ZAGREBAČKA BURZA

Zagreb Stock Exchange

Trading Manual

Zagreb, January 2025

DISCLAIMER:
Please note that this is a convenience translation of the Trading Manual which serves for information purposes only.
The original Croatian text is binding in all respects.

Contents:

1 Introduction 1

2 Trading hours and duration of individual trading sessions 1

2.1 Continuous trading 1
2.2 Low Liquidity Trading 2
2.3 Continuous Auction 2
2.4 Block trades 2
2.5 The duration of the volatility interruption and extended volatility 2
2.6 Continuous Trading 3
2.7 Low Liquidity Trading 3

3 Liquidity criteria for share classification in Continuous Trading and Low Liquidity Trading 3

3.1 Newly listed shares or shares included in trading on the Progress Market 3
3.2 Periodic review of liquidity criteria 4
3.3 Fast transition to trading procedure Continuous Trading 4

4 Volatility interruption 4

4.1 Liquidity criterion 4
4.2 Limits 5
4.2.1 Shares and ETF units 5
4.2.2 Debt securities 5
4.3 Reference price 6

5 Iceberg orders 6

6 Tick size regime 6

7 Short selling 8

8 Account type and settlement account designation 8

8.1 Account type and settlement account designation entry 8
8.2 Data correction 8

9 Provision of member short codes 9

10 Block trades 10

10.1 Negotiated trades 10
10.2 Minimum block trade size 10
10.3 Settlement date 10

11 Maximum number of orders 10

12 Pre-trade Controls 11

12.1 Price collars 11
12.2 Maximum value and maximum volume of orders 11
12.2.1 Shares 11

12.2.2 ETF units 12
12.2.3 Bonds and commercial bills 12
13 Provision of information on the Cross Request orders 12
14 Use of the Kill Functionality at Clearing System Request 13
14.1 Terms of Kill Switch Use 13
14.2 Terms of Kill Switch Termination 13
14.3 Functional Description of the Kill Switch Modality 14
14.3.1 Kill switch initiation 14
14.3.2 Kill switch termination 14
14.4 Form and Time Limit for Notifications 14
14.5 Form and Time Limit for Notifying the Agency 14
15 Transitional and final provisions 14
16 Annex I: The procedure for the collection of member short code 15
1 Identification of the entity which submitted the order 15
2 Client identification code 15
3 Client identification short codes 16
4 Investment decision within firm 16
5 Execution within firm 17
6 Investment/Execution decision short codes 17
7 Short codes provision deadline 17

1 Introduction

According to Article 4(1) of the Rules of the Zagreb Stock Exchange Inc. (hereinafter: Rules), this manual regulates the following:

- Trading hours and duration of individual trading sessions;
- Duration of the volatility interruption;
- Liquidity criteria for share classification in Continuous Trading and Low Liquidity Trading;
- Price corridors for triggering volatility interruption;
- Parameters for iceberg orders;
- Tick size regime;
- Account type and investor account designation entry;
- Provision of member short codes;
- Block trade size;
- Pre-trade controls;
- Provision of information on the Cross Request orders.

2 Trading hours and duration of individual trading sessions

According to Article 164(1), Article 167(3) and Article 200(2) of the Rules, the Exchange determines trading hours and the manner of trading as well as the duration of trading sessions in Continuous Trading and Low Liquidity Trading.

2.1 Continuous trading

Table 1. The duration of different trading sessions in trading procedure Continuous Trading.

Session	**Duration**
Pre-Trading	08:00 - 09:00
Main-Trading:	
Opening Auction	09:00 - 09:30[1]
Continuous Trading	09:30[2] - 12:00
Intraday Auction	12:00 -12:10[1]
Continuous Trading	12:10[2] - 15:55
Closing Auction	15:55 - 16:00[1]
Post-Trading	16:00[2] - 16:25

1---the earliest ending (due to the variable ending of Opening Auction, Intraday Auction or Closing Auction, which may last up to 15 seconds. The variable ending is determined separately for each instrument using a random number generator)

2---earliest beginning

2.2 Low Liquidity Trading

Table 2. The duration of different trading sessions in trading procedure Low Liquidity Trading.

Session	Duration
Pre-Trading	08:00 - 09:00
Main-Trading:	
Opening Auction	09:00 – 11:00[1]
Continuous Trading	11:00[2] – 12:00
Intraday Auction	12:00 – 14:00[1]
Continuous Trading	14:00[2] – 15:00
Closing Auction	15:00 – 16:00[1]
Post-Trading	16:00[2] – 16:25

1---the earliest ending (due to the variable ending of Opening Auction, Intraday Auction or Closing Auction, which may last up to 15 seconds. The variable ending is determined separately for each instrument using a random number generator)

2---earliest beginning

2.3 Continuous Auction

Table 3. The duration of different trading sessions in trading procedure Continuous Auction.

Session	Duration
Pre-Trading	08:00 - 09:00
Main-Trading	09:00 - 16:00
Post-Trading	16:00 - 16:25

The maximum duration of the bidding phase is 30 seconds from the time when Market Maker places his offer.

2.4 Block trades

Block trades may be executed every trading day between 08:00 - 16:00.

2.5 The duration of the volatility interruption and extended volatility

According to Article 211(3) of the Rules, the Exchange determines the duration of volatility interruption and extended volatility.

2.6 Continuous Trading

Table 4. The duration of volatility interruption and extended volatility for different categories of financial instrument in Continuous Trading.

Financial instrument	Volatility interruption	Extended volatility
Shares	5 min + variable ending (max. 15 seconds)	Between 5 and 10 min[1]
ETF's		
Bonds, commercial and treasury bills		

1 – Extended volatility can end earlier if order book is not crossed any more, except in case of extended volatility interruption triggered from intraday auction and closing auction;

– on the first trading day with a new amount of shares resulting from a stock split or reverse stock split, the extended volatility will last between 110 and 120 minutes, with the longest until 16:25.

In case the volatility interruption is triggered immediately before intraday auction or closing auction, volatility interruption will be automatically discontinued when an intraday auction or closing auction finishes and it will be continued after the end of the intraday auction or closing auction if the indicative price is outside the predefined dynamic or static limits.

2.7 Low Liquidity Trading

Table 5. The duration of volatility interruption and extended volatility in Low Liquidity Trading.

Financial Instrument	Volatility Interruption	Extended Volatility
Shares	15 min + variable ending (max. 15 seconds)	Extended volatility triggered during: • opening auction shall end between 11:25 and 11:30 • in all other cases shall end between 16:16 and 16:25

3 Liquidity criteria for share classification in Continuous Trading and Low Liquidity Trading

Further to Article 208(3) of the Rules, the Exchange sets numerical criteria for classification of shares to be traded in continuous trading and Low Liquidity Trading, as well as numerical criteria for a fast transition to trading procedure Continuous Trading.

Continuous Trading always involves the ETF units and shares listed on the Prime market or Official market, as well as the shares in respect of which there is a Market Maker contract concluded between the Exchange and a member firm and the shares included in the CROBEX® or another Exchange index.

Low Liquidity Trading may involve trading in shares only.

3.1 Newly listed shares or shares included in trading on the Progress Market

For the purposes of this Manual, the first admission for trading of a share on a regulated market shall be considered to take place at a time when one of the following conditions applies:

(a) the share has not previously been admitted for trading on a regulated market;

(b) the share has previously been admitted for trading on a regulated market but it is removed from trading on every regulated market which has so admitted it.

Any shares being listed on the regulated market for the first time or included in trading on the Progress Market are subject to trading procedure Continuous Trading.

3.2 Periodic review of liquidity criteria

Any shares with at least 1 (one) transaction a day or an average daily turnover of at least 2,000.00 EUR over a period of six months are traded in procedure Continuous Trading.

All other shares are considered less liquid and are traded in procedure Low LiquidityTrading.

Block and OTC trades are excluded from the calculation of the average daily turnover and number of transactions.

On the first Friday of each semester, the Exchange will publish on its website a list of shares to be traded in procedure Low Liquidity Trading. Trading in such shares will begin on the following trading day.

3.3 Fast transition to trading procedure Continuous Trading

Any shares with an average daily turnover of at least 70,000.00 EUR in the course of a trading week, as well as at least one transaction a day and at least 15 transactions a week, will transition from trading procedure Low Liquidity Trading to Continuous Trading.

Block and OTC trades are excluded from the calculation of the average daily turnover and number of transactions.

At the end of the trading week, after the close of trading, the Exchange will post a notification on its website in case any shares have met the criteria for a fast transition to procedure Continuous Trading. Continuous Trading in such shares will begin on the following trading day after the notification has been posted on the Exchange website.

4 Volatility interruption

The volatility interruption mechanism is used when trading with shares, ETF units and debt securities.

In relation to Article 211(3) of the Rules, the Exchange sets dynamic and static limits for volatility interruption mechanism activation based on liquidity criterion and/or market on which shares, or ETF units are listed.

4.1 Liquidity criterion

When defining the criteria for applying volatility interruption mechanism shares and ETF units are divided into three classes according to the liquidity criteria taking into account the number of trading days and the average daily turnover in the last 6 (six) months.

Block and OTC trades are excluded from the calculation of the average daily turnover.

The liquidity classes are the following:

Class 1 –in respect to any shares and ETF units traded on 75% of trading days for an average daily turnover in excess of 15,000.00 EUR;

Class 2 – in respect to any shares and ETF units traded on 50% of trading days for an average daily turnover in excess of 7,000.00 EUR;

Class 3 – other shares and ETF units.

If any share or ETF unit meets the criterion of the required number of trading days without meeting the average turnover criterion, it will be allocated to the lower class than that in which it would be on the basis of the number of trading days.

In exceptional cases, the Exchange may decide to classify a particular share or ETF unit into a higher or a lower class than that in which it would be allocated according to the mentioned criteria for a maximum period of 10 (ten) trading days. Such a decision is posted on the Exchange website.

4.2 Limits

4.2.1 Shares and ETF units

For the determination of price change limits, shares and ETF units are divided into 3 (three) classes according to the liquidity criteria.

Table 6. Limits for individual liquidity classes of shares and ETF units.

Liquidity class	Dynamic limit	Static limit	Limit for Extended volatility
1. class	5%	10%	20%
2. class	7,5%	15%	30%
3. class	10%	20%	40%

4.2.2 Debt securities

Table 7. Limits for debt securities.

	Dynamic limit	Static limit	Limit for Extended volatility
Government bonds	3%	6%	9%
Corporate and municipal bonds, commercial and treasury bills	15%	30%	45%

4.3 Reference price

The reference price for dynamic limits is the price of the last transaction, whether it was formed through an auction or in continuous trading. The reference price for dynamic limits is not updated due to partial execution of order.

The reference price for static limits is the price of the last transaction formed through an auction (Opening auction, Intraday auction, Closing auction or Volatility interruption). During a trading day, if there were no transactions formed through an auction, the reference price is the closing price of the previous trading day.

5 Iceberg orders

In relation to Article 190(9) of the Rules, the Exchange sets the parameters for iceberg orders.

On entering iceberg orders, the total order value must be greater than 10,000.00 EUR.

On entering iceberg orders, the displayed volume (*peak size*) must amount to at least 5% of the overall volume in the order.

Iceberg orders are not supported in trading with structured products.

6 Tick size regime

In relation to Article 172(2) of the Rules, the Exchange sets the tick size regime for shares, depositary receipts and exchange-traded funds in accordance to the provisions of the Commission Delegated Regulation (EU) 2017/588 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on the tick size regime for shares, depositary receipts and exchange-traded funds and Commission Delegated Regulation (EU) 2023/960 of 1 February 2023 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2017/588 as regards the annual application date of the calculations of the average daily number of transactions for shares, depository receipts and exchange-traded funds for the purposes of the tick sizes.

The liquidity band corresponding to average daily number of transactions in the most relevant market is applied for shares.

The liquidity band corresponding to the highest average daily number of transactions is applied for exchange-traded funds which underlying financial instruments are solely equities or a basket of such equities.

For exchange-traded funds which underlying financial instruments are not solely equities or a basket of such equities tick size amounts to 0.01€.

The Exchange shall apply the tick sizes of the liquidity band corresponding to the average daily number of transactions from the first Monday of April following publication by the competent authority.

	Liquidity bands					
Price ranges	**0 ≤ Average daily number of transactions < 10**	**10 ≤ Average daily number of transactions < 80**	**80 ≤ Average daily number of transactions < 600**	**600 ≤ Average daily number of transactions < 2 000**	**2 000 ≤ Average daily number of transactions < 9 000**	**9 000 ≤ Average daily number of transactions**
Liquidity band	**1**	**2**	**3**	**4**	**5**	**6**
0 ≤ price < 0,1	0,0005	0,0002	0,0001	0,0001	0,0001	0,0001
0,1 ≤ price < 0,2	0,001	0,0005	0,0002	0,0001	0,0001	0,0001
0,2 ≤ price < 0,5	0,002	0,001	0,0005	0,0002	0,0001	0,0001
0,5 ≤ price < 1	0,005	0,002	0,001	0,0005	0,0002	0,0001
1 ≤ price < 2	0,01	0,005	0,002	0,001	0,0005	0,0002
2 ≤ price < 5	0,02	0,01	0,005	0,002	0,001	0,0005
5 ≤ price < 10	0,05	0,02	0,01	0,005	0,002	0,001
10 ≤ price < 20	0,1	0,05	0,02	0,01	0,005	0,002
20 ≤ price < 50	0,2	0,1	0,05	0,02	0,01	0,005
50 ≤ price < 100	0,5	0,2	0,1	0,05	0,02	0,01
100 ≤ price < 200	1	0,5	0,2	0,1	0,05	0,02
200 ≤ price < 500	2	1	0,5	0,2	0,1	0,05
500 ≤ price < 1 000	5	2	1	0,5	0,2	0,1
1 000 ≤ price < 2 000	10	5	2	1	0,5	0,2
2 000 ≤ price < 5 000	20	10	5	2	1	0,5
5 000 ≤ price < 10 000	50	20	10	5	2	1
10 000 ≤ price < 20 000	100	50	20	10	5	2
20 000 ≤ price < 50 000	200	100	50	20	10	5
50 000 ≤ price	500	200	100	50	20	10

Tick size regime is applied on order book trading, block trades and cross request orders.

7 Short selling

The member is obligated to deliver to the Exchange the notice of executed sell transactions with borrowed financial instruments or the notice of buying in relation to the repayment of the loan from Article 238(2) of the Rules in the form of the Excel file which is available on the website of the Exchange.

The related notice is delivered to the Exchange not later than 15:00 o'clock of the next trading day via e-mail *nadzor@zse.hr*.

8 Account type and settlement account designation

Further to Article 197(3) and 198(1)(4) of the Rules, The Exchange defines the manner in which a designation of the account type and settlement account designation in SKDD-CCP Smart Clear d.d. (hereinafter: SKDD-CCP) are to be entered in the order.

8.1 Account type and settlement account designation entry

During an order entry in the trading system, a member is obligated to choose the type of the account and write in the settlement account in SKDD-CCP as follows:

1. in case of placing an order on behalf of an investor who is not a segregated client, the member is obligated to choose the predefined account client type (A)

2. in case of placing an order on behalf of an investor who is a segregated client, the member is obligated to choose the predefined account client type (A) and write in the settlement account for the isolated client in the text field

3. in case of placing an order on one's own behalf, the member is obligated to choose the predefined account client type (P), which designation may only be used in case of proprietary trading

4. in case of placing a Market Maker offer, the member is obligated to choose the predefined account client type (D or M, depends on a user interface)

8.2 Data correction

The member firm is required to send a request for amending an erroneously entered investor account number and/or settlement account designation as soon as it sees the error. Along with the request, it is required to submit a copy of the printout from the order book against which the order was entered in the trading system.

The request to amend the data is to be send to the Exchange e-mail nadzor@zse.hr.

The Exchange will amend the account number and/or settlement account designation in the transaction database at the request of the member firm.

9 Provision of member short codes

Further to the Article 197(3) of the Rules, the Exchange sets the procedure for the collection of the information needed for the identification of the relevant parties who submitted order and in accordance to the provisions of the Commission Delegated Regulation (EU) 2017/580 of 24 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the maintenance of relevant data relating to orders in financial instruments. The procedure for the collection of member short codes is described in Annex I of this Manual.

The procedure of delivering the identifiers of the relevant parties is applied appropriately to block transactions.

10 Block trades

Further to Article 235(2) of the Rules, the Exchange sets the minimum size and other parameters of block trades in certain financial instruments.

10.1 Negotiated trades

Block trade is a transaction in a financial instrument listed on the regulated market or included in Progress Market which involves one or more member firms, which is pre-arranged privately and conducted via the Exchange trading system. In conducting such transactions, the Exchange member undertakes one of the following:

a) proprietary trading with another member firm which acts for the account of a client;
b) trading with another member firm, where both execute own orders in proprietary trading;
c) acting for the account of both a buyer and a seller;
d) acting for the account of the buyer while another firm acts for the account of the seller;
e) proprietary trading while executing a client order.

10.2 Minimum block trade size

The minimum size of block trades in bonds depends on the bond type. The table below lists the minimum sizes of block transactions for certain types of financial instruments:

Bond type	**The minimum size of block trades**
Shares	300,000.00 EUR
State bonds	3,500,000.00 EUR
Corporate bonds	1,500,000.00 EUR
Municipal bonds	2,500,000.00 EUR
Treasury bills	1,500,000.00 EUR

Executing the block trades below prescribed limits is not permitted.

In the case of block transactions, if a trading member enters an aggregated order, each individual order has to meet the minimum block transaction size requirement prescribed by this Manual, depending on the type of financial instrument. Also, a copy of orderbook is to be sent to the Exchange e-mail address nadzor@zse.hr.

10.3 Settlement date

Settlement date for block transactions can be between T + 1 and T + 90.

11 Maximum number of orders

According to the Article 31(2) of the Rules, the Exchange sets the limits per member of the number of orders sent per second. Maximum of 20 orders are allowed to be sent per second. Furthermore, a member is able to buy additional capacity directly from the Vienna Stock Exchange.

12 Pre-trade Controls

Further to the Article 216 of the Rules, the Exchange sets the pre-trading control tresholds:

- price collars
- maximum order value
- maximum order volume

In case price collar threshold is exceeded, volatility interruption would be triggered. Furthermore, if maximum order value or maximum order volume are exceeded, Xetra®T7 automatically prevents order entry and sends the message to a trading member. Additionally, every trading member has to define his own pre-trade controls using the same or lower values than those prescribed by the Exchange.

Pre-trading controls are applied on order book trading, block trades and cross request orders.

12.1 Price collars

Price collars tresholds are equal to dynamic limit values stated in Chapter 4.2. of this Manual.

12.2 Maximum value and maximum volume of orders

While entering the buy order, the trading system calculates the maximum value of the order based on the price stated in the order.

While entering the sell order, the trading system calculates the maximum value of the order based on the reference price.

While entering the stop order, the trading system calculates the maximum value of the order based on the trigger price.

While entering the iceberg order, the trading system calculates the maximum value of the order based on the overall volume.

12.2.1 Shares

Maximum order value and maximum order volume for shares are determined once a year based on the free float market capitalization on the last day of the preceding calendar year and on the average daily turnover in period from January 1 to December 31.

For newly listed shares, maximum order value and maximum order volume are determined based on the estimated free float market capitalization and average daily turnover. Four weeks after the listing, pre-trading tresholds will be determined based on the first four weeks of trading.

Maximum order value and maximum order volume will be announced no later than January 22 and will be applied as of February 1.

Table 8. Pre-trading tresholds for shares.

Free float market capitalization (EUR)	Average daily turnover (EUR)	Maximum order value (EUR)	Maximum order volume (pieces)
>= 35mil	>= 15,000	3,500,000	10,000,000
>= 15 mil	>= 1,500	1,000,000	5,000,000
< 15 mil	< 1,500	500,000	1,000,000

12.2.2 ETF units

Pre-trading tresholds for ETF units:

- Maximum order value (EUR): 150,000
- Maximum order volume (pieces): 100,000

12.2.3 Bonds and commercial bills

Table 9. Pre-trading tresholds for debt securities.

	Maximum order value (EUR)	Maximum order volume
Government bonds	10,000,000	99,000,000
Corporate bonds, commercial and treasury bills	2,000,000	20,000,000
Municipal bonds	4,000,000	50,000,000

If a trading member has to enter an order which exceeds predefined pre-trading tresholds of maximum order volume or maximum order value, a request is to be sent to the Exchange e-mail nadzor@zse.hr. The request must be properly justified.

13 Provision of information on the Cross Request orders

Further to the Article 233(6) of the Rules, the Exchange sets the procedure for the collection of the information needed for the identification of the relevant parties who submitted Cross request order.

A trading member must specify Xetra®T7 -Order number of the order which was entered upon Cross Request. A trading member can fulfill the obligation to deliver this information by entering a special two-character ":x" tag into the text field of the given order. The field may contain additional characters before the above tag.

If a trading member does not have the technical ability to designate the order as stated above, the Exchange can request an order ID to be delivered.

14 Use of the Kill Functionality at Clearing System Request

In order to ensure the stability, security and integrity of the capital market, as one of the risk management measures, the Zagreb Stock Exchange, Inc. (hereinafter: the Exchange) provides the operator of the SKDD-CCP Smart Clear, Inc. central counterparty clearing system (hereinafter: the SKDD-CCP) with a mechanism enabling orders that have already been placed on the regulated market or multilateral trading facility to be cancelled and preventing new orders from being placed (so-called *kill button* or *kill switch* modality).

Under Article 241(1) of the Exchange Rules, the use of the kill switch modality by the clearing system operator which is operated or managed by a central counterparty recognised by the European Securities and Market Authority (ESMA) under the provisions of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

14.1 Terms of Kill Switch Use

Kill switch is initiated at the request of the SKDD-CCP.

A request of the SKDD-CCP to initiate kill switch shall include:

- the number of a member firm's position account in the SKDD-CCP; and
- legal basis for using the kill switch, as specified in the SKDD-CCP Rules.

The SKDD-CCP may submit a request for initiating the kill switch functionality in all trading modalities and at all trading phases, from 8:30 to 16:00 hours on each trading day.

The legal basis pursuant to which the SKDD-CCP may submit a request for kill switch use is laid down in the SKDD-CCP Clearing Rules and includes the following grounds:

1. a member firm is in default of its obligation to increase the margin value in a manner described in the SKDD-CCP Clearing Rules; or
2. a member firm is in default of its obligation to increase the value of the member's share in the escrow fund in a manner described in the SKDD-CCP Clearing Rules.

14.2 Terms of Kill Switch Termination

The kill switch use shall be terminated at the request of the SKDD-CCP.

A request of the SKDD-CCP for termination of kill switch use must include the number of the member firm's position account at the SKDD-CCP.

The SKDD-CCP may submit a request for termination of kill switch use in all trading modalities and at all trading phases, from 8.30 to 16.00 on each trading day.

If the Exchange does not receive a request of the SKDD-CCP for termination of kill switch use by 16:00 hours, kill switch shall continue in force on the next trading day or until receipt of a request of the SKDD-CCP for termination of kill switch use.

14.3 Functional Description of the Kill Switch Modality

14.3.1 Kill switch initiation

On receiving an SKDD-CCP kill switch request through the *Service for providers of financial instrument transaction clearing*, within 10 minutes from its receipt the Exchange shall perform the following actions via the Exchange trading system:

- cancel orders placed by the respective member firm in the book of orders; and
- prevent the member from placing new orders.

14.3.2 Kill switch termination

On receiving an SKDD-CCP request for termination of kill switch use on all position accounts in respect of which the kill switch modality has been initiated, within 10 minutes from its receipt the Exchange shall enable the member firm to place new orders.

14.4 Form and Time Limit for Notifications

The Exchange shall send notification of kill switch initiation and its termination to member firms via the trading system.

14.5 Form and Time Limit for Notifying the Agency

The Exchange shall send notification of kill switch initiation to the Agency by e-mail.

15 Transitional and final provisions

This Manual shall enter into force on the 01 February 2025.

On the entry into force of this Manual, the Trading Manual of 01 June 2024 shall cease to have effect.

16 Annex I: The procedure for the collection of member short code

In order to comply with Commission Delegated Regulation (EU) 2017/580 which relates to the record keeping requirements for trading venues, Zagreb Stock Exchange needs to obtain additional data from its trading members.

As a trading venue, Zagreb Stock Exchange is required to store and keep at the disposal of the National Competent Authority (NCA) the following data (among others required by RTS 24, Table 2):

Field	Field	Short description
1	Identification of the entity which submitted the order	Legal Entity Identifier of the member of the trading venue
3	Client identification code	Identification of the client of the member
4	Investment decision within firm	Code used to identify the person or the algorithm within the member who is primarily responsible for the investment decision
5	Execution within firm	Identification of the person or algorithm within the member who is responsible for the execution of the order; or if determined by the client of the member

Zagreb Stock Exchange follows the EU-wide industry "short code solution". Trading members must insert short code values into ClientID, Execution and Investment Decision fields.

1 Identification of the entity which submitted the order

The entity which submitted the order is identified by **member's legal entity identifier (LEI)**.

Trading members must have a validated, issued and duly renewed ISO 17442 legal entity identifier code. Trading members must ensure that the reference data related to its legal entity identifier is renewed according to the terms of any of the accredited Local Operating Units of the Global Legal Entity Identifier System.

2 Client identification code

Under Art. 25(2) of MiFIR and Art. 2 of Commission Delegated Regulation (EU) 2017/580, Zagreb Stock Exchange shall keep at the disposal of the competent authority the relevant data to identify the client of the member of the trading venue.

There are five possibilities for the provision of Field 3 "**Client identification code**" of Table 2 of the delegated regulation:

1. When the client is a legal entity, the LEI code of the client;
2. When the client is not a legal entity, the National ID of the client;
3. In case of an aggregated order, the flag AGGR;

4. In case of pending allocations, the flag PNAL;
5. This field shall be left blank only if the member is trading on its own account.

The client identification code refers to the immediate client of the members. Members shall provide only LEI or National ID of their immediate clients.

Flags AGGR and PNAL are specified in Art. 2 (3) and 2 (2) of Commission Delegated Regulation (EU) 2017/580 on maintenance of relevant data relating to orders in financial instruments under Art. 25 (2) of Regulation (EU) No 600/2014.

3 Client identification short codes

Trading members must specify *client identification code* by entering a short code into ClientID Xetra®T7 field during order entry/modification for Agent account type (A). The format of short code is 8-byte integer (0 - 18446744073709551614). For all other account types (Proprietary (P) and Market maker (M/D)), the ClientID must be empty.

The following standard short codes are reserved and must be used to identify:

- **1** – Aggregated order flag "AGGR";
- **2** – Pending allocations flag "PNAL".

Members have to assign short codes for the identification codes required to identify their immediate clients. Each short code must end with a check digit according to the Damm algorithm.

Members have to upload a data-file containing the mapping between short codes and according National IDs or LEIs via ZSE Member Short Code service.

4 Investment decision within firm

As set out in Article 8(1) of Commission Delegated Regulation (EU) 2017/590, the field "**Investment decision within firm**" must be populated when the Member is dealing on own account since it is putting its books at risk and is therefore deemed to be making an investment decision. If the investment decision was primarily made:

- by a person within the member firm, the National ID of the person must be provided,
- by an algorithm, the Algorithm ID must be provided.

If member is not dealing on own account (acting on *matched principal* basis or *any other capacity*), the investment decision is deemed to be made by the client regardless of whether the member has recommended the financial instrument to the client as ultimately the client has made the investment decision. In such cases, the field "**Investment decision within firm**" should not be populated.

If required, trading members must set the *Investment decision indicator* Xetra®T7 field and should provide the investment decision identifier by entering a short code into *Investment decision* Xetra®T7 field during order entry/modification. *Investment decision indicator* field must indicate whether the short code or Xetra®T7 trading account represents a human or an algorithm. If not required, both *Investment decision indicator and Investment decision* fields should be empty.

In cases where the investment decision is taken by a person within the member which is using a dedicated Xetra®T7 trading account for order execution (i.e. CEE Trader, Trader GUI) the provision of short code for investment decision may be omitted. In that case, it is implied that investment decision was made by the same person which made the execution decision.

5 Execution within firm

The "**Execution within firm**" field must be populated in every transaction report. If the decision about the execution was primarily made:

- by a client (e.g. if the client instructs the details of the trade including the venue of execution), value "CLIENT" must be used,
- by a person from outside the member (e.g. an employee of a company within the same group), value "CLIENT" must be used,
- by a person within the member firm, the National ID of the person must be used,
- by an algorithm, the Algorithm ID must be used.

Trading members must set *Execution decision indicator* Xetra®T7 field (human or algorithm) and should provide the information for execution decision by entering a short code into *Execution decision* Xetra®T7 field during order entry/modification.

The following standard short code is reserved and must be used to identify:

- **3** – CLIENT.

In cases where the execution decision is taken by a person within the member which is using a dedicated Xetra®T7 trading account for order execution (i.e. CEE Trader, Trader GUI) the provision of short code may be omitted. In that case, it is implied that execution decision was made by the user of the trading account. Members must provide mapping between such trading accounts (Xetra®T7 Trader IDs) and National IDs via ZSE Member Short Code service.

6 Investment/Execution decision short codes

Members have to assign short codes for National IDs of persons within member firm and Algorithm IDs for algorithms. Each short code must end with a check digit according to the Damm algorithm.

Members have to upload a data-file containing the mapping between short codes and according National IDs and Algorithm IDs via ZSE Member Short Code service.

7 Short codes provision deadline

The deadline for complete provision of short codes is 15 minutes after the end of post-trading phase on respective trading day.

Members can query the status of their short code provision completeness at any moment via ZSE Member Short Code service.

If a member fails to provide all long codes for short codes submitted into Xetra®T7 at deadline, Zagreb Stock Exchange will inform the member about incomplete data. Members have to ensure completing the missing data until 17:00 CET at the latest.