references to the order. If the order fails validation, it is rejected with the appropriate comment.

6 Order entry instructions include:

- Security code
- Client account number and Custodian code
- Buy or sell indicator
- Volume
- Price
- Type of order
- Order attributes

- The price input is the unit price of a security.
- Orders input into the ATS are anonymously displayed to the market.
- The Exchange may also specify the type of orders (buy orders only or sell orders only) that a securities dealing firm can enter into the ATS. Following instructions received from CSD that an investment dealer has not enough fund for settlement purposes, the securities dealing firm will be allowed to enter sell orders only.

4.3. Types of Orders

There are two types of orders that can be placed in the ATS:

- a) Market orders
- b) Limit orders

4.3.1 Market Orders

A market order is defined as an order to buy or sell a security at the best price or prices prevailing in the market at that point in time. No price is specified for this type of order, but volume must be indicated. Price is given the highest priority in the system. Thus, market orders have priority of execution over limit orders. Market orders cannot be amended.

4.3.2 Limit Orders

This type of order specifies the maximum buying price or the minimum selling price. The volume of the order must be indicated. The ATS will attempt to match the order until either the entire volume is matched or no further matching is possible within the limit price.

Unless Fill or Kill (see Rule 4.4.1.2) or Immediate or Cancel (see Rule 4.4.1.3) are specified, the unmatched volume will remain in the order book until the indicated expiration time.

4.4 Order Attributes

Limit orders can have the following attributes:

- a) Qualifiers
- b) Time in force
- c) Disclosed/Hidden quantity

4.4.1 Order Qualifiers

Order qualifiers modify the execution conditions of an order based on volume, time and price constraints.

4.4.1.1 No Qualifiers

Orders will be executed at the specified or better price. If a partial execution occurs the remaining volume will be registered in the order book.

4.4.1.2 Fill or Kill (FOK)

Requires the immediate purchase or sale of a specified quantity, at a given price or better. If the whole order cannot be filled immediately, it is cancelled. These orders do not get registered in the order book

FOK orders cannot be entered during pre-opening session.

4.4.1.3 Immediate or Cancel (IOC)

Requires the immediate purchase or sale for the whole or part of the specified quantity at the specified or better price. If no immediate execution occurs the order is cancelled. If the order is partly executed, the remainder is immediately cancelled.

IOC orders cannot be entered during pre-opening session.

4.4.2 Time in Force

Time in force limits the lifetime of an order in the order book. If an order does not indicate a time condition, it is only valid for the Exchange day on which it was input.

4.4.2.1 Good Till Cancelled (GTC)

This order remains valid till cancelled 30 calendar days from the day on which it was input. The order is automatically cancelled by the system on the expiry date. GTC orders cannot have Disclosed/Hidden Quantity and Minimum Fill attributes.

4.4.2.1.1 Good Till Day (GTD)

This order remains valid for a fixed number of days. If it is not executed within the validity period, it will expire at the end of the final day and be automatically deleted from the list of pending orders. GTD orders cannot have Disclosed/Hidden Quantity and Minimum Fill attributes.

4.4.2.2 Day Order

This order is valid until the close of the trading day. It is automatically cancelled at the end of the trading day.

4.4.3 Disclosed/ Hidden Quantity

- The order size is revealed at the disclosed quantity and not at the full order quantity. The disclosed quantity will cause execution to occur in blocks of disclosed quantity. The hidden quantity will not be visible to the market. Disclosed quantity should be in multiples of 100 securities.
- When the disclosed quantity is matched, a new order with the same initial volume is generated automatically. This order will be given a new time stamp. The process will continue until the entire hidden quantity is matched or the order is cancelled or expired.
- Disclosed quantity shall be equal to or greater than 25% of the order size.
- Disclosed quantity attribute is not valid for FOK or IOC orders.
- Disclosed quantity attribute is only valid for Day orders.

4.5 Trading Unit

The trading unit for each security is established by the Exchange and is in multiples of 100 securities

4.5.1 Minimum Fill

Minimum Fill order shall match with the orders in opposite queue by accumulating their volumes. If accumulated volume fulfils counter order condition then they will match otherwise opposite queue will be traversed until exhausted. The MF shall fill one to many orders in the system.

Let's assume that four sell limit orders are placed at different prices. Order A (Volume 700 @10.15), Order B (Volume 300 @ 10.28), Order C (Volume 500 @ 10.42) and Order D (Volume 2500 @ 10.50). Now someone places a BUY MF Order E (Volume 1500 @ 10.50),

three trades shall occur in this case. One trade between Order A and Order E (Volume 700 @ 10.15), second trade between Order B and Order E (Volume 300 @ 10.28) and third trade between Order C and Order E (Volume 500 @ 10.42). Order D shall remain in the order book.

BUY		SELL
E.	1500 @ 10.50 MF 1500	A. 700 @ 10.15 B. 300 @ 10.28 C. 500 @ 10.42 D. 2500 @ 10.50
Result : Following three trades shall occur:		
1.	E & A (Volume 700 @ 10.15)	
2.	E & B (Volume 300 @ 10.28)	
3.	E & C (Volume 500 @ 10.42)	

4.6 Tick Size

Tick sizes depend on the price level. The following table shows the different price levels and the corresponding tick sizes.

Price Range	Tick Size
< 0.0000 to 0.0500	0.0001
≥ 0.0500 < 0.1000	0.0002
≥ 0.1000 < 0.5000	0.0005
≥ 0.5000 < 5.0000	0.0025
≥ 5.0000 < 10.0000	0.0100
≥ 10.0000 < 999,999	0.0500

- The tick size of ETFs will be 0.01

4.7 Price Spread

- The authorised price spread for a security during a trading day is +/- 20 % and is based on its reference price. All orders outside the permissible spread will be rejected by the ATS. Penny stocks below USD1 cent will price spread of +/-100%.
- For securities traded only on the Odd Lot Board, the price spread will be based on the reference price of the security determined on the regular market.

During a trading day the price of a security is established within its price spread.

- *Price spread shall not be applicable to trading in ETFs.*

4.7.1 Reference Price (The facility to calculate the Reference Price does not exist in the Current system but will be made available in a later version)

The reference price of a security is:

- (i) its closing price;
- (ii) its closing price adjusted for any entitlement declared in respect of the security;
- (iii) its closing price adjusted to the maximum price limit in case a GTD/GTC buy order at the maximum price limit is registered in the order book and no trades are effected in that security during the trade day;
- (iv) its closing price adjusted to the minimum price limit in case a GTD/GTC sell order at the minimum price limit is registered in the order book and no trades are effected in that security during the trade day.

4.8 Trading Procedures

4.8.1 Validation Checks

The following validation checks are done prior to its acceptance by the ATS:

- Valid security code
- Trading permitted on security
- Price within +/- 20 % and +/-100% of the reference price.
- Valid client securities account/ custodian ID combination
- Tick size
- Order quantity

An order that passes the validation check is accepted by the ATS. Accepted orders will contain an Exchange allocated order ID, which is used for all future references to the order. If the order fails validation it is rejected with the appropriate comment. Until an order has been accepted by the ATS, it is not valid.

4.9 Order Execution

When an authorised ZSEATS operator inputs an order through its trading terminal, the order is forwarded to the ATS. Within the ATS, the state of the order is tracked allowing the current status to be determined and the transaction history from the initial submission to be viewed. Orders will be queued according to price and time priority and are available for modification or cancellation prior to execution.

4.10 Sessions

4.10.1 Pre-Opening Session

- During pre-opening, orders can be entered, deleted or amended. However, no trades take place. During this period, orders are held in the ATS but not forwarded to the execution engine.

The session status will be displayed as “PRE-OPEN”.

- **Each time a new order is input, it is integrated in the order book. Order imbalance (total buy orders compared to total sell orders) is dynamically calculated by the ATS and disseminated to the market. Information will include total number of securities on the buy side and total number of securities on the sell side. Each new incoming order and each cancellation result in a recalculation. Price information is not displayed. Valid orders from the previous day’s closing will also participate in the auction, preserving its original time stamp.**
- No market order is allowed during pre-opening. If submitted it will be rejected.
- Orders with FOK, IOC, disclosed quantity and minimum fill attributes will not be accepted by the ATS during Pre-Opening.
- The order price input is based on the last closing price or on the reference price of the security and must be within its price spread.

4.10.2 Opening Session

During this period, the opening price of each security is calculated by the ATS. The opening price is the price at which the greatest number of securities could be matched.

4.10.2.1 Algorithm for Calculation of the Opening Price

- i. If there is no tradable volume in pre-open session then last day closing is set as opening price
- ii. Establish the execution price, which will enable the maximum number of securities to be traded.
- iii. When there is more than one price at which the maximum number of securities can be traded, then the price that leaves minimum imbalance in share volume is set as opening price
- iv. When there is more than one price at which imbalance of share volume is equal then the price based on least net change comparing to last day closing price is set as opening price.
- v. When net change from the last day closing price is same then the highest price is set as opening price

Orders at the opening price are executed on “Equal Allocation” principle. All orders have the same time priority for pre-open session

Following examples explain the determination of pre-open pricing:

Case 1

The Pre-Open Market is

ID	Volume	Buy	Sell	Volume	ID
A	2000	3.85	4.00	3000	C
B	1000	3.70	4.10	4000	D

The Basis for the opening price Calculation is:

Buy Volume	Price	Sell Volume	Trade Volume
3000	3.70	0	0
2000	3.85	0	0
0	4.00	3000	0
0	4.10	7000	0

Opening Price = Last Day's Closing Price as there is no tradable volume during pre-opening phase

Expected Trades = No trading is carried out at open.

Case 2: Rule 1: Maximum Tradable Volume

The Pre-Opening Market is:

ID	Volume	Buy	Sell	Volume	ID
A	1000	3.85	3.80	2000	D
B	1000	3.80	3.85	1500	E
C	1000	3.70	4.10	2000	F

The Basis for the opening price selection.

Buy Volume	Price	Sell Volume	Trade Vol
3000	3.70	0	0
2000	3.80	2000	2000 price based on maximum trade volume
1000	3.85	3500	1000
0	4.10	5500	0

Opening Price = 3.80

Expected trades A buy from D 1000 @ 3.80

B buy from D 1000 @ 3.80

Case 3: Rule 2: Minimum imbalance in the share volume

ID	Volume	Buy	Sell	Volume	ID
A	2000	3.85	3.80	2000	D
B	1000	3.80	3.85	1500	E
C	1000	3.70	4.10	2000	F

The Basis for the opening price selection.

Buy Volume Price Sell Volume Trade Volume Least Imbalance

4000	3.70	0	0	0
3000	3.80	2000	2000	1000 Price based on least imbalance
2000	3.85	3500	2000	1500
0	4.10	5500	0	0

Opening Price is 3.80

Expected trade A buy from D 2000 @ 3.80

Market after opening

ID	Volume	Buy	Sell	Volume	ID
B	1000	3.80	3.85	1500	E
C	1000	3.70	4.10	2000	F

Case 4: Rule 3: Least net change from the last day's closing price

ID	Volume	Buy	Sell	Volume	ID
A	2000	3.85	3.80	2000	D
B	1000	3.80	3.85	1000	E
C	1000	3.70	4.10	1000	F

The Basis for the opening price selection.

Buy Vol. Price S.Vol Trade Vol Least Imbalance Difference from L.Closing Price
Say (3.75)

4000	3.70	0	0	0	0
3000	3.80	2000	2000	1000	0.05 Closest to the last close price
2000	3.85	3000	2000	1000	0.10
0	4.10	4000	0	0	0

Opening Price is 3.80

Expected trades A buy from D 2000 @ 3.80

The Opening Market is:

ID	Volume	Buy	Sell	Volume	ID
B	1000	3.80	3.85	1000	E
C	1000	3.70	4.10	1000	F

Case 5: Rule 4: Highest Share Price

ID	Volume	Buy	Sell	Volume	ID
A	2000	3.90	3.80	2000	D
B	1000	3.80	3.90	1000	E
C	1000	3.70	4.10	1000	F

The Basis for the opening price selection.

Buy Vol.	Price	S.Vol	Trade Vol	Least Imbalance	Difference from L.Closing Price Say (3.85)
4000	3.70	0	0	0	0
3000	3.80	2000	2000	1000	- 0.05
2000	3.90	3000	2000	1000	+ 0.05 Highest Price
0	4.10	4000	0	0	0

Opening price is 3.90
 Expected trade A buy from D 2000 @ 3.90

The Opening market is:

B	1000	3.80	3.90	1000	E
C	1000	3.70	4.10	1000	F

4.10.3 Continuous Session

This period covers the trading operations. After the opening price is calculated, the order book will be “live”. New orders are continuously entered into the system. Incoming orders are checked against existing orders in the order book. An attempt is made to match each incoming order and thereby trigger a transaction or several transactions. The best price of a buy transaction shall be the lowest sell order and best price of the sell transaction shall be the highest buy order in the order book.

- An order will be matched with the best opposite order and subsequent best orders until partly or fully executed or no further matching is possible.
- During continuous trading, the session status will be displayed as “OPEN”.

4.10.3.1 Matching Criteria

The criteria for execution during continuous trading are as follows:

A. PRICE PRIORITY

The highest bid and the lowest offer have precedence over all other orders. Orders are ranked by price sequence in the order book.

B. TIME PRIORITY

When orders are at the same price, the earliest one takes priority over those entered later. If a large order is placed with a smaller disclosed quantity (hidden orders) and the disclosed quantity is executed, the order will lose its time priority.

C. MARKET ORDERS

Price is given the highest priority in the system. Thus, market orders will have priority of execution over limit orders. The ATS will attempt to match the order until either the entire volume is matched or no further matching is possible. In addition, please note the following:

- Market orders are accepted only if there are orders on the other side
- Users cannot specify Minimum Fill for these orders
- If partial execution has taken place, the unexecuted balance quantity is queued as a limit order on last matching that is last execution price.

4.10.3.2. Matching Rules

The rules for fixing prices and matching orders during continuous sessions are as follows:

Rule 1

If a new order (either a market or a limit order) matches a limit order in the order book, the price of the limit order initially in the order book is the execution price. The order book thus dictates the price.

Rule 2

- a) If a new limit order matches a market order in the order book, the price of the newly entered limit order becomes the execution price.
- b) If there is a limit order on the opposite side of the order book (in addition to the market order) and if this limit order is more favourable for the new incoming limit order, the trade between the new limit order and the market order takes place at the favourable price (i.e. the price of the initial limit order).

EXAMPLE

A newly arrived purchase order is at 99.50 and is matched to an existing sell market order. In accordance with Rule 2, the execution price is 99.50. If a sell order with a price limit of 99.00 were in the order book (in addition to a market order), this price would have been better from the purchaser's point of view than the price of 99.50. Therefore, 99.00 is the execution price between the newly arrived purchase order and the existing market order.

Rule 3

- a) If there is a limit order on the opposite side of the order book (in addition to the market order) whose price is more favourable for the newly arrived market order than the last

execution price, or the reference price in case no trade has taken place during the market day, then the more favourable price is applied for the transaction price between the two market orders.

4.10.3.3 Continuous Session Example

An example of a multi-stage matching process based on a new incoming order is as follows:

Table I

Security ABC		
Reference/ Last executed Price (.99.00 US cents)		
Bid Volume per Price	Price (US cents)	Ask Volume per Price
500	98.00	
200	98.50	
	99.00	400
	99.50	200 + 300

A purchase order for 700 shares at 99.50 enters the order book. Matching starts with the order to sell 400 shares at 99.00. The price is determined by the sell limit order according to the first rule.

First Trade: 400 shares at 99.00

300 shares remain from the new order. They are matched against the next order – sell 200 shares at 99.50. Since there are two orders at 99.50, they are based on time of entry. The order of 200 shares was entered first. Again, the first rule is applicable.

Second Trade: 200 shares at 99.50

The remaining 100 shares are now matched to the sell order of 300 shares at 99.50. Again, the first rule applies.

Third Trade: 100 shares at 99.50

The newly arrived purchase order (700 at 99.50) is then executed. The order book now looks as follows:

Table II

Bid Volume per Price	Price	Ask Volume per Price
500	98.00	
200	98.50	
	99.50	200
Last Traded Price: 99.50		

4.10.4. Closing Session

- The closing session is a short session after the end of the continuous trading. During this session the ATS would essentially compute the closing price for each security. The closing price of a security is its last execution price during a trade day.
- The last execution price is adjusted in case it is affected by a trade cancellation.
- The closing price of a security will default to its last closing price if there has been no trade in that security during the continuous session.
- The reference price of a security will however be adjusted to:
 - (i) its maximum price limit in case a GTD/GTC buy order at the maximum price limit is registered in the order book and no trades are effected in that security during the trade day.
 - (ii) its minimum price limit in case a GTD/GTC sell order at the minimum price limit is registered in the order book and no trades are effected in that security during the trade day.

The ATS will process time in force order attributes. Unmatched day orders will be automatically deleted. Valid GTC and GTD orders will be transferred to the next market day.

4.11 Post Order Submission

4.11.1. Order Cancellation/Amendment

An order input into the ATS and displayed in the order book can, if required, be either cancelled or amended by an authorised ZSEATS user responsible for its input in the first place. ATS operators can access only to orders input by them in the ATS for cancellation/amendment.

4.11.1.1. Cancellation of Orders

Orders can be cancelled at any point in time prior to execution. If partially executed, any unexecuted portion of an order can be cancelled.

4.11.1.2 Amendment of Orders

Orders displayed in the order book can be amended prior to execution. The order can be amended in respect of price, volume and time attributes. However, core attributes such security ID and order type (buy/sell) cannot be amended:

- If there is a price change the amended order will have a new timestamp applied.
- If the amendment is in respect of a volume increase, the order will have a new time stamp applied to it.
- If the amendment is in respect of a volume decrease, the original time stamp will be retained by the order.

4.11.2 Trade Cancellation/ Amendment

- Executed trades can be amended or cancelled based on mutual agreement between the securities dealing firms involved in the trade and with the approval of the Exchange. The cancellation/amendment will be effected on the market day on which the trade took place as per the prescribed time in Procedure 4.1.
- Upon receipt of an application to cancel or amend, and if deemed fit, the Exchange will approve the trade cancellation/amendment and make the necessary adjustment to the trade. The investment dealers involved in the trade and the market will be informed of the trade cancellation/amendment.
- A trade cancellation/amendment shall be initiated by the selling investment dealer involved in the trade. In case of a trade amendment only the volume of the trade is amended and can only be decreased.
- The ZSE will inform CSD of any trade cancellation/amendment effected after 3.30 p.m.

4.12. Calculation of Market Indices

- Market indices are calculated based on the last execution price of ordinary shares on the Equity Board of the Main Market and Secondary Market.
- Opening market indices are calculated by the ATS at the opening session.
- During continuous session the market indices are calculated on a real time basis.
- The closing market indices are calculated at the closing session.
- In case the last execution price of a security is changed due to a trade cancellation, market indices are adjusted accordingly. The market is informed of such changes via the announcement system of the ATS.

4.13 Trading Halts

There are two types of trading halts:

- a) Market halt
- b) Security halt

A trading halt may be imposed by the Exchange for a time period during a market day or may be extended beyond one market day.

The Exchange will inform the market of trading halts via the announcement system of the ATS.

4.13.1 Market Halts

- The market can be halted by the Exchange during the pre-opening and continuous trading session.
- The market halt can occur in the following circumstances:
 - i. Due to a technical failure of the ATS.
 - ii. The ATS cannot be fully used by more than 25 % of the securities dealing firms.
 - iii. When the **Index** decreases by more than 8% at the opening of the market compared to its last closing value or during the continuous session compared to its last closing value. The halt will not be for more than 15 minutes.
- During a market halt the market status will be displayed as “MARKET HALT”.
- When the halt is lifted during a market day, the market will resume as per the current market status.
- The trading hours of the market will be extended by the time period during which the market was halted.

4.13.2 Security Halts

- With the aim of keeping the functioning of a fair, efficient and orderly securities trading environment, the Exchange may temporarily halt trading in one or more securities. Security halt will occur in the following circumstances:
 - i. Upon the request of the SECZ.
 - ii. By the Exchange
 - (a) Upon receipt of any price sensitive information in respect of the security / securities traded on the Exchange, during trading sessions.
 - (b) *Prior to obtaining a clarification from the company on a rumour/ report regarding the company which has been brought to the attention of the Exchange and which may have an effect on the price of its security.*
 - (c) When there are unusual market movements in price of a security. In case the price of a security reaches its maximum or minimum permissible price limit during a trading session, without being based on prevailing market events.
- Securities dealing firms dealers will be informed of the halt.
- Securities dealing firms shall be prohibited from effecting transactions in the security/securities for which notice of halt of trading has been communicated.
- The security status will be displayed as “TH” (Trading Halted) in case of halt of a security.
- The Exchange may determine if it should purge the orders in the order book at the time of halt. If the Exchange chooses not to purge the orders, investment dealers could request the Exchange to amend/cancel their orders during the period of halt. No other changes to the order book are permitted during the halt.
- Trading in the security/securities will resume as soon as the announcement/clarification from the Exchange or the issuer is disseminated to the market.
- In case clarifications from the company requested pursuant to procedure 4.13.2 (ii) (b) is not obtained within 15 minutes, the Exchange shall maintain the security halt for such longer period as deemed appropriate.
- When the halt is lifted, trading in the security/ securities will resume as per the current market status.

4.14 Security Suspension

- The Exchange may suspend trading in one or more securities on all Boards. The suspension may be imposed for a time period during a market day or may be extended beyond one market day.
- The Exchange will inform the market of the security suspension and about the period of suspension via the announcement system of ZSEATS. CSD will also be informed about the suspension.

Security suspension will occur in the following circumstances:

- i. In the interests of maintaining an orderly, fair, efficient and transparent market.
 - ii. To protect investors' interests against disclosure of information about an event which may influence the market price of a security and /or investor's decision to buy or sell the securities.
- An securities dealing firm shall be prohibited from effecting transactions in the security/securities for which notice of suspension of trading has been communicated.
 - The security status will be displayed as "TS" (Trading Suspended) in case of suspension of a security.
 - The Exchange may determine if it should delete the orders in the order book at the time of suspension. If the Exchange chooses not to delete the orders, investment dealers are free to withdraw their own orders during the period of suspension. No other changes to the order book are permitted during the halt.
 - The Exchange may purge all the outstanding orders in the order book of the security/securities on which there has been a suspension.
 - When the suspension is lifted, trading in the security/ securities will resume as per the current market status.

4.15 Securities Dealing Firms' Obligations

- In conducting Exchange transactions Securities dealing firms must comply with the Rules & Trading Procedures and operating procedures of the ATS manuals issued by the Exchange.
- The principals of the Securities dealing firms are responsible for order inputs in ZSEATS and Exchange transactions effected by authorised ZSEATS users on their behalf. Only authorised ZSEATS users are allowed to use ZSEATS for conducting Exchange transactions.
- Securities dealing firms should inform the Exchange immediately in writing, giving details of any appointment or changes to their list of ATS operators.
- ***One or more terminals will be designated to each securities dealing firm for connection to the ZSEATS.***
- In case of a technical failure of a securities dealing firm, it will be allowed to use fall back facilities provided by the Exchange.
- A Securities dealing firm shall immediately inform the Exchange of any failure in the communication system between itself and the Exchange or in its local system that is used for effecting Exchange transactions.

4.16. Ex- Entitlement Price

- The reference price of a security is adjusted to take into account any entitlement declared in respect of the security.
- The ex-entitlement price of a security is determined at the start of the ex-entitlement market day, before the pre-opening session.
- The ex-entitlement price is rounded to its nearest corresponding tick size.
 - When the dividend amount is higher than the price of the security on the last cum date and price adjustment may not be possible, the reference price will be presented as N/A with no price spreads.

4.16A Adjustments for Entitlements

A. Dividends

Ex-Dividend Ref Price = Cum Dividend Price – Amount of Dividend per share

B. Rights Issue

$$\text{Ex-Right Ref Price} = \frac{\left[\text{Cum Right Price} \times \frac{\text{No of shares held as per ratio of Right Issue}}{\text{No of Shares held} + \text{No of new shares receivable (as per ratio of Right Issue)}} \right] + \left[\text{Issue Price} \times \frac{\text{No of new shares receivable as per ratio of Right Issue}}{\text{No of Shares held} + \text{No of new shares receivable (as per ratio of Right Issue)}} \right]}{\text{No of Shares held} + \text{No of new shares receivable (as per ratio of Right Issue)}}$$

C. Bonus Issue

$$\text{Ex- Bonus Ref Price} = \frac{\text{Cum Bonus Price} \times \text{No of shares held as per ratio of Bonus Issue}}{\text{No of Shares held} + \text{No of new shares receivable (as per ratio of bonus Issue)}}$$

D. Share Split

$$\text{Ex- Share Split Ref Price} = \frac{\text{Cum Share Split Price}}{\text{Split Factor}}$$

E. Dividend in Specie

Ex-Dividend in Specie Ref price = Cum Dividend in Specie Price – Amount of Dividend in Specie per share

F. Increase in Share Capital.

$$\text{Ex Ref Price} = \frac{(\text{Cum Share Price} \times \text{No of Shares in Issue}) + (\text{New Shares} \times \text{Issue Price})}{\text{No of shares in Issue} + \text{No of New Shares}}$$

G. Decrease in Share Capital

$$\text{Ex Ref Price} = \frac{\text{Cum Share Price} \times \text{No of Shares in Issue}}{\text{No of Shares in Issue} - \text{Shares Cancelled}}$$

H. Determination of Right Price

Right price = Price of Security before trade date of Rights – Issue Price per share

I. Partly Paid Share

Partly Paid Share Price = Price of Security before trade date of partly paid share – Amount of call payment

Any other adjustment to the price of a security in respect of entitlements not mentioned above will be carried out based on international practice and standards and the market will be informed accordingly

4.16 B – Adjustment to Base Market Capitalisation

- The base market capitalisation of market indices is adjusted in case of a rights issue, issue of new shares, cancellation of shares and dividend in specie. The purpose of the adjustment is to neutralise the change so that the change has no effect on the original value of market indices.
- In case a right is not subscribed or partially subscribed, the base market capitalisation of market indices will be adjusted to reflect the exact number of issued shares. The re-adjustment takes effect on the trade day following receipt of communiqué from the issuer.
- Any other adjustment to base market capitalization will be carried out based on international practice and standards and the market will be informed accordingly.

4.17. Announcements

The Exchange disseminates corporate announcements in respect of entitlements and market related information to investment dealers via the announcement system of the ATS.

4.18 Uploading of Trade Details to CSD

At a scheduled time, ZSE will make available to CSD details of all trades that have been effected on the ZSEATS.

4.19. Dissemination of Market Information

- Trade related information is disseminated to the securities dealing firms on a real time basis.
- At the close of each market day, the official closing price including other final trading results for the given Exchange day are published in the market information sheet.
- The Exchange, at the end of the week, publishes a weekly official bulletin consisting of trading and market related information of the previous week.

4.20. Trading of Rights

- The Exchange determines the indicative price of each right applicable for the first trading day of the rights.
- The rights are traded according to the ATS Rules & Procedures, applicable to trading of equities.
- There is no price spread applicable for the trading of rights.
- The rights are traded for ten consecutive trading days.
- In case the indicative price of a Right cannot be indicated to the market, the price of the Right will be determined by the market through buy and sell orders during the first trading session or subsequent trading session in case there is no transaction during the first trading session.

4.21. Price Determination of a Newly Listed Security

- The securities dealing firm discloses the quantity of securities offered for sale by the issuer during the pre-opening session of the first trading day, at the indicative price indicated by the issuer. Orders in respect of the newly Listed Security from other investment dealers will also be allowed to be input during the pre-opening and continuous session.
- There is no price spread for the security during the pre-opening and continuous session.
- Only limit orders with disclosed quantities are permitted for this security.
- Order imbalance (total buy orders compared to total sell orders) is dynamically calculated by the ATS and disseminated to the market. Information will include total number of securities on the buy and sell sides. Each new order and each cancellation result in a recalculation. Price information is not displayed.
- At the opening session, the first execution price of the security is determined according to the following algorithms:
 1. Establish the execution price, which will enable the maximum number of securities to be traded.
 2. When there is more than one price at which the maximum number of securities can be traded, the highest price will be the execution price.
 3. Buy orders whose price limit exceeds the execution price are executed in their entirety and sell orders whose price limits falls below the execution price are executed on a price/time priority principle. .
 4. Unless the cumulative volume of buy and sell orders is equal at the execution price, the orders at the execution price of the security are executed on a time priority principle. An order can be totally matched, partially matched or not matched at all at the execution price. All orders of the security that can be matched at the execution price are matched at the same price.

5. In case an opening price is determined all unmatched orders will be transferred to the continuous session on a price time priority principle.
6. In a case a price cannot be determined during the pre-open session, all the orders will be transferred to the continuous session on a price/ time priority principle.
7. For the first trading day, in case an execution price is determined, the execution price/s of the security will not be included in the calculation of market index/ indices.
8. Price spreads will be applicable and the security will be included in market indices during the trading session following the session where a closing price is determined.

5. TRADING IN SECURITIES ON THE ODD LOT BOARD

The Odd Lot Board is used for trading in equities whose buy and sell orders have quantities less than 100 securities. Odd lots are traded in a separate order book in price and time priority principle. Odd lots transaction can only be entered as limit orders. Odd lots trading cycle consist of continuous session only.

5.1 Operating hours of the ATS for the Odd Lot Board

Sessions	Time
Pre-opening	9.00 a.m. to 10.00 a.m.
Opening	10.00 a.m.
Continuous	10.00 a.m. to 3.00 p.m.
Closing	3.00 p.m.
Postclose	3.00 p.m. to 3.30 p.m.

5.2 Order Input

- Clients place their orders with the securities dealing firms. Upon receipt of orders, the time of receipt of the orders is immediately recorded by the authorised ZSEATS users together with other particulars of the orders. The orders are entered by the authorised ZSEATS users in the ATS through their trading terminals which are then transmitted directly to the central system for validation, execution and processing.
- Clients may also place orders using the functionality provided in the Exchange web site, which is linked to ZSEATS. The client must first log-in to the system using the user name and password provided to him by his securities dealing firm. The client then places the order which is routed to the securities dealing firm's workstation. Upon validation of the order, the authorised ZSEATS user transmits the order to the order book for execution.
- All orders input by authorised ZSEATS users are validated at the order entry level. Once the order is accepted by the ATS, it is automatically time stamped and an order ID is allocated which is used for all future references to the order. If the order fails validation, it is rejected with the appropriate comment.
- Order entry instructions include:
 - Security code
 - Client account number and Custodian code
 - Buy or sell indicator
 - Volume
 - Price
 - Type of order
 - Order attributes

2

² 5.1 Amended Trading Hours with effect from 01 July 2018

- The price input is the unit price of a security.
- Orders input into the ATS are anonymously displayed to the market.
- Orders with Disclosed Quantity, Minimum Fill, FOK and IOC attributes and market orders are not permitted by the system.

5.3 Types of Orders

5.3.1 Limit Orders

This type of order specifies the maximum buying or the minimum-selling price. The volume of the order must be indicated. The ATS will attempt to match the order until either the entire volume is matched or no further matching is possible within the limit price.

5.3.2 Good Till Cancelled (GTC)

This order remains valid till cancelled within 30 calendar days from the day on which it was input. The order is automatically cancelled by the ATS on the expiry date. GTC orders cannot have Disclosed/Hidden Quantity and Minimum Fill attributes.

5.3.2.1 Good Till Day (GTD)

This order remains valid for a fixed number of days. If it is not executed within the validity period, it will expire at the end of the final day and be automatically deleted from the list of pending orders. GTD orders cannot have Disclosed/Hidden Quantity and Minimum Fill attributes.

5.3.3 Day Order

This order is valid until the close of the trading day. It is automatically cancelled at the end of the trading day.

5.4 Trading Unit

The trading unit is one security subject to a maximum of 99.

5.5 Tick Size

Tick sizes depend on the price level. The following table shows the different price levels and the corresponding tick sizes.

Price Range	Tick Size
< 0.0000 to 0.0500	0.0001
≥ 0.0500 < 0.1000	0.0002
≥ 0.1000 < 0.5000	0.0005
≥ 0.5000 < 5.0000	0.0025
≥ 5.0000 < 10.0000	0.0100
≥ 10.0000 < 999,999	0.0500

- The tick size of ETFs will be 0.01

5.6 Price Spread

- The authorised price spread for a security during a trading day is +/- 20 % for Share prices above \$0.0100 and +/-100% for share prices below \$0.0100 is based on its reference price on the equity board. All orders outside the permissible spread will be rejected by the ATS.

During a trading day the price of a security is established within its price spread.

- *Price spread shall not be applicable to trading in ETFs.*

5.7 Validation Checks

The following validation checks are done prior to its acceptance by the ATS:

- Valid security code
- Trading permitted on security
- Price within +/- 20 % and 100% of the reference price.
- Tick size
- Order quantity

An order that passes the validation check is accepted by the ATS. Accepted orders will contain an Exchange allocated order ID, which is used for all future references to the order. If the order fails validation it is rejected with the appropriate comment. Until an order has been accepted by the ATS, it is not valid.

5.7.1 Order Execution

When an authorised ZSEATS user inputs an order through its trading terminal, the order is forwarded to the ATS. Within the ATS the state of the order is tracked allowing the current status to be determined and the transaction history from the initial submission to be viewed. Orders will be queued according to price and time priority and are available for modification or cancellation prior to execution.

5.8 Continuous Trading

This period covers the trading operations when the order book will be “live”. New orders are continuously entered into the system. Incoming orders are checked against existing orders in the order book. An attempt is made to match each incoming order and thereby trigger a transaction or several transactions. The best price of a buy transaction shall be the lowest sell order and best price of the sell transaction shall be the highest buy order in the order book.

- An order will be matched with the best opposite order and subsequent best orders until partly or fully executed or no further matching is possible.
- *During continuous trading, the state of the market will be displayed as “OPEN”.*

5.8.1 Matching Criteria

The criteria for execution during continuous trading are as follows:

A. PRICE PRIORITY

The highest bid and the lowest offer have precedence over all other orders. Orders are ranked by price sequence in the order book.

B. Time Priority

When orders are at the same price, the earliest one takes priority over those entered later.

5.8.2. Matching Rules

The rules for fixing prices and matching orders during continuous sessions are as follows:

Rule 1

If a new order (a limit order) matches a limit order in the order book, the price of the limit order initially in the order book is the execution price. The order book thus dictates the price.

Unexecuted or partially executed orders are registered in the order book.

5.8.3 Continuous Session Example

An example of a multi-stage matching process based on a new incoming order is as follows:

Table I

Security ABC		
Reference/ Last traded Price (USD.99.00 US cents)		
Bid Volume per Price	Price	Ask Volume per Price
50	98.00	
20	98.50	
	99.00	40
	99.50	20 + 30

A purchase order for 70 shares at 99.50 enters the Order Book. Matching starts with the order to sell 40 shares at 99.00. The price is determined by the sell limit order according to the first rule.

First Trade: 40 shares at 99.00

30 shares remain from the new order. They are matched against the next order – sell 20 shares at 99.50. Since there are two orders at 99.50, they are based on time of entry. The order of 20 shares was entered first. Again, the first rule is applicable.

Second Trade: 20 shares at 99.50

The remaining 10 shares are now matched to the sell order of 30 shares at 99.50. Again, the first rule applies.

Third Trade: 10 shares at 99.50

The newly arrived purchase order (70 at 99.50) is then executed. The order book now looks as follows:

Table II

Purchase Volume per Price	Price (US cents)	Sale Volume per Price
50	98.00	
20	98.50	
	99.50	20
Last Traded Price: 99.50		

5.9 Closing Session

The closing session is a short session after the end of the continuous trading. During this session the ATS would process time in force order attributes. Unmatched day orders will be automatically deleted. Valid GTC & GTD orders will be transferred to the next market day.

5.10 Order Cancellation/Amendment

An order input into the ATS and displayed in the order book can, if required, be either cancelled or amended by an ATS operator. ATS operators can access only to orders input by them in the ATS for cancellation/amendment.

5.10.1 Cancellation of Orders

Orders can be cancelled at any point in time prior to execution. If partially executed, any unexecuted portion of an order can be cancelled.

5.10.2 Amendment of Orders

Orders displayed in the Order Book can be amended prior to execution. The order can be amended in respect of price, volume and time attributes. However, core attributes such security ID and order type (buy/sell) cannot be amended:

- If there is a price change or change in volume, the amended order is considered to be a new order with a new time stamp.

5.11 Trade Cancellation/ Amendment

- Executed trades can be amended or cancelled based on mutual agreement between the investment dealers involved in the trade and with the approval of the Exchange. The

cancellation/amendment will be effected on the market day on which the trade took place as per the prescribed time in Procedure 5.1.

- Following agreement between the investment dealers involved in the trade, a written request for trade cancellation/amendment is forwarded to the Exchange by both parties involved in the trade.
- Upon receipt and if deemed fit, the Exchange will approve the trade cancellation/amendment and make the necessary adjustment to the trade. The investment dealers involved in the trade and the market will be informed of the trade cancellation/amendment.
- A trade cancellation/amendment shall be initiated by the selling investment dealer involved in the trade. In case of a trade amendment only the volume of the trade is amended and can only be decreased.
- The ZSE will inform CSD of any trade cancellation/amendment effected after 1300 pm.

5.12 Visibility

The Odd Lot Board will be visible to the market.

5.13 Statistics

Odd lots execution will not update market indices or the last execution price. Market volume and value of trades will be updated.

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PART II --- DEBT MARKET

8. TRADING IN SECURITIES ON THE DEBT BOARD.

The debt board is used to trade debt instruments.

8.1 Operating Hours of the ZSEATS for the Debt Board

Sessions	Time
Pre-opening	9.00 a.m. to 10.00 a.m.
Opening	10.00 a.m.
Continuous	10.00 a.m. to 3.00 p.m.
Closing	3.00 p.m.
Postclose	3.00 p.m. to 3.30 p.m.

8.2. Transmission of Orders

Only debt instruments listed on ZSE shall be traded on the debt board.

8.2.1 Order Input

- Clients place their orders with the securities dealing firms. Upon receipt of orders, the time of receipt of the orders is immediately recorded by the authorised ZSEATS users together with other particulars of the orders. The orders are entered by the authorised ZSEATS users in the ATS through their trading terminals, which are then transmitted directly to the ATS for execution and processing.
- All orders input by the authorised ZSEATS users are validated at the order entry level. Once the order is accepted by the ATS, it is automatically time stamped and an order ID is allocated which is used for all future references to the order. If the order fails validation, it is rejected with the appropriate comment.
- Order entry instructions include:
 - Security code
 - Buy or sell indicator
 - Client account number and Custodian code
 - Volume
 - Price
 - Yield
 - Type of order
 - Order attributes

- *The price input is the unit price of a security.*
- Orders input into the ATS are anonymously displayed to the market.
- An order entered based on yield criteria will be converted into its equivalent price and matching will be effected on price basis.

8.3. Types of Orders

There are two types of orders that can be placed in the ATS:

- Market orders
- Limit orders

8.3.1 Market Orders

A market order is defined as an order to buy or sell a security at the best price or prices prevailing in the market at that point in time. No price is specified for this type of order, but volume must be indicated. Price is given the highest priority in the system. Thus, market orders have priority of execution over limit orders. Market orders cannot be amended.

8.3.2 Limit Orders

This type of order specifies the maximum buying or the minimum-selling price. The volume of the order must be indicated. The ATS will attempt to match the order until either the entire volume is matched or no further matching is possible within the limit price.

8.4 Order Attributes

Limit orders can have the following attributes:

- Qualifiers
- Disclosed/Hidden quantity

8.4.1. Order Qualifiers

Order qualifiers modify the execution conditions of an order based on volume, time and price constraints.

8.4.2 No Qualifiers

Orders will be executed at the specified or better price. If a partial execution occurs the remaining volume will be registered in the order book.

8.1 Includes Preopen session with effect from 26 February 2018

8.1 Extended trading hours to 3.00 pm with effect from 01 July 2018

8.4.3 Fill or Kill (FOK)

Requires the immediate purchase or sale of a specified quantity, at a given price or better. If the whole order cannot be filled immediately, it is cancelled. These orders do not get registered in the order book

8.4.4 Immediate or Cancel (IOC)

Requires the immediate purchase or sale for the whole or part of the specified quantity at the specified or better price. If no immediate execution occurs the order is cancelled. If the order is partly executed, the remainder is immediately cancelled.

8.4.5 Day Order

This order is valid until the close of the trading day. It is automatically cancelled at the end of the trading day.

8.4.6 Disclosed/ Hidden Quantity

- The order size is revealed at the disclosed quantity and not at the full order quantity. The disclosed quantity will cause execution to occur in blocks of disclosed quantity. The hidden quantity will only be visible to the ATS operator entering the order.
- When the disclosed quantity is matched, a new order with the same initial volume is generated automatically. This order will be given a new time stamp. The process will continue until the entire hidden quantity is matched or the order is cancelled or expired.
- Disclosed quantity shall be equal to or greater than 25% of the order size.
- Disclosed quantity attribute is not valid for FOK or IOC orders.

8.5 Trading Unit

The trading unit is 10,000.

8.6 Tick Size

The tick size on debt instruments is yield-based and tick size is 0.01.

Orders placed on a yield basis will be adjusted to the nearest tick size and the price will also be adjusted correspondingly.

Orders can also be placed on a price basis. The system will calculate the corresponding yield to the nearest tick size and adjust the price accordingly. If an order is entered at the mid-point between two tick sizes, the yield will be adjusted to the higher of the two tick sizes and the price will be adjusted accordingly.

For calculating price based on Yield, the following mechanism should be used. Keeping in view that tick size is 0.05

- i. ceiling for sell orders (If calculated price is 45.01 then system shall auto convert it to 45.05)⁴
- ii. Floor for buy orders (If calculated price is 45.04 then system shall auto convert it to 45.00)
- iii. Based on Price corresponding Yield should be computed without any tick size up to 4 decimal places

8.7 Reference Price

The reference price of a security is its closing price adjusted for day change.

8.8. Validation Checks

The following validation checks are done prior to its acceptance by the ATS:

- Valid security code
- Trading permitted on security
- Tick size

An order that passes the validation check is accepted by the ATS. Accepted orders will contain an Exchange allocated order ID, which is used for all future references to the order. If the order fails validation it is rejected with the appropriate comment. Until an order has been accepted by the ATS, it is not valid

8.9 Order Execution

When an ATS operator inputs an order through its trading terminal, the order is forwarded to the ATS. Within the ATS the state of the order is tracked allowing the current status to be determined and the transaction history from the initial submission to be viewed. Orders will be queued in price and time order and are available for modification or cancellation prior to execution.

8.10 Continuous Trading

This is the period when the order book is open and orders are continuously input into the ATS for matching. Incoming orders are checked against existing orders in the order book. An attempt is made to match each incoming order and thereby trigger a transaction or several transactions. The best price of a buy transaction shall be the lowest sell order and the best price of a sell transaction shall be the highest buy order in the order book. An order will be matched with the best opposite order and subsequent best orders until partly or fully executed or no further matching is possible.

During continuous trading, the session status will be displayed as "OPEN".

8.10.1 Matching Criteria

The criteria for execution during continuous trading are as follows:

8.5 Lot size increased to 10,000 with effect from 26 February 2018

8.6 Tick size amended to 0.01 with effect from 26 February 2018

A. Price/ Yield Priority

On a price basis, the highest bid and the lowest offer have precedence over all other orders. Orders are ranked by price sequence in the order book.

Corresponding Yield is calculated and displayed based on the entered price and vice versa. However only Price is sent to Matching engine for matching of orders.

B. TIME PRIORITY

When orders are at the same price, the earliest one takes priority over those entered later. If a large order is placed with a smaller disclosed quantity (hidden orders) and once the disclosed quantity is executed, the order will lose its priority.

C. MARKET ORDERS

A market order is defined as an order to buy or sell a security at the best price or prices prevailing in the market at that point in time. No price is specified for this type of order, but volume must be indicated. Price is given the highest priority in the system. Thus, market orders have priority of execution over limit orders. Market orders cannot be amended.

8.10.2 Matching Rules

The rules for fixing prices and matching orders during continuous sessions are as follows:

Rule 1

If a new order (either a market or a limit order) matches a limit order in the order book, the price of the limit order initially in the order book is the execution price. The order book thus dictates the price.

Rule 2

- a) If a new limit order matches a market order in the order book, the price of the newly entered limit order becomes the execution price.
- b) If there is a limit order on the opposite side of the order book (in addition to the market order) and if this limit is more favourable for the new incoming limit order, the trade between the new limit order and the market order takes place at the favourable price (i.e. the price of the initial limit order).

Example

A newly arrived purchase order is at 1001 and is matched to an existing sell market order. In accordance with Rule 2, the execution price is 1001. If a sell order with a price limit of 1000 were in the Order Book (in addition to the market order), this price would have been better from the purchaser's point of view than the price of 1001. Therefore, 1000 is the execution price between the newly arrived purchase order and the existing market order.

Rule 3

- a) If two market orders are matched, the last execution price becomes the transaction price. If no trade has taken place during the market day, then the reference price becomes the transaction price.
- b) If there is a limit order on the opposite side of the Order Book (in addition to the market order) whose price is more favourable for the newly arrived market order than the last execution price, or the reference price in case no trade has taken place during the market day, then the more favourable price is applied for the transaction price between the two market orders.

Example

A market sell order is input in the ATS. A transaction is done with an existing market order on the purchase side. According to Rule 3(a), the last traded price becomes the execution price. Let us assume this is 1005. If besides the market order on the purchase side, a limited order of 1006 were available, this price would be better than the reference price (1005) from the seller's standpoint. The transaction between the two market orders would therefore be executed at 1006.

- Unexecuted or partially filled orders are registered in the Order Book.

8.10.3 Continuous Session Example

An example of a multi-stage matching process based on a new incoming order is as follows:

Table I

Security ABC		
Reference/ Last execution Price (.1003US cents)		
Bid Volume per Price	Price US cents	Ask Volume per Price
500	1001	
200	1002	
	1003	400
	1004	200 + 300

A purchase order for 700 debentures at 1004 enters the order book. Matching starts with the order to sell 400 debentures at 1003. The price is determined by the sell limit order according to the first rule.

First Trade: 400 debentures at 1003

300 debentures remain from the new order. They are matched against the next order – sell 200 debentures at 1004. Since there are two orders at 1004, they are based on time of entry. The order of 200 debentures was entered first. Again, the first rule is applicable.

Second Trade: 200 debentures at 1004

The remaining 100 debentures are now matched to the sell order of 300 debentures at 1004. Again, the first rule applies.

Third Trade: 100 debentures at 1004

The newly arrived purchase order (700 at 1004) is then executed. The order book now looks as follows:

Table II

Bid Volume per Price	Price	Ask Volume per Price
500	1001	
200	1002	
	1004	200
Last Traded Price: 1004		

8.11 Closing Session

- The closing session is a short session after the end of the continuous trading. During this session the ATS would essentially compute the closing price for each security.
- The closing price of the debt instrument will be its last execution price during a trade day.
- The last execution price is adjusted in case it is affected by a trade cancellation.
- In case no execution price for a debt instrument can be determined during a trade day, the closing price will default to its reference price.

8.12. Order Cancellation/ Amendment

An order input into the ATS and displayed in the order book can, if required, be either cancelled or amended by an ATS operator. ATS operators can access only to orders input by them in the ATS for cancellation/amendment.

8.12.1 Cancellation of Orders

Orders can be cancelled at any point of time prior to execution. If partially executed, any unexecuted portion of an order can be cancelled.

8.12.2. Amendment of Orders

Orders displayed in the order book can be amended prior to execution. The order can be amended in respect of price and volume attribute. However, core attributes such security ID and order type (buy/sell) cannot be amended.

If price is changed then the amended order is assigned a new timestamp. If however quantity is changed, then two possible scenarios arise

- a. If quantity of order is increased, then new order is assigned a new timestamp.

- b. If quantity of order is decreased, then the original timestamp is retained

8.13 Trade Cancellation/ Amendment

Executed trades can be amended or cancelled based on mutual agreement between the securities dealing firms involved in the trade and with the approval of the Exchange. The cancellation/amendment will be effected on the market day on which the trade took place as per the prescribed time in Procedure 8.1. A trade cannot be cancelled or amended if the buyer involved in the trade has subsequently sold the securities purchased earlier during the same trading session.

- Following agreement between the securities dealing firms involved in the trade, a written request for trade cancellation/amendment is forwarded to the Exchange by both parties involved in the trade.
- Upon receipt and if deemed fit, the Exchange will approve the trade cancellation/amendment and make the necessary adjustment to the trade. The securities dealing firms involved in the trade and the market will be informed of the trade cancellation/amendment.
- A trade cancellation/amendment shall be initiated by the selling securities dealing firm involved in the trade. In case of a trade amendment only the volume of the trade is amended and can only be decreased.

The ZSE will inform CSD of any trade cancellation/amendment effected after the trading session closes.

8.14 Additional Procedures

The following Procedures will apply to the Debt Board:

- 4.13 – Trading Halts**
 - 4.13.1- Market Halts**
 - 4.13.2- Security Halts**
- 4.14--- Security Suspension**
- 4.15--- Investment Dealers’ Obligations**
- 4.17----Announcements**
- 4.18--- Uploading Trade Details to CSD**
- 4.19--- Dissemination of Market Information**

PART III

9. TRADING IN SECURITIES ON SPECIAL TERMS BOARDS.

Special terms boards comprises Negotiated Deals Board and Buy-In Board.

9.1. Negotiated Deals Board

A Negotiated deal is a trade between two securities dealing firms or a trade between one securities dealing firm acting on behalf of both the buyer and seller for a specified quantity of securities at a specified price. For securities traded on the equity board and debt board crossing is carried out during the ZSEATS operating hours when the Negotiated deal Board is open.

9.1.1 Order Input

A Negotiated deal is entered by a securities dealing firm / two securities dealing firms involved in the trade specifying the buyer securities account, seller securities account, corresponding custodians code, volume and price. In case only one securities dealing firm is involved in the trade the contra securities dealing firm code will be its own code. The Negotiated deal is deemed to be entered when the securities dealing firm/s have completed the entries. If the seller does not have adequate securities in his securities account, the crossing will be rejected and will have to be re-entered. The Negotiated deal will be rejected if there is a mismatch in quantity of the two entered orders.

9.1.2 Price Determination Mechanism

The Negotiated deal will be executed at the entered price.

9.1.3 Amendments

Negotiated deal cannot be amended but can be cancelled by the investment dealers / investment dealer involved in the trade.

9.1.4 Order life time

Unmatched Negotiated deal are expired after 1 day.

9.1.5. Price constraints

A Negotiated deal shall take place within the price spread of the security in respect of the market day. In exceptional situations, the ZSE may, subject to the approval of the SECZ, waive the

requirement to comply with this Procedure, provided that there is likely to be no distortion of the market, nor any prejudice caused to shareholders

9.1.6 Trading unit

To be crossed the parcel must be:

- a) More than 5% of the issued number of securities , Or
- b) Greater than USD 5 000 000

In the event of a sale of securities by a company to its employees under a specific scheme or in other exceptional situations, the ZSE may, subject to the approval of the SECZ, waive the requirement to comply with this Procedure, provided that there is likely to be no distortion of the market, nor any prejudice caused to shareholders.

9.1.7 Visibility

Orders placed on the crossing board will not be visible in the normal market data displays and hence will not put price pressure another trading. The trade will be displayed after its execution.

9.1.8 Statistics

Crossings will not update the indices and closing price. Volume and value traded for the market day will be updated.

9.2 Buy-In- Board

- Buy-In session is organised by the Exchange upon receipt of request from CSD, in case of default by CSD participants who fails to deliver securities traded on the Main Market, Secondary Market and Debt Market on the settlement date. Buy-In is carried out on the buy-in board.
- CSD submits to the Exchange the name of the designated securities dealing firm, which will effect the buy-in on its behalf and agrees with the Exchange on the date on which the buy-in will be carried out.
- The Exchange informs all the securities dealing firms of the buy-in and the date on which the buy-in will be effected. Buy-In is carried out at 12.30 p.m on a market day for securities traded on the equity board and debt board.
- The ZSE indicates an indicative price of the security for the buy-in and which will be + 2 % of its reference price determined on the trade day on which the buy-in is carried out.

- In case the buy-in is unsuccessful, it is postponed for the next trading day. The Buy-In price will be + 2 % of its reference price determined on the trade day on which the buy-in is carried out.
- In case the buy-in is partially executed, it will be postponed for the next trading day. The Buy-In price will be + 2 % of its reference price determined on the trade day on which the buy-in is carried out.
- The buy-in is carried out until it is successful within five consecutive market days for securities traded on the equity board and debt board. On each Exchange day the price will be + 2% of its reference price determined on the trade day on which the buy-in is carried out.
- The designated securities dealing firm displays the volume of securities, at the price indicated by the Exchange for the buy-in, on the trade day.
- Incoming selling orders are executed at the indicated price on a time priority basis, until the buy-in is completed.
- The transfer of securities and settlement in respect of the buy-in are effected according to the provisions of CSD Rules and Procedures.
- In the event that the buy-in is unsuccessful or partly successful after five market days for securities traded on the equity board and debt board, the provisions of the CSD Rules and Procedures will apply.
- The Exchange informs the CSD of the status of the buy-in.

9.2.1 BUY-IN SESSIONS

The Buy-In will be divided into the following sessions:

Sessions	Duration
Pre-Open	15 minutes
Pre-Open Watch	10 minutes
Buy-In Open	30 minutes

Pre-Open

During this period, the designated securities dealing firm will place a bulk buy order for the quantity of securities for the Buy-In. No other investment dealers will be authorised to place any buy or sell orders during this period.

Pre-Open watch

During this period the order book will be displayed to the market. No order will be accepted by the ATS during this period. The order book will be for view only.

Buy-In

During this period only sell orders will be accepted by the ATS. The orders input will be matched on a time priority principle at the Buy-In price.
