

ADX

سوق أبوظبي للأوراق المالية
Abu Dhabi Securities Exchange



ADX ELECTRONIC TRADING SYSTEM GUIDELINE

Article (1)

Definitions

The following words and expressions shall have the meaning set opposite each of them unless otherwise required for the context:

Market	Abu Dhabi Securities Exchange.
Board of Director	The Market Board.
Electronic trading System	The electronic trading system in use at the Market.
Brokerage Company (Broker)	A juristic person licensed by Securities and Commodities Authority (SCA) to practice Brokerage activities.
Order	Information sent to the Electronic trading System by the order operator, which, minimum, includes Securities code, quantity, and required price, as well as the trading account number of the Investor, and time of entering the order.
Buy Order	The order sent to Electronic trading System to buy a certain security.
Sell Order	The order sent to Electronic trading System to sell a certain security.
Trading Session	The period during which transactions on securities are executed, through entering, modifying or cancelling orders, and executing transactions. Trading sessions are divided into several periods based on these rules.
Opening Price	The balance price between offered and ordered quantities calculated by the electronic trading system after the pre-opening auction ends, according to the calculation criteria outlined in this guide.
Closing Price	The balance price between offered and ordered quantities calculated by the Electronic trading System after the completion of the price ticks process, in accordance with the calculation standards set out in these rules.
Deal	Matching between a buy order with a sell order through the markets Electronic trading System.
Order Logbook	The register which includes all sell and buy orders for a certain security.

Regular Orders	Orders issued to buy or sell a specific security without conditions. These orders are given priority over special orders at the same price.
Special Orders	Orders issued to buy or sell a security under specific conditions.
Price Ticks	The rate of price increase or decrease under which orders and requests are raised or lowered.
Trade at last session (TAL)	A session that will be held after the closing auction and only new orders will be allowed in this session, and the price must be the same as the closing price or very close to it. Orders in this session will be executed on the closing price.

Trading Session

Article (2)

The trading session is divided into the following periods:

Timing	Name	Description
09:30 to 10:00	Pre-opening (Price Ticks) period	Allows orders entry, amendment, or cancellation.
10:00	Opening	Orders matching start continuous trading.
10:00 to 14:45	Ongoing Trading Period	Continuous trading.
14:45 to 14:55	Pre-closing	Allows order entry, amendment, or cancellation.
14:55	Pre-close Matching	Orders matching.
14:55 to 15:00	Trade-At-Last	Allows order entry at close price and execution.
15:00	Closing	-

Trading Session Rules

Article (3)

1. Securities are traded in the Market within the price range defined by the Board of Directors.
2. If a Security is ordered at the maximum allowed price with no corresponding offers, or if a Security is offered at the minimum allowed price with no corresponding Orders, and with no Deals made for two consecutive sessions, the

Order prices (maximum/ minimum) will be approved as reference closing price until price fluctuation is calculated.

3. Price limits are not applicable to a Security at its first trading session in the Market, so that the price shall be floated for (3) trading sessions starting from the listing date. The share closing price at the first session shall be the reference price to calculate the change limits on the opening of the second session. The Market management may decide to float the price for a shorter period than above mentioned, or to not to float the Security price if such decision will ensure the price stability of the Security or Investor interest in the Market.

Article (4)

1. During the pre-opening period and the pre-closing period, Orders may be entered, modified or cancelled and the available information may be reviewed through the Electronic trading System. Unexecuted and valid Orders from the previous day may also be carried forward to next trading session.
2. During the pre-opening period and the pre-closing period, the Electronic trading System shall arrange the Orders entered to the System in accordance with the established priority rules. No trades shall be executed at this stage. The Electronic trading System calculates the opening or closing price of each traded Security.

Article (5)

1. Executable quantities shall be executed during the opening period at the opening price calculated by the Electronic trading System. Unexecuted Orders or the balance of partially executed Orders shall be carried forward to the ongoing trading period.
2. Executable quantities shall be executed during the closing period at the closing price calculated by the Electronic trading System.

Article (6)

During the ongoing trading period, Buy and Sell Transactions of Securities are executed continuously. A Broker may enter Orders and finalize Deals if there is a match in terms of the prices and any other conditions. The Broker may also modify, cancel, suspend or activate any unexecuted or partially executed Orders, as follows:

1. If a Buy Order is entered at a price equal to, or higher than, the price shown on the sell side; or a Sell Order is entered at a price equal to, or less than, the price shown on the buy side during the ongoing trading period, execution shall be made at the price shown on the other side.
2. If a Buy or Sell Order is entered for an executable quantity at more than one price at the other side during the ongoing trading period, such order shall be executed

in accordance with the existing price chain on priority basis until the total quantity is executed. If the Order is not executed in full, the unexecuted quantity shall remain in the Orders Register of the Electronic trading System, at the last executed price.

Article (7)

At the closing period data and information are reviewed, inquiries are made and necessary reports are printed. At this stage, a Broker may not modify or cancel existing orders or enter new Orders.

Opening and Closing Prices

Article (8)

1. The opening and closing price shall be calculated in accordance with the following criteria:
 - a. The price which provides the highest executable trading quantity. If more than one price satisfies this condition, please refer to Clause B of this Article.
 - b. The price which provides the lowest un-executable trading quantity. If more than one price satisfies this condition, please refer to Clause C of this Article.
 - c. The price which provides the least possible change in the closing price for the previous trading day. If more than one price satisfies this condition, please refer to Clause D of this Article.
 - d. The highest price.
2. On calculating the opening and closing prices, quantities of all Orders entered into the Electronic trading System including the un-disclosed quantities, shall be taken into consideration.

Trading Orders

Article (9)

Orders shall be subdivided in terms of price, into the following types:

1. Limit Order: An Order to buy or sell a given number of Securities at a specific price
2. Market Order (MKT): An Order entered to the Electronic trading System to buy or sell some Securities at ADX price, as follows:
 - a. If a Market Order is entered into the Electronic trading System, execution shall be made at the best price on the opposite side. In case of partial execution, the balance quantity shall be displayed at the last executed price.

- b. It is not permitted to enter MKT orders in pre-opening or in pre-closing sessions.
3. **Market At Best Orders :** Market At Best orders are unpriced orders that, like Market orders, do not have a price specified but will match only orders on the top of the Order Book (i.e. only at the price of the best order on the other side of the Order Book). If there are no orders on the opposing side of the Order Book at the time of order entry then the order will be rejected. Market At Best orders normally have an 'immediate' duration, meaning that if the order cannot be fully filled at the best price, any remaining balance will be cancelled. a Market At Best order with a non-'immediate' duration (such as 'Day' or 'Good Till Cancel') that partially matches will be converted to a limit order at the top of book price at which it matched. Market At Best orders are only permitted during continuous trading. Market At Best orders will be rejected during Auction Sessions (such as pre-open, pre-close).
4. Any other orders included in the electronic trading system in accordance with the updates applied by the Market in such system.

Article (10)

Orders entered into the Electronic trading System shall be subdivided, in terms of validity period as follows:

1. **Day Order:** Valid until the close of trading session in the trading day during which the Order was entered.
2. **"Fill or Kill" (FOK) Order:** This type of Orders is entered only during the ongoing trading period whereby the possible quantity is executed at the specified price instantly, and the balance quantity is cancelled in case of partial execution.
3. **Good till Date (GTD) Order:** An Order that whose validity period is limited to the business day on which the Order is entered.
4. **Good Till Cancel (GTC) Order:** The order is valid until the one who entered the order cancels it.
5. **Session Order:** A session order is valid only for a specific trading session and will expire if not executed within that session.

Article (11)

Special Order means an Order whose execution is subject to satisfaction of one or more specific conditions. Special Orders, which may be entered in the Electronic trading System, are divided as follows:

- a. **All or None (AON):** The total quantity of these Orders shall be executed. An Order may not be partially executed.

b. Minimum Fill (MF): A minimum number of Securities must be executed before it is possible to trade the Order. It is possible to have more than one corresponding Order for every partial trade. Following execution of the minimum fill or more, the minimum fill requirement is rescinded, and the Order is transferred to regular Orders Register.

c. Minimum Block (MB): Securities are executed, jointly or severally, in specific blocks (groups) provided that the quantity requirement shall remain applicable to Orders during the subsequent trading transactions until the full quantity is executed. If the balance quantity is less than the minimum requirement, the Order shall become an AON Order.

Article (12)

1. The Order entered into the Electronic trading System, but not matched instantly, shall be posted on a waiting list in the relevant company's Orders Register in accordance with the priority rules set out in paragraphs 2 and 3 of this Article.
2. Orders are arranged in a waiting list in the company's Orders Register in a descending order in terms of priority, subject to the following:
 - a. Best price.
 - b. Time priority.
3. Regular Orders shall have waiting priority over Special Orders at the same price.

Article (13)

A Broker may modify details of an Order entered in the Electronic trading System, but not fully executed or cancelled, in accordance with the following:

1. When entered into the Electronic trading System, an Order loses its priority and acquires a new priority if the Order price is modified or if the disclosed quantity is increased or any special condition is added or deleted.
2. When entered to the Electronic trading System, an Order does not lose its priority if the disclosed quantity is decreased or the un-disclosed quantity is modified or the validity period is changed.
3. The Security name, the Order type (Sell or Buy) and the trading account number may not be amended; as in such case the Order shall be cancelled and re-entering a new order.
4. An Order is not written off the Order Logbook during the Order amendment, and thus it may be traded while being amended.

Article (14)

Orders in the Order Logbook are executed subject to the following priorities:

1. Best price: Orders with the best price shall have priority upon execution.
2. Regular Orders prior to Special Orders: Special Orders shall have second priority following the Regular Orders entered at the same price. Special Orders shall be tradable along with Regular Orders. When a Regular Order satisfies the matching conditions with several other Special Orders, matching is attempted with the first Order in the waiting list. If the first Order conditions are not satisfied, matching shall be attempted with the next Order in the list.
3. Order entry time: Orders are arranged in time serial Order by placing the Order which holds the earliest time stamp first, on first in first out basis.

Pricing and Price Ticks

Article (15)

1. Market-listed Securities shall be priced in UAE Dirham (AED) and in the Price Ticks specified in these rules.
2. Orders must be entered within the framework of the Price Ticks specified by the Market and set out in the following table:

Price Range per Security (AED)		Price Ticks (AED)
From	To	
0.01	0.999	0.001
1	9.99	0.01
10	49.98	0.02
50	99.95	0.05
100	Above	0.10

3. In the debt instruments market, when using percentage pricing, the price tick unit is equal to 0.01%.
4. The Market may approve to price the Securities with any currency other than the UAE Dirham if such Securities are issued in that currency. The Price Ticks above shall be applied to any other currency at which the listed Security is evaluated, unless the ADX Board decides otherwise.

Article (16)

A Broker may specify in the Order, the total number of the security or any lesser quantity shown in the Order Logbook, and hide the rest. The following are the conditions and procedures for Orders with un-disclosed quantities:

1. An undisclosed Order may not be entered if the total quantity of the Order is less than ten thousand (10,000) Securities, provided that the minimum disclosed quantity is 5% of the total quantity of securities.
2. Undisclosed quantities shall only be viewable to the Broker who entered these Orders. Disclosed quantities shall be viewable to the remaining Brokers.
3. If a disclosed quantity is executed partially, another part of the undisclosed quantity shall be transferred automatically if there are no other Orders at the same price in the Regular Order Logbook, in this case, the priority of the Order with undisclosed quantity shall be rearranged.
4. If a part of a disclosed quantity is executed and a part thereof remains unexecuted, no further parts of the undisclosed quantity shall be transferred automatically if there are other Orders at the same price in the Regular Order Logbook, In this case, the priority of the Order with undisclosed quantity shall be rearranged.
5. Changes in the disclosed quantity shall not lead to change of the total Order quantity.
6. Increase of the disclosed quantity shall result in a new time stamp for the Order and a new priority in the waiting list of the original Order.
7. Decrease of the disclosed quantity shall not result in changing the time stamp for the Order and the priority in the waiting list shall be for the original Order.
8. A new time stamp shall be affixed on the Order with undisclosed quantity each time when more Securities are transferred (added) from the undisclosed quantity to the disclosed quantity.

Dealing in Debt Instruments

Article (17)

1. Listed Debt instruments are traded through a broker.
2. Prices shall be shown on the Electronic trading System against Buy or Sell Orders at the unit price without any accumulated interest (Clean Prices). The Buyer shall pay the value of the bought units at their Market price plus the accumulated interests until settlement date.
3. Buyers do not get any interest when buying any notes during the interest ex-date period.

4. The Electronic trading System calculates the accumulated interest against debt instruments until settlement date.
5. Public auction procedures shall be applied to fix the debt instruments prices in accordance with the supply and demand rules, and within the applicable price ranges.

Negotiated Deals and Big Block Trades

Article (18)

1. Negotiated Deals are transactions where the buyer and seller agree on the number of shares, their price, and all other details outside the order book. These transactions are executed according to the mechanism designated for such transactions in the electronic trading system, provided that the minimum requirements specified by the market are met.
2. Conditions for Executing Negotiated deals and Big Block Trades: It is required that these transactions do not violate the decisions of the Authority or the market rules, and their execution does not lead to a violation of the company's articles of association regarding ownership percentages.
3. The trading commissions on negotiated deals and Big block trades are calculated based on the execution price or the closing price of the company's shares on the day prior to the execution of the transaction, whichever is higher.
4. Negotiated deals and Big Block trades executed in the market do not affect the calculation of the closing price of the company's share or the price index. They also do not affect the highest or lowest price executed during the session or over the last 52 weeks.
5. Articles (19) and (20): specify the minimum requirements for the execution of negotiated deals or big block trades.

Negotiated Deals

Article (19)

1. The broker may execute a negotiated deals through the designated mechanism in the electronic trading system for negotiated deals, provided that the following conditions are met:
 - a. The value of the negotiated deals must exceed the minimum value for the relevant category, based on the average daily trading value during the previous year and as outlined in the table below:

Negotiated Deals Bands		
ADX Band	Average Daily Trading Value of a Security	The minimum value for a negotiated transaction in AED
Band 1	Exceeds 100 million UAE Dirhams	10 million AED
Band 2	From 50 million UAE dirhams to 100 million UAE Dirhams	7.5 million AED
Band 3	From 10 million UAE dirhams to 50 million UAE Dirhams	3 million AED
Band 4	From 2.5 million UAE dirhams to 10 million UAE Dirhams	1 million AED
Band 5	From 0 to 2.5 million UAE Dirhams	0.5 million AED

b. The minimum value for negotiated deals of newly listed securities in the market will be according to Band 5, for a period of six months from the date of their listing.

c. The negotiated deals must be executed at the best bid/ask price, or at a price that is higher or lower by (5%) from the last closing price.

d. Negotiated deals can only be executed during continuous trading sessions.

2. Executing a negotiated deal does not require submitting a separate request via the electronic service.
3. The market verifies the compliance of the transaction with negotiated deals requirements, and it is automatically approved within 15 minutes of the entry time.
4. The market reviews the conditions related to negotiated deals concerning a, b, and c at least once a year and publishes them on the market's website.

Big Block Trades

Article (20)

The broker may execute a Big Block transaction through the designated mechanism in the electronic trading system for Big Block trades, provided that the following conditions are met:

1. A request must be submitted to the market using the approved form to obtain approval for completing the transaction.
2. The percentage of the securities to be traded must equal or exceed (1%) of the capital of the issuing quantity.
3. One side of the transaction must consist of a single individual, while the opposite side may include up to ten individuals.
4. Big block trades must be executed at a price no more than 25% above or below the closing price of the company's shares from the previous trading day.

The market management reserves the right to exempt transactions from the limits specified in paragraphs (4), (5), and (6) when it deems such exemptions necessary to serve the interests of trading and the parties involved in the transaction.

Modification of Reference Closing Price

Article (21)

1. The Market management shall modify the reference closing price for the stocks in the following cases:

a. Increasing the number of issued shares as a result of listing bonus shares. The reference closing price shall be modified as follows:

The modified reference closing price =

(the market capitalization of the shares issued before listing the bonus shares + the market capitalization of the bonus shares) ÷ (the number of shares issued before listing the bonus shares + the number of bonus shares).

b. Increasing the number of issued shares as a result of issuing capital increase shares. The reference closing price shall be modified as follows:

The modified reference closing price =

(the market capitalization of the shares issued before listing the capital increase shares + the market value of the capital increase shares) ÷ (the number of shares issued before listing the capital increase shares + the number of capital increase shares).

c. Stock split. The reference closing price shall be modified as follows:

The modified reference closing price =

(the stock closing price) x (the number of shares issued before stock split ÷ the number of shares issued after the stock split).

2. The Market Management shall not modify the reference closing price in case of increasing the number of the issued shares due to convertible bonds.

3. The Market Management shall float the stock price for one trading session in the following cases:

a. Decreasing issued capital through share cancelation.

b. Decreasing issued capital through par value reduction.

The Market Management may decide not to float the stock price if such a decision will ensure the price stability of the Security or Investor interest in the Market.

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Abu Dhabi Securities Exchange

Connecting Opportunities, Driving Growth.

P.O.BOX: 54500, Abu Dhabi, UAE

T: +971 2 627 7777 F: +971 2 612 8728

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