



Skytra MTF Process Trades Service Service Description

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1. Introduction

The Skytra MTF operates a Process Trades Service (**PTS**) in Skytra contracts for the purposes of registration, publication and central counterparty (**CCP**) clearing. Process Trade Reports (**PTR**) submitted to the PTS are subject to the Skytra MTF Rulebook. The PTS is designed to support the needs of Participants and their clients to trade in large size in Skytra contracts and meet their trade reporting obligations in an efficient and timely manner.

The PTS is part of a suite of services including the Skytra Central Limit Order Book (CLOB) and the Skytra Request for Quote (RFQ) Service. All Participants can trade on all three services with their access rights configured as per the Participant Agreement entered into with Skytra.

2. Scope

The PTS's scope covers all futures and options contracts that are admitted to trading on the Skytra MTF. The PTS supports single leg and multi-legged strategy trades.

3. Process Trades

Where the terms of a transaction in one or more Skytra contracts have been discussed and negotiated, the transaction can be reported by a Participant to Skytra under the PTS. All Process Trades must be reported as matched trades, i.e. Skytra PTS will not accept single sided trades.

On receipt of a PTR, Skytra will validate the trade details against the criteria and parameters set out below. Upon successful validation, the trade will be deemed to have been executed on Skytra under the Skytra MTF Rulebook. A Process Trade confirmation will then be sent to the relevant Participants. All validated trades submitted to the PTS will be cleared at Skytra's CCP. Validated Process Trades will be published to the market, and are subject to deferred publication validation as set out below.

4. Capacity

The counterparties to a Process Trade must be Participants, acting in the following capacity;

- two different Participants; or,
- one Participant acting as:
 - an agent or as a riskless principal for two clients; or,
 - principal to one side of the trade and as an agent or a riskless principal for a client on the other side of a trade

All Skytra Participants are authorised to report Process Trades to the PTS and can act in a Principal, Agent or Riskless Principal capacity.



5. Reporting of Process Trades

Under PTR rules, as set out in the Skytra MTF Rulebook, the reporting obligations are as follows:

- all Process Trades must be submitted by the Participant to the Skytra PTS within 15 minutes of the trade being discussed or negotiated between the counterparties.
- any Process Trade submitted beyond the 15 minute deadline will be deemed late and rejected.
- if the Process Trade is between two Participants, the selling Participant must submit the trade.
- All Participants must maintain adequate records of the Process Trade discussion or negotiation process (telephone recordings, instant messages, etc.) and make these available for inspection by Skytra Compliance as set out in the Skytra MTF Rulebook

When Process Trades are reported to PTS the Participant submitting the Process Trade will receive an acknowledgement from Skytra.

In submitting a PTR, a Participant submits both sides of the trade (buyer and seller) to the PTS in a single FIX Trade Capture Report (TCR) message.

If a PTR includes more than one Skytra contract, a strategy trade, then all legs should be reported on the same PTR. Each leg will be validated as below and must meet the minimum lot size for that contract.

The PTR must contain the following information:

- Submitting Participant ID
- Buying counterparty Participant ID
- Selling counterparty Participant ID
- Arrangement Time
- For each contract:
 - Contract Identifier
 - Quantity* – the number of lots they wish to trade
 - Arrangement Price
- Deferred Trade Publication

* A minimum size (# of lots) is required in order to be eligible to use the PTS. The minimum size is specified in Section 13.

Participants submit PTRs to the PTS using the FIX TCR. Full details of the information that needs to be provided are contained within the Skytra MTF FIX Trading Specification.

6. Risk Management

Pre-trade risk limits can be set by Participants and Clearing Members in Skytra's Pre-Trade Risk Management (PTRM) Service. The PTRM Service enables such limits to be set in different ways and at different levels, including specific limits related to the PTS.

7. Validation

Upon receipt, a Process Trade will be validated against the following criteria:

- the Participant is authorised/registered to trade in the underlying Skytra contracts,
- the underlying contract in the PTR is available for trading on the Skytra MTF,
- the Process Trade is received within 15 minutes of the trade details being discussed or negotiated (the Arrangement Time),
- the Process Trade price is fair and reasonable in relation to the relevant market price and taking into account the size of the trade, and
- the size of the trade is above a minimum number of lots, as specified below.

In order to meet regulatory requirements, Participants are advised to ensure that the time period between the discussion or negotiation of the trade details and submission of the Process Trade to Skytra PTS is minimal.

Depending on whether the Process Trade is validated, Skytra will, either:

- Accept, register and publish the trade immediately, or
- Accept, register and defer the publication of the trade, or
- Reject the trade

Post the validation process, the submitting Participant is immediately notified of the registration or rejection of the reported Process Trade.

Skytra's CCP will automatically and immediately go on risk and accept Process Trades validated and reported to it by Skytra. Given the potential size of a Process Trade, the CCP may call for additional margin to collateralise resulting positions. If such calls are not met then Skytra may be asked by the CCP to cancel such trades and advise of such action to the Participants and the market, if the trade has been published.

8. Correction of Process Trades

Participants should ensure that PTRs submitted to the Skytra PTS are timely and accurate. If a Participant submits an erroneous trade they should contact Trading Operations to request a cancellation. Where required, these PTRs should then be re-submitted with the correct details. Trading Operations will liaise with CCP to try and ensure that any cancellations are accepted by the CCP. This support will be provided on a best endeavours basis.

9. Reporting Hours

Process Trades may be submitted to the Skytra PTS between the following times:

Process Trades Service	Time (London Time)	Properties
Start	08:00	Process Trade Reporting starts
End	17:00	Process Trade Reporting ends

Any PTRs submitted outside of these times will be rejected and receive an error code (Please refer to the Skytra FIX Technical Specification for error code details).

10. Trade Publication

Skytra's trade publication flags reflect MiFID II requirements as set out in RTS 2 and contained within the Market Model Typology.

These details are included in the ITCH Technical Specification.

All Deferred Publication (DP) trades will be published at 17:00 London time on T. The Participant submitting the Process Trade for registration can, however, elect to publish the trade immediately.

Unless elected otherwise, publication of a Process Trade will be deferred, provided that:

- the DP option is configured for that instrument class, and
- Participant has not elected for immediate publication, and
- the trade size is above the minimum lot size.

As per MiFIR / MiFID II requirements, deferred trades are marked with a specific "ILQD" post-trade flag, as per the MMT standard, in the ITCH market data feed, please refer to the Skytra ITCH Technical Specification for further details.

11. Trading Calendar

The Skytra MTF trading calendar can be found here <[Insert Link](#)>

12. Symbol Information

Details for all Skytra MTF tradable instruments including Symbol, ISIN and currency can be found on the Skytra website here <[insert link](#)>.

This information is also disseminated via the Skytra MTF ITCH Market Data feed at 06:00 (London Time) each day as part of the Skytra MTF reference data download.

Process Trades containing symbols that are not included in the Skytra reference database will be rejected.



13. Minimum Lot Size

The minimum lot size for a Process Trade is 1000 lots,

Skytra reserves the right to amend the minimum lot sizes and to attribute different minimums to different Skytra contracts. Any changes to the minimum lot sizes will be published to the market via a Notice.

14. Reported Price

All Skytra contracts are traded in US Dollars and the Process Trade price can be at a fractional tick level, up to three (3) decimal places and in increments of 0.001.

15. Timestamping

Process Trades must be time stamped with the discussion or negotiation time by the Participant. Participants must ensure that their systems are synchronised to a highly accurate timesource and can timestamp to the granularity required for PTS trades as detailed in the Skytra MTF Service Description.

16. Late Trades

Any Process Trades received more than fifteen (15) minutes after the reported discussion or negotiation time (Arrangement Time) will be rejected.

17. Connectivity

Process Trades are submitted by a Participant via direct entry to the Skytra MTF using:

- the FIX 5.0 SP2 Protocol, or
- the Skytra Trading Workstation

18. Record Keeping

Skytra will retain records of all Process Trades for five years in line with MiFID II requirements.

19. Enquiries

Any enquiries related to the market operations or trading functionality of the Skytra MTF can be addressed to tradingoperations@skytra.com.

Any enquiries related to Skytra's contractual arrangements e.g. Rules, Participant Agreements etc. can be addressed to compliance@skytra.com.

Any general, data licensing, membership and fee related enquiries can be addressed to information@skytra.com.

Version History

Version	Date	Summary of changes
0.1	April 2020	Draft document issued.

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