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A. Subject and Scope of the Procedures

- The Trading Procedures provide for the basic principles and terms of trading in securities at the Stock Exchange of Mauritius Ltd (hereinafter referred to as the “Exchange”).
- 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.

“ATS Operator” includes a representative of an investment dealer designated as such by the SEM and registered with the SEM.

“bid or ask” means a buy order or a sell order to effect a buy or sell transaction, as displayed by an ATS operator 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 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.

“CDS” means the Central Depository & Settlement Co Ltd established under the Securities (Central Depository, Clearing and Settlement) Act 1996.

‘closing price’ is the price of a security determined at the closing session and is its last execution price, except for ETFs where the closing price is adjusted to the latest NAV level available to SEM at the close of trading if there has not been any trade in the ETF during a trading session. *[Amended 11/07/16]*

“Currency Conversion Rate” means the CDS Conversion Rate (CCR) as defined under Procedure 7.7.1 of CDS Procedures *[Amended 29/11/16]*.

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

“DEM” means the Development & Enterprise Market established under the Stock Exchange (Development & Enterprise Market) Regulations 2006.

“Depository Receipts” means instruments which confer a contractual right (other than an option) to acquire securities otherwise than by subscription and which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters or other specialist instruments representing securities *[Amended 30/05/17]*.

“Dual-Currency Trading” means trading of a security in both foreign currency and Mauritian Rupee (MUR). Dual Currency Trading is applicable only to securities whose primary denomination is in foreign currencies *[Amended 29/11/16]*.

“ETF” means fully funded (unleveraged) securities listed on the SEM 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 SEM.
[Amended 6/11/12]

“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.
[Amended 31/03/11]

“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.

“FSC” means the Financial Services Commission established under the Financial Services Act 2007.

‘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.

“investment dealer” means a company licensed as such under section 29 of the Securities Act 2005 and to whom the Exchange has given the right to enter orders into the ATS bids and offers for securities traded on the Exchange.

“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.

“Official Market” means the Official List of the SEM.

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

“Primary Currency” means the foreign currency denomination in which the security has been issued [Amended 29/11/16].

“Post Close Session” is the session after the close session. During this session investment dealers are only allowed to cancel GTC and GTD orders in the ATS [Amended 12/06/18].

“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.

“SEM” or “Exchange” means The Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988.

“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 investment dealers. During trading hours, buy and sell orders are entered into a central electronic order book by investment dealers 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 Official Market, Development & Enterprise 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 Official Market, the Development & Enterprise Market, and the Debt Market.

The Official Market comprises 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 and Depositary Receipts where the trading unit will be one. Securities denominated in local and foreign currencies will be traded on this board.
[Amended 6/11/12; 1/03/13; 31/05/17]
- 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.
[Amended 6/11/12]
- 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 Development & Enterprise Market comprises of Equity Board, Odd Lot Board and Special Terms Board.

The Debt Market comprises of Debt Board – BoM Bills & T-Bills, Debt Board – Other Government Securities & Debt Instruments and Crossings Board *[Amended 31/03/11]*.

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>
Official – Equity Board	Monday to Friday	9.00 a.m to 2.30 p.m
Official - Odd Lot Board	Monday to Friday	9.00 a.m to 2.30 p.m
Debt – BoM Bills/ T-Bills	Monday to Friday	9.30 a.m to 11.30 a.m
Debt – Other Govt and BoM Securities/ Debt Instruments	Monday to Friday	10.00 a.m to 2.30 p.m
DEM – Equity Board	Monday to Friday	9.00 a.m to 2.30 p.m
DEM – Odd Lot Board	Monday to Friday	9.00 a.m to 2.30 p.m
Special Terms Boards	During trading hours of specific Boards and as when the need arises	

[Amended 4/06/08; 31/03/11; 12/06/18]

PART I

TRADING IN SECURITIES ON THE OFFICIAL 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:

Official Market

Sessions	Time
Pre-opening	9.00 a.m. to 10.00 a.m.
Opening	10.00 a.m.
Continuous	10.00 a.m. to 2.30 p.m.
Closing	2.30 p.m.
Post-Close	2.30 p.m to 4.00 p.m
Trade Amendments/Cancellation	2.30 p.m. to 3.15 p.m
Crossings	9.00 a.m. to 2.30 p.m.
AON	9.00 a.m. to 2.30 p.m.
Publication of Official Market Information Sheet	3.45 p.m

[Amended 4/06/08; 29/11/16; 12/06/18]

- 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 listed securities deposited in the CDS shall be traded through the ATS.

4.2.1 Order Input

- Clients who have accounts with the CDS place their orders with the investment dealers. Upon receipt of orders, the time of receipt of the orders is immediately recorded by the ATS operators together with other particulars of the orders. The orders are entered by ATS operators in the ATS through their trading terminals which are then transmitted directly to the ATS for validation, execution and processing.
- 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.
- Clients may also place orders using the functionality provided in the Exchange web site, which is linked to the ATS. The client must first log-in to the system using the user name and password provided to him by the Exchange. The client then places the order which is routed to the investment dealer's workstation. Upon validation of the order, the ATS operator transmits the order to the order book for execution.

- All orders input by ATS operators 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 securities account
 - Buy or sell indicator
 - Volume
 - Price
 - Type of order
 - Order attributes
- In case client securities account is not input the order is indicated as bulk order
- 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 an investment dealer can enter into the ATS. Following instructions received from CDS that an investment dealer has not enough fund for settlement purposes, the investment dealer 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. Only Minimum Fill attribute is applicable to market 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 business 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

The ATS operators can specify a minimum fill for an order, that is, a minimum quantity of securities he is willing to buy or sell. The minimum fill must be in multiples of 100 securities. Minimum fill attribute is only valid for Day orders.

Example

A buy order, A, of 400 at a price of Rs 100 is input, followed by a sell order, B, of 1000 at a price of Rs 100 with a minimum fill of 500. No matching will take place as order, B, has a minimum fill of 500.

<u>Order Book</u>		
Buy	Price	Sell
400 (A)	100	1000 (B)

A buy order, C, of 600 at Rs 100 is input in the ATS. This order will match with the order, B, resulting in an execution of 600 at Rs 100. The order book will then look as follows:

<u>Order Book</u>		
Buy	Price	Sell
400 (A)	100	400 (B)

Though the order book shows a buy and a sell order of 400 at Rs 100, no matching will take place between order A and order B because both orders have become passive orders (targets). For a matching to take place an active order (aggressor) should be input.

4.6 Tick Size

Tick sizes depend on the price level. The following table shows the different price levels and the corresponding tick sizes. *[Amended 29/07/10; 6/11/12; 01/03/13; 31/05/17]*

Price Range	Tick Size
< 5.00	0.01
≥ 5.00 < 10.00	0.02
≥ 10.00 < 50.00	0.05
≥ 50.00 < 500.00	0.25
≥ 500.00 < 1000.00	1.00
≥ 1000.00	5.00

- The tick size of ETFs and Depositary Receipts 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. *[Amended 4/06/08]*
- 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 Odd Lot Board. *[Amended 17/09/08]*

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 and Depositary Receipts. *[Amended 6/11/12; 31/05/17]*

4.7.1 Reference Price

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 % of the reference price. *[Amended 4/06/08]*
- Valid client securities account/ investment dealer ID combination
- Tick size
- Order quantity
- Checks with CDS that the client has purchased the required number of securities prior to placing the sell order, except when a bulk order is input. *[Amended 6/03/08]*

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. *[Amended 4/06/08]*

4.9 Order Execution

When a 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 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. Establish the execution price, which will enable the maximum number of securities to be traded.
- ii. When there is more than one price at which the maximum number of securities can be traded, the highest price will be the opening price.
- iii. Buy orders whose price limit exceeds the opening price and sell orders whose price limit falls below the opening price are executed in their entirety.
- iv. Unless the cumulative volume of buy and sell orders is equal at the opening price, the orders at the opening price are executed on a time priority principle. An order can be totally matched, partially matched or not matched at all at the opening price.
- v. All orders that can be matched at the opening price are executed at the same price.
- vi. All unmatched orders are automatically transferred to the continuous trading session and registered in the order book on a price and time priority.

4.10.2.2 Opening Auction Example

i) Order Book

In the ATS, bids and offers are represented in the form of an Order Book. This is the compilation of all buy and sell orders for a specific security at a certain point in time. In the middle of the table, all possible price increments are shown in descending order.

Buy Orders	Bid Cumulative			Ask Cumulative		Sell Orders
Orders (A)	Per Price	From Highest Price	Price	From Lowest Price	Per Price	Orders (B)
200 + 400	600	600	102.00			
300	300	900	100.00			
400	400	1,300	100.00			
500	500	1,800	99.50	3,800	700	700
800 + 200	1,000	2,800	99.00	3,100	600	200 + 300 + 100
1,000	1,000	3,800	98.50	2,500	600	100 + 200 + 300
			98.00	1,900	600	600
			97.00	1,300	1,300	100 + 500 + 700

The last two columns directly beside the price column are decisive. Here, all the orders from the least favourable prices onwards are accumulated for both sides. On the demand side, the orders with the highest purchase limits to the lowest are added continuously. On the supply side, the accumulation starts with the lowest sell price to the highest price. In columns (A) and (B), orders are displayed in sequence of entry (from left to right) at each price level.

ii) Example

- a) A typical execution sequence for opening using the algorithms as per procedure 4.10.2.1 and the example data given in the above table would be as follows:
- b) The maximum volume price is 99.00 (2,800 shares).
- c) The buy side has the least orders 2,800 against 3,100 on the sell side.
- d) 2,500 shares which have a better price on the sell side than the opening price can be executed leaving $2,800 - 2,500 = 300$ shares to be executed on a time priority principle at the opening price.
- e) The executions of orders at the opening price will be:
 - the sell order of 200 will be fully executed.
 - the sell order of 300 will be partially executed, that is 100 only.
 - the sell order of 100 will not be executed at all.
- f) All orders will be transacted at the opening price of 99.00
- g) All unexecuted orders will be registered in the order book when the market goes into continuous trading preserving its original time stamp.

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. The balance of unexecuted volume of the market order, if any, will be stored in the system for 15 minutes and cancelled if unexecuted. Market orders do not appear in the order book.

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 two market orders are matched, the last execution price becomes the transaction price. In case 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 (i)

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 execution price or reference price becomes the transaction price. Let us assume this is 98.00. If besides the market order on the purchase side, a limit order of 98.50 were available, this price would be better than the last execution/ reference price (98.00) from the seller's standpoint. The transaction between the two market orders would therefore be executed at 98.50.

Example (ii)

A Market buy order is input in the ATS. A transaction is done with an existing market order on the sell side. According to Rule 3 (a), the last execution/reference price becomes the transaction price. Let us assume this is 98.00. If beside the market order on the sell side, a limit order of 98.50 was available. The last execution/ reference price (98.00) would be better than 98.50 from the buyer's stand point. The transaction between the two market orders would therefore be executed at 98.00.

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

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 (Rs.99.00)		
Bid Volume per Price	Price	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, except for ETFs where the closing price is adjusted to the latest NAV available to SEM at the close of trading if there has not been any trade in the ETF during a trading session. *[Amended 11/07/16]*
- 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 closing price of a security will 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 ATS operator. 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 as client ID, 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.

4.11.2 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 4.1. 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. *[Amended 6/03/08]*
- 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.
- For each executed trade, an investment dealer may amend the client securities account as well as its own brokerage rate through their CDS menu from 2.30 p.m to 3.15 p.m. *[Amended 4/06/08; 12/06/18]*
- Other amendments relating to client securities account will be effected through post-trade amendments in CDS as per CDS Rules and Procedures.
- The SEM will inform CDS of any trade cancellation/amendment which will be automatically propagated to the CDS system.

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 Official 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 investment dealers.
 - iii. When the SEMDEX 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. *[Amended 4/06/08]*
 - iv. “ In the event that an investment dealer is unable to carry out its trading operations at its premises due to a technical failure. The halt will not be for more than 10 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 not be for more than 15 minutes and will occur in the following circumstances:
 - i. Upon the request of the Financial Services Commission.
 - 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.
- Investment dealers will be informed of the halt.
- An investment dealer 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 the ATS. CDS 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 investment dealer 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 Investment Dealers Obligations

- In conducting Exchange transactions investment dealers must comply with the Rules & Schedule of Procedures and operating procedures of the ATS manuals issued by the Exchange.
- Investment dealers are responsible for order inputs in the ATS and Exchange transactions effected by ATS operators on their behalf. Only authorised ATS operators and investment dealers are allowed to use the ATS for conducting Exchange transactions.
- Investment dealers 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 investment dealer for connection to the ATS.
- In case of a technical failure of an investment dealer's terminal, it will be allowed to use the terminal provided by the Exchange.
- An investment dealer 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. [Amended 31/03/11]

4.16A Adjustments for Entitlements

A. Dividends

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

B. Rights Issue

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

receivable

No of Shares held + No of new shares receivable (as per ratio of Right Issue)

C. Bonus Issue

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

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.

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

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

[Amended 31/03/11].

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.

[Amended 31/03/11]

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 CDS – Client Securities Accounts

ATS operators must indicate the Client Securities Account number or the investment dealer's securities account number at the time of input of an order.

ATS operators may combine orders from multiple clients to constitute a bulk order. In this case the ATS operator indicates the securities account of his investment dealer. Following the execution of the bulk order, the bulk trade that results is allocated to the respective individual clients through post-trade amendment in CDS as per CDS Rules and, Procedures.

Trade allocation in respect of a partially executed bulk trade is carried out on a pro-rata basis.

4.19. Dissemination of Market Information

- Trade related information is disseminated to the investment dealer 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 five consecutive business 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.

[Amended 31/03/11]

4.21. Price Determination of a Newly Listed Security

- The investment dealer 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. *[Amended 4/06/08]*
- There is no price spread for the security during the pre-opening and continuous session. *[Amended 4/06/08]*
- 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. *[Amended 4/06/08]*

4.22. Dual-Currency Trading

- A security listed in foreign currency may trade in both foreign currency and MUR on request of the issuer of the security.
- The security will have two security codes; one for foreign currency denomination (primary currency) and another for MUR denomination.
- Value traded of the security indicated in the market result sheet will be in MUR.
- The conversion rate that shall be applied to convert the foreign currency in MUR shall be the CDS Conversion Rate (CCR) and shall be based on the exchange rates quoted at 9:30 a.m on T, by the different settlement banks involved in the CDS Funds Settlement Service.
- For its first trading session of an already listed security, the reference price of the security traded in MUR will be based on the closing price of its corresponding primary currency denominated security.
- If there is no trading in the security code denominated in MUR for 20 consecutive trading sessions, the reference price of this security code will be adjusted at the close of trading on the 20th trading session, to reflect the reference price of the security code denominated in the primary currency.
- For the first day of trading of a newly admitted security, its indicative price will be both in MUR and its primary currency.

CCR shall be computed as follows:

$$\text{CDS Conversion Rate (CCR)} = \text{Average Par rates of the settlement banks}$$

$$\text{Where, Par Rate} = \frac{\text{T.T Buying Rate} + \text{T.T Selling Rate}}{2}$$

[Amended 29/11/16]

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 Pre-Opening, Opening and Continuous session [*Amended 12/06/18*].

5.1 Operating hours of the ATS for the Odd Lot Board

Official Market

Sessions	Time
Pre-Opening	9.00 a.m to 10.00 a.m
Opening	10.00 a.m.
Continuous	10.00 a.m. to 2.30 p.m.
Closing	2.30 p.m.
Post-Close	2.30 p.m to 4.00 p.m
Trade Amendments/Cancellation	2.30 p.m to 3.15 p.m

[Amended 4/06/08; 12/06/18]

5.2 Order Input

- Clients who have accounts with the CDS place their orders with the investment dealers. Upon receipt of orders, the time of receipt of the orders is immediately recorded by the ATS operators together with other particulars of the orders. The orders are entered by the ATS operators in the ATS through their trading terminals which are then transmitted directly to the ATS for validation, execution and processing.
- Clients may also place orders using the functionality provided in the Exchange web site, which is linked to the ATS. The client must first log-in to the system using the user name and password provided to him by his investment dealer. The client then places the order which is routed to the investment dealer's workstation. Upon validation of the order, the ATS operator transmits the order to the order book for execution.
- All orders input by ATS operators 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 securities account
 - Buy or sell indicator
 - Volume
 - Price
 - Type of order
 - Order attributes
- In case client securities account is not input the order is indicated as bulk order.
- 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 business 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. [Amended 29/07/10; 01/03/13]

Price Range	Tick Size
< 5.00	0.01
≥ 5.00 < 10.00	0.02
≥ 10.00 < 50.00	0.05
≥ 50.00 < 500.00	0.25
≥ 500.00 < 1000.00	1.00
≥ 1000.00	5.00

- The tick size of ETFs and Depository Receipts will be 0.01 *[Amended 6/11/12; 31/05/17]*

5.6 Price Spread

- The authorised price spread for a security during a trading day is +/- 20 % and is based on its reference price on the equity board. All orders outside the permissible spread will be rejected by the ATS. *[Amended 4/06/08]*

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 and Depository Receipts. *[Amended 6/11/12; 31/05/17]*

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 % of the reference price. *[Amended 4/06/08]*
- Valid client securities account/ investment dealer ID combination
- Tick size
- Order quantity
- Checks with CDS that the client has purchased the required number of securities prior to placing the sell order, except when bulk order is input. *[Amended 6/03/08]*

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 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 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.A Sessions

5.8.A.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.
- 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.

5.8.A.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.

5.8.A.3 Algorithm for Calculation of the Opening Price

- vii. Establish the execution price, which will enable the maximum number of securities to be traded.
- viii. When there is more than one price at which the maximum number of securities can be traded, the highest price will be the opening price.
- ix. Buy orders whose price limit exceeds the opening price and sell orders whose price limit falls below the opening price are executed in their entirety.
- x. Unless the cumulative volume of buy and sell orders is equal at the opening price, the orders at the opening price are executed on a time priority principle. An order can be totally matched, partially matched or not matched at all at the opening price.
- xi. All orders that can be matched at the opening price are executed at the same price.

All unmatched orders are automatically transferred to the continuous trading session and registered in the order book on a price and time priority [*Amended 12/06/18*]

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. 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.

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 (Rs.99.00)		
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	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 as client ID, 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. 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. *[Amended 6/03/08]*

- 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.
- For each executed trade, an investment dealer may amend the client securities account as well as its own the brokerage rate through their CDS menu from 2.30 p.m to 3.15 p.m. *[Amended 4/06/08; 12/06/18]*
- Other amendments relating to client securities account will be effected through post-trade amendments in CDS as per CDS Rules and Procedures.
- The SEM will inform CDS of any trade Cancellation/Amendment which will be automatically propagated to the CDS system.

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.

PART II

DEVELOPMENT & ENTERPRISE MARKET

6. TRADING IN SECURITIES ON THE DEVELOPMENT & ENTERPRISE MARKET

6.1 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 2.30 p.m.
Closing	2.30 p.m.
Post-Close	2.30 p.m to 4.00 p.m
Trade Amendments/Cancellation	2.30 p.m to 3.15 p.m
Crossings	9.00 a.m to 2.30 p.m.
AON	9.00 a.m to 2.30 p.m.
Publication of DEM Information Sheet	3.45 p.m.

[Amended 4/06/08; 29/11/16; 12/06/18]

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

6.2 Transmission of Orders

Only securities deposited in the CDS shall be traded through the ATS.

6.2.1 Order Input

- Clients who have accounts with the CDS place their orders with the investment dealers. Upon receipt of orders, the time of receipt of the orders is immediately recorded by the ATS operators together with other particulars of the orders. The orders are entered by ATS operators in the ATS through their trading terminals, which are then transmitted directly to the ATS for validation, execution and processing.
- 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.
- Clients may also place orders using the functionality provided in the Exchange web site, which is linked to the ATS. The client must first log-in to the system using the user name and password provided to him by the Exchange. The client then places the order, which is routed to the investment dealer's workstation. Upon validation of the order, the ATS operator transmits the order to the order book for execution.

- All orders input by ATS operators 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:
 - a) Security code
 - b) Client securities account
 - c) Buy or sell indicator
 - d) Volume
 - e) Price
 - f) Type of order
 - g) Order attributes
- In case client securities account is not input the order is indicated as bulk order.
- 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 an investment dealer can enter into the ATS. Following instructions received from CDS that an investment dealer has not enough fund for settlement purposes, the investment dealer will be allowed to enter sell orders only.

6.3. Types of Orders

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

- a) Market orders
- b) Limit orders

6.3.1 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. Only Minimum Fill attribute is applicable to market orders. Market orders cannot be amended.

6.3.2 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 6.4.1.2) or Immediate or Cancel (see Rule 6.4.1.3) are specified in respect of an order, the unmatched volume will remain in the order book until the indicated expiration time.

6.4 Order Attributes

Limit orders can have the following attributes:

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

6.4.1 Order Qualifiers

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

6.4.1.1 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.

6.4.1.2 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.

6.4.1.3 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.

6.4.2 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.

6.4.2.1 Good Till Cancelled (GTC)

This order remains valid till cancelled 30 business 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.

6.4.2.1.1 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.

6.4.2.2 Day Order

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

6.4.3 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.
- 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.

6.5 Trading Unit

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

6.5.1 Minimum Fill

The ATS operators can specify a minimum fill for an order, that is, a minimum quantity of securities he is willing to buy or sell. Minimum fill must be in multiples of 100 and is only valid for Day orders.

6.6 Tick Size

Tick sizes depend on the price level. The following table shows the different price levels and the corresponding tick sizes. [Amended 29/07/10; 01/03/13]

Price Range	Tick Size
< 5.00	0.01
≥ 5.00 < 10.00	0.02
≥ 10.00 < 50.00	0.05
≥ 50.00 < 500.00	0.25
≥ 500.00 < 1000.00	1.00
≥ 1000.00	5.00

6.7 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.
- 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 Odd Lot Board. [Amended 17/09/08]

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

6.7.1 Reference Price

The reference price of a security is:

- (v) its closing price;
- (vi) its closing price adjusted for any entitlement declared in respect of the security;
- (vii) 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;
- (viii) 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.

6.8 Trading Procedures

6.8.1 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 % of the reference price.
- Valid client securities account/ investment dealer ID combination
- Tick size
- Order quantity
- Checks with CDS that the client has purchased the required number of securities prior to placing the sell order, except when a bulk order is input. [Amended 6/03/08]

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.

6.9 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 according to price and time priority and are available for modification or cancellation prior to execution.

6.10 Sessions

6.10.1 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 are not 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.

6.10.2 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.

6.10.2.1 Algorithm for Calculation of the Opening Price

- Establish the execution price, which will enable the maximum number of securities to be traded.
- When there is more than one price at which the maximum number of securities can be traded, the highest price will be the opening price.
- Buy orders whose price limit exceeds the opening price are executed in their entirety and sell orders whose price limit falls below the opening price are executed on a price/time priority principle.
- Unless the cumulative volume of buy and sell orders is equal at the opening price, the orders at the opening price are executed on a time priority principle. An order can be totally matched, partially matched or not matched at all at the opening price.

- All orders that can be matched at the opening price are executed at the same price.
- All unmatched orders are automatically transferred to the continuous trading session and registered in the order book on a price and time priority.

6.10.3 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”.

6.10.3.1 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. The balance of unexecuted volume of the market order, if any, will be stored in the system for 15 minutes and cancelled if unexecuted. Market orders do not appear in the order book.

6.10.3.2. 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.

Rule 3

- a) If two market orders are matched, the last execution price becomes the transaction price. In case 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.
- Unexecuted or partially executed orders are registered in the Order Book.

6.10.4. 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 price of a security will 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.

6.11 Post Order Submission

6.11.1. 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 ATS operator. ATS operators can access only to their orders in the ATS for cancellation/amendment.

6.11.1.1. 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.

6.11.1.2 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 as client ID, 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.

6.11.2 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 time prescribed in Procedure 6.1. 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. *[Amended 6/03/08]*
- 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.

- For each executed trade, an investment dealer may amend the client securities account as well as its own brokerage rate through their CDS menu from 2.30 p.m to 3.15 p.m. [Amended 4/06/08; ../04/18]
- Other amendments relating to client securities account will be effected through post-trade amendments in CDS as per CDS Rules and Procedures.
- The SEM will inform CDS of any trade cancellation/amendment which will be automatically propagated to the CDS system.

6.12.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 closing 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.

[Amended 31/03/11]

6.12A Adjustments for Entitlements

A. Dividends

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

B. Rights Issue

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

C. Bonus Issue

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

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.

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

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.

[Amended 31/03/11]

6.12B – 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.

[Amended 31/03/11]

6.13. Price Determination of a Newly admitted Security

- The investment dealer inputs the quantity of securities offered for sale during the pre-opening session of the first trading day, at the indicative price. Orders in respect of the newly admitted

security from other investment dealers are also allowed to be input during the pre-opening and continuous session. *[Amended 4/06/08]*

- There is no price spread for the security during the first trading day.
- 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. *[Amended 4/06/08]*

6.14 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 five consecutive business 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.
[Amended 31/03/11]

6.15 Calculation of Market Indices

- Market indices are calculated based on the last execution price of ordinary shares on the Equity Board of the Development & Enterprise 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.

6.16. Dual-Currency Trading

- A security listed in foreign currency may trade in both foreign currency and MUR on request of the issuer of the security.
- The security will have two security codes; one for foreign currency denomination (primary currency) and another for MUR denomination.
- Value traded of the security indicated in the market result sheet will be in MUR.
- The conversion rate that shall be applied to convert the foreign currency in MUR shall be the CDS Conversion Rate (CCR) and shall be based on the exchange rates quoted at 9:30 a.m on T, by the different settlement banks involved in the CDS Funds Settlement Service.
- For its first trading session of an already listed security, the reference price of the security traded in MUR will be based on the closing price of its corresponding primary currency denominated security.
- If there is no trading in the security code denominated in MUR for 20 consecutive trading sessions, the reference price of this security code will be adjusted at the close of trading on the 20th trading session, to reflect the reference price of the security code denominated in the primary currency.
- For the first day of trading of a newly admitted security, its indicative price will be both in MUR and its primary currency.

CCR shall be computed as follows:

$$\text{CDS Conversion Rate (CCR)} = \text{Average Par rates of the settlement banks}$$

$$\text{Where, Par Rate} = \frac{\text{T.T Buying Rate} + \text{T.T Selling Rate}}{2}$$

[Amended 29/11/16]

7. 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 Pre-Opening, Opening, ancon Continuous session [*Amended 12/06/18*].

7.1 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 2.30 p.m.
Closing	2.30 p.m.
Post-Close	2.30 p.m to 4.00 p.m
Trade Amendments/Cancellation	2.30 p.m to 3.15 p.m.

[Amended 4/06/08; 12/06/18]

7.2 Order Input

- Clients who have accounts with the CDS place their orders with the investment dealers. Upon receipt of orders the time of receipt of the orders is immediately recorded by the ATS operators together with other particulars of the orders. The orders are entered by the ATS operators in the ATS through their trading terminals, which are then transmitted directly to the ATS for validation, execution and processing.
- Clients may also place orders using the functionality provided in the Exchange web site, which is linked to the ATS. The client must first log-in to the system using the user name and password provided to him by his investment dealer. The client then places the order, which is routed to the investment dealer's workstation. Upon validation of the order, the ATS operator transmits the order to the order book for execution.
- All orders input by ATS operators 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 securities account
 - Buy or sell indicator
 - Volume
 - Price
 - Type of order
 - Order attributes

- In case client securities account is not input the order is indicated as bulk order.
- 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.

7.3 Types of Orders

7.3.1 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.

7.3.2 Good Till Cancelled (GTC)

This order remains valid till cancelled within 30 business 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.

7.3.2.1 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.

7.3.3 Day Order

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

7.4 Trading Unit

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

7.5 Tick Size

Tick sizes depend on the price level. The following table shows the different price levels and the corresponding tick sizes. [*Amended 29/07/10; 01/03/13*]

Price Range	Tick Size
< 5.00	0.01
≥ 5.00 < 10.00	0.02
≥ 10.00 < 50.00	0.05
≥ 50.00 < 500.00	0.25

≥ 500.00 < 1000.00	1.00
≥ 1000.00	5.00

7.6 Price Spread

- The authorised price spread for a security during a trading day is +/-20 % and 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.

7.7 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 % of the reference price. *[Amended 4/06/08]*
- Valid client securities account/ investment dealer ID combination
- Tick size
- Order quantity
- Checks with CDS that the client has purchased the required number of securities prior to placing the sell order, except when bulk order is input. *[Amended 6/03/08]*

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.

7.7.1 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 according to price and time priority and are available for modification or cancellation prior to execution.

7.8 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”.

7.8.A Sessions

7.8.A.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.
- 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.

7.8.A.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.

7.8.A.3 Algorithm for Calculation of the Opening Price

- xii. Establish the execution price, which will enable the maximum number of securities to be traded.
- xiii. When there is more than one price at which the maximum number of securities can be traded, the highest price will be the opening price.
- xiv. Buy orders whose price limit exceeds the opening price and sell orders whose price limit falls below the opening price are executed in their entirety.
- xv. Unless the cumulative volume of buy and sell orders is equal at the opening price, the orders at the opening price are executed on a time priority principle. An order can be totally matched, partially matched or not matched at all at the opening price.
- xvi. All orders that can be matched at the opening price are executed at the same price.

All unmatched orders are automatically transferred to the continuous trading session and registered in the order book on a price and time priority [*Amended 12/06/18*].

7.8.1 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. 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.

7.8.2. 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.

7.9 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.

7.10 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.

7.10.1 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.

7.10.2 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 as client ID, 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.

7.11 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 prescribed time in procedure 7.1. 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. *[Amended 6/03/08]*
- 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.
- For each executed trade, an investment dealer may amend the client securities account as well as its own the brokerage rate through their CDS menu from 2.30 p.m to 3.15 p.m. *[Amended 4/06/08; ../04/18]*
- Other amendments relating to client securities account will be effected through post-trade amendments in CDS as per CDS Rules and Procedures.
- The SEM will inform CDS of any trade Cancellation/Amendment which will be automatically propagated to the CDS system.

7.12 Visibility

The Odd Lot Board will be visible to the market.

7.13 Statistics

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

7.14 Additional Procedures

The following Procedures will apply to the Development & Enterprise Market:

- 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--- Client Securities Accounts**
- 4.19--- Dissemination of Market Information**

PART III --- 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 ATS for the Debt Board – Other Govt. and BoM Securities/ Debt Instruments.

Market Days	Monday to Friday
Opening of Market	10.00 a.m.
Continuous Trading	10.00 a.m - 2.30 p.m
Close of Market	2.30 p.m
Trade Amendment/ Cancellation	2.30 p.m - 3.15 p.m
Crossings	10.00 a.m. to 2.30 p.m.
Publication of Market Information Sheet	3.45 p.m.

[Amended 4/06/08; 31/03/11; 29/11/16; 12/06/18]

8.2. Transmission of Orders

Only debt instruments deposited in CDS shall be traded on the debt board.

8.2.1 Order Input

- Clients who have accounts with the CDS place their orders with the investment dealers. Upon receipt of orders, the time of receipt of the orders is immediately recorded by ATS operators together with other particulars of the orders. The orders are entered by ATS operators in the ATS through their trading terminals, which are then transmitted directly to the ATS for execution and processing.
- All orders input by ATS operators 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 securities account
 - Buy or sell indicator
 - 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:

- a) Market orders
- b) 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. Only Minimum Fill attribute is applicable to market 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.

8.4.3 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 one.

8.6 Tick Size

The tick size on debt instruments is yield-based and is expressed in fractions of 1/32, that is 0.03125.

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.

8.7 Reference Price

The reference price of a security is its closing price adjusted for day change.
[Amended 31/03/11]

8.8. Validation Checks

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

- Valid security code
- Trading permitted on security
- Valid client securities account/ investment dealer ID combination
- Tick size
- Checks with CDS that the client has purchased the required number of securities prior to placing the sell order, except when a bulk order is input. *[Amended 6/03/08; 31/03/11]*

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 a 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:

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. On a yield basis, the highest ask yield and the lowest bid yield have precedence over all other 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

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. The balance of unexecuted volume of the

market order, if any, will be stored in the system for 15 minutes and cancelled if unexecuted. Market orders do not appear in the order book.

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 (Rs.1003)		
Bid Volume per Price	Price	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 as client ID, 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.

8.13 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 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. *[Amended 6/03/08]*

- 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.

- For each executed trade an investment dealer may amend the client securities account as well as its own brokerage rate through their CDS menu from 2.30 p.m to 3.15 p.m [Amended 31/03/11; ../04/18].
- Other amendments relating to client securities account will be effected through post-trade amendments in CDS as per CDS Rules and Procedures.
- The SEM will inform CDS of any trade Cancellation/Amendment which will be automatically propagated to the CDS system.

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--- Client Securities Accounts

4.19--- Dissemination of Market Information

[Amended 31/03/11]

9. TRADING OF GOVERNMENT OF MAURITIUS SECURITIES AND BANK OF MAURITIUS BILLS ON THE DEBT BOARD.

9.1 Operating Hours of the ATS.

Market Days	Monday to Friday
Opening of Market	9.30 a.m.
Continuous Trading	9.30 a.m - 11.30 a.m
Close of Market	11.30 a.m
Trade Amendment/ Cancellation	11.30 a.m - 12.00 noon
Publication of Market Information Sheet	3.00 p.m

[Amended 4/06/08; 29/11/16]

9.2. Transmission of Orders

Only Government of Mauritius Securities and Bank of Mauritius Bills deposited in CDS shall be traded on the debt board.

9.2.1 Order Input

- Clients who have accounts with the CDS place their orders with the investment dealers. Upon receipt of orders, the time of receipt of the orders is immediately recorded by ATS operators together with other particulars of the orders. The orders are entered by ATS operators in the ATS through their trading terminals, which are then transmitted directly to the ATS for execution and processing.
- All orders input by ATS operators 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 securities account
 - Buy or sell indicator
 - 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.

- Any buy order from an individual client input at a time by an ATS operator should not exceed 20 units.
- Only Mauritian citizens, the Government of Mauritius and the Bank of Mauritius can place orders in respect of Government of Mauritius Securities and Bank of Mauritius Bills.

9.3. Types of Orders

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

- c) Market orders
- d) Limit orders

9.3.1 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. Only Minimum Fill attribute is applicable to market orders. Market orders cannot be amended.

9.3.2 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.

9.4 Order Attributes

Limit orders can have the following attributes:

- Qualifiers
- Disclosed/Hidden quantity

9.4.1. Order Qualifiers

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

9.4.2 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.

9.4.3 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

9.4.4 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.

9.4.5 Day Order

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

9.4.6 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.

9.5 Trading Unit

The trading unit is one.

9.6 Tick Size

The tick size on debt instruments is yield-based and is expressed in fractions of 1/32, that is 0.03125.

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.

9.7 Price Spread

- The authorised price spread for a security during a trading day is +/- 15 % and is based on its reference price. All orders outside the permissible spread will be rejected by the system.
- During a trading day the price of a security is established within its price spread.

9.7.1 Reference Price

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

9.8. Validation Checks

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

- Valid security code
- Trading permitted on security
- Price within +/- 15 % of the reference price
- Valid client securities account/ investment dealer ID combination
- Tick size
- Checks with CDS that the client has purchased the required number of securities prior to placing the sell order, except when a bulk order is input. *[Amended 6/03/08]*

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

9.9 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.

9.10 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”.

9.10.1 Matching Criteria

The criteria for execution during continuous trading are as follows:

A. Price/ Yield Priority

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

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. The balance of unexecuted volume of the market order, if any, will be stored in the system for 15 minutes and cancelled if unexecuted. Market orders do not appear in the order book.

9.10.2 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

- c) 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.
- d) 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 90, 100 and is matched to an existing sell market order. In accordance with Rule 2, the execution price is 90, 100. If a sell order with a price limit of 90, 000 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 90, 100. Therefore, 90, 000 is the execution price between the newly arrived purchase order and the existing market order.

Rule 3

- c) 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.
- d) 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 90, 500. If besides the market order on the purchase side, a limited order of 90, 600 were available, this price would be better than the last traded price (90, 500) from the seller's standpoint. The transaction between the two market orders would therefore be executed at 90, 600.

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

9.10.3 Continuous Session Example

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

Table I

Security GMTB		
Reference/ Last execution Price (Rs. 90, 300)		
Bid Volume per Price	Price	Ask Volume per Price
500	90, 100	
200	90, 200	
	90, 300	400
	90, 400	200 + 300

A purchase order for 700 Government of Mauritius Treasury Bill (GMTB) at 90, 400 enters the order book. Matching starts with the order to sell 400 debentures at 90, 300. The price is determined by the sell limit order according to the first rule.

First Trade: 400 debentures at 90, 300

300 GMTB remain form the new order. They are matched against the next order – sell 200 GMTB at 90, 400. Since there are two orders at 90, 400, they are based on time of entry. The order of 200 GMTB was entered first. Again, the first rule is applicable.

Second Trade: 200 GMTB at 90, 400

The remaining 100 GMTB are now matched to the sell order of 300 GMTB at 90, 400. Again, the first rule applies.

Third Trade: 100 GMTB at 90, 400

The newly arrived purchase order (700 at 90, 400) is then executed. The order book now looks as follows:

Table II

Bid Volume per Price	Price	Ask Volume per Price
500	90, 100	
200	90, 200	
	90, 400	200
Last Traded Price: 90, 400		

9.11 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.

9.12. 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.

9.12.1 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.

9.12.2. 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 as client ID, 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.

9.12.3 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 9.1. 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. *[Amended 6/03/08]*

- 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.
- For each executed trade an investment dealer may amend the client securities account as well as its own brokerage rate through their CDS menu from 11.30 am to 12.00.
- The SEM will inform CDS of any trade Cancellation/Amendment which will be automatically propagated to the CDS system.
- In case trades effected through the ATS do not conform with the provisions of the ATS Procedures, the SEM will cancel the trades. The investment dealers involved in the trades will be informed of the cancellation by the SEM.

9.13 Special Terms Boards

- The provisions of ATS Procedures in respect of the special terms boards are not applicable to trading in Government of Mauritius Securities and Bank of Mauritius Bills.

9.14 Additional Procedures

The following Procedures will apply to the Debt Market:

- 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--- Client Securities Accounts**
- 4.19--- Dissemination of Market Information**

PART IV

10. TRADING IN SECURITIES ON SPECIAL TERMS BOARDS.

Special terms boards comprises Crossing Board, All or None Board and Buy-In Board.

10.1. Crossing Board

A crossing is a trade between two investment dealers or a trade between the same investment dealer for a specified quantity of securities at a specified price involving only one buyer and one seller. For securities traded on the equity board and debt board crossing is carried out during the operating hours of the ATS when the Crossing Board is open.

10.1.1 Order Input

A crossing is entered by an investment dealer / two investment dealers involved in the trade specifying the buyer securities account, seller securities account, contra investment dealer code, volume and price. In case only one investment dealer is involved in the trade the contra investment dealer code will be its own code. The crossing is deemed to be entered when the investment dealer / companies 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 crossing will be rejected if there is a mismatch in quantity of the two entered orders.

10.1.2 Price Determination Mechanism

The crossing will be executed at the entered price.

10.1.3 Amendments

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

10.1.4 Order life time

Unmatched crossings are expired after 15 minutes.

10.1.5. Price constraints

A crossing shall take place within the price spread of the security in respect of the market day. In exceptional situations, the SEM may, subject to the approval of the FSC, 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 [*Amended 5/12/06*].

10.1.6 Trading unit

To be crossed the parcel must be:

- a) More than 2% of the issued number of securities , Or
- b) Greater than Rs 10,000,000/-

In the event of a sale of securities by a company to its employees under a specific scheme or in other exceptional situations, the SEM may, subject to the approval of the FSC, 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 [*Amended 5/12/06; 4/06/08; 2/12/09*].

10.1.7 Visibility

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

10.1.8 Statistics

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

10.2. All or None (AON) Board

AON is a bid / offer of a specific quantity of securities (as per procedure 10.2.7) which will be matched to a best contra order at the close of the 3rd market day from the day the initial bid/offer is input in the ATS in respect of securities traded on the equity board.

AON transactions will be invoked from a separate board. The sessions will be invoked for the AON board and securities will be created for the given board. The All or None session will begin at the start of a given market day and it will continue till the closing session of the third market day.

The first AON block bid/offer sets the block size for the auction and all subsequent bids and offers will be for this fixed parcel size. The order book retains all orders entered.

No AON blocks of other parcel sizes for the same security will be accepted till the trade is concluded for that security.

This transaction follows an Exchange announcement of the shares being traded and operates for a fixed period of time. At the end of the time period the best two orders are matched as per the procedures described below.

10.2.1. Price determination mechanism

The price determination for AON block trades is as follows:

- If the buy side is constant and the sell side is bettered then the best sell side price is the execution price.
- If the sell side is constant and the buy side is bettered then the best buy price is the execution price.
- If a buy order is entered followed by a sell order at the buy order price and the sell side is not bettered then, the buy order price is the execution price.
- If a sell order is entered followed by a buy order at the sell order price and the buy side is not bettered then, the sell order price is the execution price.

10.2.2 Bidding Constraints

Bidding constraints will limit the way an All or None parcel can be bettered. In all cases below the parcel size is constant.

The system will permit another seller or buyer to come into the market provided that the price quoted will be higher for the buyer and lower for the seller.

Once a parcel has been bid up, i.e, if one side has more than one order, the system will only permit new orders on that side. It will not permit orders on the contra side.

10.2.3 Bidding procedure

- The bidding process starts after the initial bid or offer has been entered on the board.
- Investment dealers interested in the parcel must express their interest by making a bid/offer before 2.30 p.m, the latest on the 3rd market day for securities traded on the Official Market. For securities traded on the Development & Enterprise Market, investment dealers interested in the parcel must express their interest by making a bid/offer before 2.30 p.m, the latest on the 3rd market day. *[Amended 4/06/08; 12/06/18]*
- The matching of the AON parcel will be concluded at 2.30 p.m on the 3rd market day for securities traded on the Official Market. For securities traded on the Development & Enterprise Market, the matching will be concluded at 2.30 p.m on the 3rd market day. The three market days will include the day on which the initial bid and offer are entered on the board. *[Amended 4/06/08; 12/06/18]*

10.2.4. Amendments

AON parcels cannot be amended or cancelled.

10.2.5 Order life time

During 3 market days contra order/s in respect of the initial bid/offer is entered in the ATS and registered in the order book. AON parcels are concluded 3 market days after the initial bid or offer have been entered.

10.2.6 Price Constraints

AON parcels do not have price range constraints and are completely decoupled from all other books.

10.2.7. Trading unit

To be an AON block the quantity must be greater than 5% of the issued quantity of the security.

10.2.8 Visibility

The AON order book containing all the bids and offers is visible to all the investment dealers. The execution will be reported to the market.

10.2.9. Statistics

AON trades will not update any market statistics. Volume and value traded for the market day will be updated.

10.3 Buy-In- Board

- Buy-In session is organised by the Exchange upon receipt of request from CDS, in case of default by CDS participants who fails to deliver securities traded on the equity board, debt board and Development & Enterprise Market board on the settlement date. Buy-In is carried out on the buy-in board.
- CDS submits to the Exchange the name of the designated investment dealer, 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 investment dealers of the buy-in and the date on which the buy-in will be effected. Buy-In is carried out at 3.30 p.m on a market day for securities traded on the equity board and debt board. *[Amended 4/06/08; 12/06/18]*
- The SEM 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 investment dealer 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 selling investment dealers must input the seller's CDS securities account/s during the sell order input.
- The transfer of securities and settlement in respect of the buy-in are effected according to the provisions of CDS 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 CDS Rules and Procedures will apply.

- The Exchange informs the CDS of the status of the buy-in.

10.3.1 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 investment dealer 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.
