

NASDAQ OMX Nordic
Pre-Trade Risk Management
Service Guide 1.8

Table of Contents

1	Document Scope	3
1.1	Document History	3
2	Welcome to NASDAQ OMX Nordic Pre-Trade Risk Management Service	4
2.1	Background	4
2.2	Overview	4
2.3	Latency	4
2.4	Key benefits	4
2.5	Sponsored Access and PRM	5
3	NASDAQ OMX Nordic PRM Service Offering	6
3.1	PRM Account	6
3.2	Fat Finger Price Check	6
3.3	Maximum Order Quantity Check	7
3.4	Maximum Order Value Check	8
3.5	Daily Accumulated Values Checks	9
3.6	Restricted Symbol List Check	11
3.7	Restricted Market Segment List	11
3.8	FIX Drop On-Disconnect Safeguards	11
3.9	Blow-through Protection for PRM Accounts	11
3.10	Trading Sessions	12
3.11	PRM Administration Interface	13
3.12	Summary of PRM Configurability	14
3.13	Pricing	14
4	NASDAQ OMX Nordic PRM Application and Go-live Process	15
5	PRM Support and Configuration management	16
5.1	Service Hours for Change Requests	17
5.2	PRM Contact Information - Summary	17
	Appendix – Examples on Daily Accumulated Values Checks	18

1 Document Scope

This document describes the NASDAQ OMX Nordic Pre-Trade Risk Management (PRM), offered by NASDAQ OMX Stockholm AB, service and details the steps to complete to order the service, prepare for its use in production and the procedure for its support and configuration management.

PRM is offered as an additional service under NASDAQ OMX Nordic Member Rules (NMR) and terms not defined in this document shall have the same meaning as set forth in the NMR.

1.1 Document History

Date	Revision	Change Description
2010-08-11	1.0	Document Created
2010-08-19	1.1	Minor changes
2010-09-03	1.2	Advise to always use Max Order Value and procedures for unblocking accounts
2010-09-17	1.3	Clarified config. options for Fat Finger Price Check
2010-10-26	1.4	Added limitation for Nordic@Mid Order handling and removal of price check on passive orders
2010-11-29	1.5	Added PRM Administration Interface, Restricted List of Market Segment and support for Nordic@Mid and Pegged Orders and PRM Acceptance Confirmation Statement. Trade Support desk for ongoing PRM configuration management requests and emergency actions
2010-12-20	1.6	Made use of PRM Administration Interface mandatory for PRM customers
2011-03-03	1.7	Added FIX Drop on-disconnect safeguard and limitation for Nordic Order Routing executions on away markets
2011-06-13	1.8	PRM Blow-through protection Fat finger price deviation check on passive orders

2 Welcome to NASDAQ OMX Nordic Pre-Trade Risk Management Service

2.1 Background

In today's marketplaces there is an increased focus on risk management and specifically on pre-trade risk management in relation to new market access models such as Sponsored Access and Direct Market Access (DMA).

At the same time speed of response and latency are getting more and more important, especially when algorithmic and program trading methodologies form the base of a customer's business.

As the leader in trading and data technology for the financial industry, NASDAQ OMX has developed a Pre-Trade Risk Management service that provides customers of its Nordic marketplaces a Pre-Trade Risk Management solution that virtually adds no latency.

2.2 Overview

NASDAQ OMX Nordic Pre-Trade Risk Management provides member firms with the ability to facilitate pre-trade protection.

Using PRM, member firms can set various constraints on orders and control their trading activity and the trading activity of their clients and customers, including prevention of potentially erroneous transactions.

PRM validates orders prior to allowing them into the matching engine. PRM is flexible, using a set of parameters to determine if the order should be allowed into the market. If rejected, PRM provides customers with clearly defined reasons for rejection.

A PRM administration interface available via the Nordic Workstation provides members with the ability to directly control and update the risk limits of their PRM configuration, including the ability to quickly cancel all orders and reject new ones for a specific account.

2.3 Latency

The PRM software is an integrated part of the code of the OUCH and FIX ports. When PRM is enabled, it means that extra lines of code are executed (i.e. the PRM checks) by the process handling incoming orders. As the execution of PRM checks does not access external processes nor requires access to the network, the impact of a typical PRM configuration, with all type of checks activated, is less than 2 microseconds on the roundtrip latency.

2.4 Key benefits

- **Speed.** PRM is fast, adding virtually no latency to order roundtrip time.
- **Accuracy.** PRM functionality includes real-time price information to ensure that the most accurate information is available for validating orders.

- **Flexibility.** PRM is flexible and manages protection on one or many ports and account levels.

2.5 Sponsored Access and PRM

NASDAQ OMX Nordic PRM module and its PRM administration interface are particularly suited for Members who offer clients Sponsored Access and it fulfills the requirements for pre-trade control towards their sponsored clients.

For Sponsored Access setup, the PRM service can be combined with the FIX DROP on-disconnect safeguards, where the host would automatically cancel open orders and reject new ones for individual sponsored clients, in the case where the FIX DROP feed used by the sponsoring Member to monitor the client's activity gets disconnected (gracefully or ungracefully).

For more information about FIX Drop on-disconnect safeguards please contact: memberservices@nasdaqomx.com or call +46 8 405 6660.

3 NASDAQ OMX Nordic PRM Service Offering

3.1 PRM Account

NASDAQ OMX Pre-Trade Risk Management service provides:

1. Fat Finger Price Check
2. Maximum Order Quantity Check
3. Maximum Order Value Check
4. Daily Accumulated Values Checks
5. Restricted Symbol List Check
6. Restricted Market Segment List Check
7. FIX Drop on-disconnect safeguard
8. Blow-through protection for PRM Accounts

With the exception of the Fat Finger Price checks, all other type of checks are configured on a **PRM Account** basis.

A PRM Account is always associated to one specific Market Participant Identifier (MIPID). A PRM Account can consist of one, several or all of the members User IDs. A User ID can belong only to one PRM Account.

A PRM Account configuration is active cross all order entry ports regardless of the protocol used.

Active checks and their limits can be configured for each PRM Account as described in the next sections.

Please note that for a given PRM Account, all limits will be set only on a currency basis. It is not possible to set limits on individual orderbooks, group of orderbooks or market segments.

Reject reasons will apply according to OUCH and FIX protocol specifications.

3.2 Fat Finger Price Check

Fat Finger Price Checks allows you to compare the price of an incoming order against the current last sale. If the order deviates more than a given threshold (%) set on the order book, the order will be rejected.

The PRM system applies different thresholds for *Aggressive* and *Passive* orders, defined as:

- *Aggressive order*: is a Buy order whose price is equal or higher than the last paid or a sell order whose price is equal or lower than the last paid.
- *Passive order*: is a Buy order whose price is lower than the last paid or a sell order whose price is higher than the last paid.

The thresholds applied by the PRM system for *Aggressive* and *Passive* orders are published on our member web at:

http://nordic.nasdaqomxtrader.com/memberextranet/inetnordic/inet_nordic_prm/

Order price validation is only active for orders entered during continuous trading and which are eligible for continuous trading. If there is no last sale, validation will not be active.

Only limit priced orders are validated. On-open/On-close, Imbalance and Market orders are not included in validation rules.

When Nordic@Mid and Pegged orders are submitted by the Members or have their price automatically adjusted by the Trading System, the Fat Finger Price check will be applied based on the limit price at which the Trading System will attempt to place them in the orderbook.

Fat Finger Price Check **cannot** be enabled or disabled on a PRM Account level. The available options are:

- Individual OUCH ports
- All FIX ports (all or nothing)
- On MPID level

Therefore, this type of check cannot be enabled just for an individual User ID or a subset of User IDs of a Member.

Thresholds for Fat Finger Price Checks are set by NASDAQ OMX Nordic. No customer specific parameters are allowed.

NASDAQ OMX Nordic will safeguard that the thresholds are, in the opinion of NASDAQ OMX Nordic, reasonable. The current configuration guide is always available on our member web:

http://nordic.nasdaqomxtrader.com/memberextranet/inetnordic/inet_nordic_prm/

Changes to the thresholds will be communicated via IT Exchange Notices.

3.3 Maximum Order Quantity Check

Maximum Order Quantity Check provides Members with the ability to check order volume against a pre-set value for a PRM Account, e.g. if the order volume is set to be max 10 000 and an order has more than 10 000 shares, it will be rejected.

Different Maximum Order Quantity values can be set on different PRM Accounts for the same Member. Therefore, it is possible to assign different limits to different User IDs within an MPID as long as the User IDs are assigned to different PRM Accounts.

Different Maximum Order Quantity thresholds shall be specified for each currency. As an example, Members could request that for orderbooks trading in SEK that the maximum order size should be less or equal to 100 000 shares while for orderbooks trading in EUR the limit should be less or equal to 200 000 shares.

3.4 Maximum Order Value Check

Maximum Order Value Check controls the maximum order value allowed per order. Maximum value is defined as the shares of an order multiplied by the price limit of the order. Any total that is greater than the maximum value set in the configuration will result in a rejection of the order.

Different Maximum Order Values can be set on different PRM Accounts for the same Member. Therefore, it is possible to assign different limits to different User IDs within an MPID as long as the User IDs are assigned to different PRM Accounts.

When ordering the service, Members shall specify a Maximum Order Value for each currency. The value of the incoming order will be checked against the given Maximum Order Value specified for the currency the orderbook is traded on.

If no Maximum Order Value is specified for a currency, no order value check will be performed on orders placed on orderbooks trading in that currency.

Market Orders are not allowed and will be rejected for orderbooks where a Maximum Order Value limit has been specified.

When Nordic@Mid and Pegged orders are submitted by the Members or have their price automatically adjusted by the Trading System, the Maximum Order Value check will be applied based on the limit price at which the Trading System will attempt to place them in the orderbook.

When the INET System re-activates Nordic@Mid orders from a Suspended, the Maximum Order Value check will be applied based on the limit price at which the Trading System will attempt to re-activate them.

3.5 Daily Accumulated Values Checks

The daily cumulative checks involve monitoring a series of counters for each group of orderbook with the same currency.

Different Daily Accumulated Values checks can be set on different PRM Accounts for the same Member. Therefore, it is possible to assign different limits to different User IDs within an MPID as long as the User IDs are assigned to different PRM Accounts.

Limits are individually configured for each currency per PRM Account for the following gross counters:

Total Risk Value	Total traded value including all open orders in the market
Total Traded Value	Total traded value
Total Open Orders Value	Total value of all open orders in the market
Traded Buy Value	Total value bought
Traded Sell Value	Total value sold
Open Orders Buy Value	Unexecuted total value allowed for the buy orders currently in the market
Open Orders Sell Value	Unexecuted total value allowed for the sell orders currently in the market

Table 1- Counters for Accumulated Values Checks

Please note that counters based on open orders (i.e. Total Risk Value, Total Open Orders Value, Open Orders Buy and Sell Value) are considering also aggressive orders and IOC orders in addition to the passive orders posted in the book.

Market Orders are not allowed and will be rejected for orderbooks trading on currencies where accumulated values based limits have been specified.

When Nordic@Mid and Pegged orders are submitted by the Members or have their price automatically adjusted by the Trading System, the relevant Accumulated Value checks will be applied based on the limit price at which the Trading System will attempt to place them in the orderbook.

Please note that when the Trading System suspends a Nordic@Mid order, the PRM service will decrement the applicable counters for the value of the order.

When the Trading System re-activates Nordic@Mid orders from a Suspended state, the relevant Accumulated Value checks will be applied based on the limit price at which the Trading System will attempt to re-activate them.

Breaching Accumulated Value limits and locking of PRM Account

When an Accumulated Value limit for a currency is breached, the PRM Account is locked (i.e. new orders are rejected) for all the orderbooks traded on the affected currency. PRM will still allow the Member to enter orders on orderbooks traded on other currencies until their respective Accumulated Value limits are breached.

When a PRM Account is locked for a currency, even if the Member reduces its exposure below the breached limit (e.g. by cancelling some open orders), it will remain. Members that wish to resume trading can do so via the PRM Administration Interface available in the Nordic Workstation or can contact Trading and Clearing Operations desk to have the PRM Account unlocked for the affected currency. The breached limit for the affected currency may have to be updated prior to unlocking the PRM Account.

When a PRM Account is locked for a currency, Members can still cancel existing open orders or reduce their volume. Any other order modification will be prevented.

Please note that if no action is taken when a currency limit is breached for a PRM Account, on the next trading day the PRM Account will be unlocked and order entry will be allowed for the orderbooks traded on that currency.

Please be advised that PRM is NOT designed to cancel open orders (and thereby preventing future executions of orders already residing on the book) once a limit is surpassed. PRM will only prevent new orders from being accepted; previous orders in the matching engine before the limit was surpassed can still be executed or cancelled.

An incoming order that breaks a limit will always be accepted by the Trading System and will be the signal for the rejection of following orders on orderbooks traded on the affected currency. For this reason, Members are advised to always set a limit for the Maximum Order Value to control by how much an Accumulated Value Check limit could be breached by an incoming breaking order.

For more information on how the Accumulated Value Checks work please refer to the Appendix – Examples on Daily Accumulated Values Checks.

Limitations:

Members are encouraged to consider the limitations stated below when defining the limits for the value based checks:

- In the case of order entry over multiple ports at virtually the same time, the order that breaks the limit can under certain circumstances be followed by one additional single order entered over another port.
- The counters reported in Table 1 do not include manually reported trades nor trades occurred on away markets as a result of NASDAQ OMX Nordic Order Routing service
- All the accumulated values are counted for each individual currency only and therefore there are no global cross-currency counters available.

3.6 Restricted Symbol List Check

Restricted Symbol List Checks allow users to prevent trading on certain symbols. Any orders on symbols that are on the restricted list will be rejected.

Different Restricted Symbol Lists can be set on different PRM Accounts for the same Member. Therefore, it is possible to configure different restricted lists to different User IDs within an MPID as long as the User IDs are assigned to different PRM Accounts.

3.7 Restricted Market Segment List

In addition to the list of restricted symbols, it is possible for Members to provide a list of restricted Market Segments in order to impose wider trading restrictions (e.g. prevent trading on non CCP-cleared instruments or specific instrument types).

Any order placed on a symbol belonging to a restricted Market Segment will be rejected.

Please note that the list of restricted Market Segments is not visible in the PRM Administration Interface and therefore cannot be modified directly by the Member. Members are advised to contact Trading and Clearing Operations desk for such changes and follow the procedure described in chapter 5.

3.8 FIX Drop On-Disconnect Safeguards

It is possible to configure a FIX Drop port to automatically cancel all open orders and prevent order entry for one or more PRM Accounts in case of a disconnect event is detected by the host (e.g. client application crashed, network problem and/or client logged out).

When the FIX Drop connection is re-established by the Member's FIX client, there will be no automatic resumption of order entry for the blocked PRM Account/s.

Members shall re-activate order entry by using the PRM Administration Interface available from the Nordic Workstation.

If a FIX client never connects to a FIX Drop Port during a day, the PRM Service will never act on the related PRM Accounts and therefore, will take no action to cancel open orders or to prevent order entry.

3.9 Blow-through Protection for PRM Accounts

By enabling this protection, PRM customers would indicate whether orders originated from a given PRM Account (e.g. a sponsored client) need to be protected from the risk of unintentionally triggering Nordic Volatility Guards in the INET Nordic systems.

When the matching engine executes an aggressive order originated by the PRM Account, it would stop executing the order 1 (one) price level before the level that would trigger the Nordic Volatility Guard.

Any remaining unfilled volume of the original order would be cancelled with a specific reason code.

This protection is automatically applied on each order connected to the given PRM Account and does not trigger any block to the client order flow. The protection is applied only on the individual order that would trigger a Nordic Volatility Guard and does not affect other subsequent orders originated by the same PRM Account.

For more information on Nordic Volatility Guards, please refer to:

http://nordic.nasdaqomxtrader.com/memberextranet/inetnordic/Market_Model/

3.10 Trading Sessions

All checks are active during all trading sessions (pre-pen, continuous trading, intra-day auction and closing auction) except for Fat Finger Price Checks which are only active during continuous trading.

3.11 PRM Administration Interface

NASDAQ OMX Nordic provides PRM Customers with a PRM Administration Interface that can be accessed via the Nordic Workstation.

The interface allows PRM customers to:

- View and amend the PRM Account limits per currency for all checks except the Fat Finger Price check.
- Intraday emergency Block/unblock of order entry for a PRM Account
- Cancellation of all open orders for a PRM Account.
- Identify any breached limit for the daily accumulated risk values.
- Unlock a PRM Account that has breached the limit for an accumulated value on a currency
- Manage list of Restricted Symbol List per PRM Account. Including manual upload of a file.

The interface allows Members to update their PRM Configuration intraday and/or for the next trading day.

Limitations:

Viewing and managing the list of restricted Market Segments is not supported by the current version of the PRM Administration Interface.

Blocking a PRM Account via the Nordic Workstation is an action applied only for the current trading day. If the block of a PRM Account needs to be persisted for the next trading days, customers shall contact Trading and Clearing Operations desk by following the procedures described in chapter 5.

For detailed information about the PRM Administration Interface, please read the Nordic Workstation User Guide available at:

<http://www.nordicworkstation.com/>

3.12 Summary of PRM Configurability

The table below provides a summary of the configuration granularity available via PRM module.

Type of Check	Protocol	Port	MPID	User ID	Currency	Trading Session	Via PRM Admin
Fat Finger – Price Check ²	FIX and/or OUCH	Yes ³	Yes ⁴	No	No	continuous trading Only	No
Max Order Quantity Check	FIX and/or OUCH	No	Yes	Yes	Yes	All	Yes
Max Order Value Check	FIX and/or OUCH	No	Yes	Yes	Yes	All	Yes
Daily Accumulated Values Check	FIX and/or OUCH ¹	No	Yes	Yes	Yes	All	Yes
Restricted Symbol List Check	FIX and/or OUCH	No	Yes	Yes	Not applicable	All	Yes
Restricted Market Segments	FIX and/or OUCH	No	Yes	Yes	Not applicable	All	No
FIX Drop disconnect	FIX and/or OUCH	Yes	Yes	Yes	Not applicable	All	No
Blow-through protection	FIX and/or OUCH	No	Yes	Yes	Not applicable	continuous trading Only	No

- (1) Cross protocol aggregation is supported.
- (2) Fat Finger Price Check limits are set globally by NASDAQ OMX. Current configuration can be found in: http://nordic.nasdaqomxtrader.com/memberextranet/inetnordic/Market_Model/
- (3) On individual OUCH ports or on all FIX ports (all or nothing)
- (4) Can only be enabled/disabled per MPID. It is not possible to set MPIDs specific limit

3.13 Pricing

Pricing is according to the Technical Price list available at: <http://nordic.nasdaqomxtrader.com/memberextranet/pricelists/>

The PRM Administration Interface, including the Nordic Workstation user account and the market data will be provided free of charge for read-only users engaged exclusively in risk management and compliance.

Please visit: <http://www.nordicworkstation.com/Pricing/> for more information about other fees that are applicable for the NW service.

Nordic Workstation user account, including the PRM Administration Interface shall be ordered to: memberservices@nasdaqomx.com.

4 NASDAQ OMX Nordic PRM Application and Go-live Process

Step One: Determine your PRM Requirements

- Determine which checks you want to enable
- Determine on which User ID and/or MPIDs they should be enabled (i.e. define the PRM Accounts)
- For Fat Finger Price Checks, determine which configuration option should be enabled (e.g. individual OUCH port, all FIX ports, MPID).
- Define the limits per currency (except for Fat Finger Price check)

Step Two: Order PRM service

- Compile and submit to MemberServices@nasdaqomx.com the PRM Order Form available at:

http://nordic.nasdaqomxtrader.com/memberextranet/inetnordic/Market_Model

Customers shall submit separate PRM Order Forms for production and for the test environment (OTF).
- Order NW user accounts (or update existing ones) with PRM Admin Interface entitlement to: MemberServices@nasdaqomx.com.

Step Three: Test in OTF the PRM functionality

- Contact our technical support team at operator@nasdaqomx.com to plan your PRM acceptance tests on the configuration you have ordered
- Execute the PRM acceptance test with the support from our technical support team
- Any updates to the original PRM configuration (checks and limits) shall be requested to: MemberServices@nasdaqomx.com in written.
- Provide by e-mail to operator@nasdaqomx.com the signed PRM Customer Acceptance Statement to confirm your acceptance of the PRM service and configuration.

Step Four: Confirmation of PRM Production setup

- Receive notification from NASDAQ OMX Nordic Member Services that your PRM configuration has been enabled in production.

5 PRM Support and Configuration management

Once the Member PRM configuration is active in production, for technical support contact: operator@nasdaqomx.com or call +46 8 405 6410.

Members are required to use the PRM Administration Interface to update the PRM limits, the restricted symbol list, to unblock PRM Accounts and for emergency actions (block/unblock or mass cancel orders for a PRM Account).

In the remote event that the PRM Administration Interface is not available, Members that need to perform PRM emergency actions or urgent configuration changes can contact Trading and Clearing Operations desk by following the procedure below. For changes to the PRM service, please provide written request by email to tradesupport.sto@nasdaqomx.com.

The written change request shall consist of a PRM Order Form properly filled out in all its parts. The Member is fully responsible for ensuring that all the mandatory information is accurate and in accordance with NASDAQ OMX specifications.

Intraday change requests shall clearly indicate whether the change is to be considered valid only for the current day or shall continue to be valid for the coming trading days. If the intraday change only concerns the current day, the previous limits will be re-applied on the following trading days.

When changes to the PRM parameters are to be implemented, the Member shall consider the request complete once:

- (i) In the Trading and Clearing Operations desk view a properly filled written request is received from the Member, and***
- (ii) The Member has placed a follow up call to the Trading and Clearing Operations desk and got a confirmation that the request has been received***

Provided that (i) and (ii) have been followed by the Member and NASDAQ OMX, the Member shall be entitled to assume that the change request will be implemented within no later than (30) thirty minutes and any resulting failure by NASDAQ OMX to action Member's instructions shall constitute a failure on NASDAQ OMX's part to reach the normal care standards under rule 3.8.1 (as amended, updated or replaced from time to time) of the NMR. In case of liability for NASDAQ OMX it shall be limited to 100 000 Euro in relation to the PRM service provided to the Member.

Emergency action to block/unblock or mass cancel orders for a PRM Account

Members are required to use the PRM Administration Interface to perform emergency actions such as block/unblock or mass cancel orders for a PRM Account.

In the remote event that the PRM Administration Interface is not available, Members can place a call to the Trading and Clearing Operations desk and after proper identification, provide clear indication of: the action requested, the relevant PRM Accounts/s and whether the action, if applicable, is to be considered valid only for the current day or shall persist for the coming trading days. The Member will get a confirmation about the request being implemented while being on the line.

PRM Change Request for Sponsored Access

Members utilizing PRM as their sole pre-trade validation system for sponsored clients must have the following checks activated at all times: *Fat Finger Price Check, Accumulated Value Checks, Maximum Order Quantity or Maximum Order Value.* For the avoidance of doubt, Trading and Clearing Operations desk will not accept PRM change requests that would disable any of aforesaid validations for a PRM Account active on sponsored clients order flows.

5.1 Service Hours for Change Requests

Trading and Clearing Operations desk will process PRM change requests during the following time intervals:

	Start	End
Normal Trading Days	8:30 am CET	17:30 CET
Half Trading Days	8:30 am CET	13:00 CET

Updates to the service hours for change request will be communicated via IT Exchange Notices.

5.2 PRM Contact Information - Summary

Changes to production PRM configuration and emergency actions:

Trading and Clearing Operations: tradesupport.sto@nasdaqomx.com +46 8 405 6570

Subscribe to PRM & initial PRM setup:

Member Services: MemberServices@nasdaqomx.com +46 8 405 6660

PRM Production Technical support:

+46 8 405 6410 or operator@nasdaqomx.com

PRM Customer Acceptance Testing support:

+46 8 405 6410 or operator@nasdaqomx.com

Product information:

Your Key Account Manager or

http://nordic.nasdaqomxtrader.com/trading/equities/pre_trade_risk_management/

Appendix – Examples on Daily Accumulated Values Checks

Base scenario#1: For the orderbooks trading in SEK the Total Traded Value limit is 100 000 SEK, Total Open Orders Value limit is 100 000 SEK, Total Risk Value limit is 100 000 SEK.

50 000 SEK have been executed and there are 40 000 SEK in open orders value.

Example 1) – incoming 10 000 SEK order.

Result: the order is accepted but new orders will be rejected (reached Total Risk Value limit of 100 000 SEK) on SEK orderbooks. The Member still has an exposure of 50 000 SEK in open orders in the market and has traded for 50 000 SEK.

Example 2) – incoming 20 000 SEK order.

Result: the order is accepted but any following order will be rejected (exceeded Total Risk Value limit) on SEK orderbooks. The Member still has an exposure of 60 000 SEK in open orders in the market. The total risk for the Member is 110 000 SEK (50 000 SEK traded value and 60 000 SEK in open orders).

Example 3) – Out of 40 000 SEK in open orders value, 30 000 SEK is executed. Now the Total Traded Value is 80 000 SEK and 10 000 SEK is in open orders value. Incoming 20 000 SEK order.

Result: the order is accepted but any following order on SEK orderbooks will be rejected (exceeded Total Risk Value limit).

Base scenario#2: For the orderbooks trading in SEK the Total Open Orders Value limit is 1 000 000 SEK. No orders are in the market and no trades had been done on SEK orderbooks.

The user enters a Bid order 300 000 SEK followed by an aggressive IOC Bid order for 800 000 SEK. The aggressive IOC order is executed immediately.

The PRM Account of the user is now locked because for a short time the User had breached its Total Open Orders Value limit when it submitted its aggressive order.