

### Summary

This Regulatory Notice of Direction prohibits the use of Hidden Orders during the Pre-Opening and Pre-Close Sessions.

This regulatory notice replaces the previous Participant Notice 2014/01 issued in October 2014.

### Relevant NZX Participant Rules: 11.11.2, 11.11.3, 14.9.2, 14.9.3, 22.7.11(b) and 22.7.11(c)

Under Rule 21.4.1 of the NZX Participant Rules (**Rules**), NZX Limited (**NZX**) may act by and through NZX Regulation Limited (**NZ RegCo**) in performing any function or discharging any power set out in the Rules. References in this Regulatory Notice to NZX therefore also include NZ RegCo in relation to any regulatory activity or discretion.

### Hidden Orders – Prohibition on use during Pre-Opening and Pre-Close Sessions

Participant Rules 11.11.2, 14.9.2 and 22.7.11(b) allow Trading Participants to elect not to disclose the total quantity of an Order in the Trading System (“**hidden order**”) so long as the value of the hidden order exceeds \$100,000.00. In practice hidden orders will appear in the Trading System with a volume of one share with a ‘+’ symbol alongside which indicates to the market the remaining quantity is hidden.


Transparency of the order book during the Pre-Opening Sessions and the Pre-Close Sessions is important so that Participants are readily able to assess the price and quantity of Securities that will be included in the Opening Order Match and the Close.

Use of hidden orders during the Pre-Opening Sessions or Pre-Close Sessions can create confusion as to the amount of available supply / demand, making management of Orders difficult. In order to promote transparency, NZX has determined to prohibit the use of hidden orders during the Pre-Opening Sessions and Pre-Close Sessions on all NZX Markets.

Participant Rules 11.11.3, 14.9.3 and 22.7.11(c) permit NZX to prescribe periods of time on a Trading Day during which Trading Participants may not elect not to disclose the total quantity of an Order.

In the interests of promoting transparency in Pre-Opening Sessions and the Pre-Close Sessions, and pursuant to Rules 11.11.3, 14.9.3 and 22.7.11(c), NZX hereby prescribes Pre-Opening Sessions and the Pre-Close Sessions for all NZX Markets as periods during which Trading Participants may not elect not to disclose the quantity of quoted Securities.

During the Pre-Opening Sessions and the Pre-Close Sessions Participants may not enter or maintain



hidden orders in the Trading System. Any hidden orders in the Trading System at the commencement of the Pre-Opening Sessions and the Pre-Close Sessions must be adjusted to display the total volume. Any Orders in the Trading System after the Opening Order Match or the Close may be adjusted to not display the total quantity as permitted by the Rules.

## **NZX Contact Information**

Participant Compliance

+64 4 498 0035

[participant@nzregco.com](mailto:participant@nzregco.com)

Market Surveillance

+64 4 495 2829

[surveillance@nzregco.com](mailto:surveillance@nzregco.com)

*This document may be subject to change at any time without notice. The information in this document is not a substitute for any relevant rules, and in the event of any inconsistency between this document and the rules, the rules prevail to the extent of the inconsistency.*