X-Stream INET Trading Platform

Frequently Asked Questions (FAQs)

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Frequently Asked Questions

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X-Stream INET FAQs	**Q**	**What are the expected benefits of X-Stream INET to the market?**
	A	The new platform is NASDAQ's latest in trading solutions and is the fastest recorded trading engine in the world. The new platform will handle the trading of Equities, Sukuk and Bonds, and ETFs. Its robustness, speed, and flexibility will allow the Saudi Stock Exchange to introduce to the a variety of new markets, asset classes, and participants whilst enhancing functionality, availability and reliability.
	Q	**Will the new platform introduce any changes to the matching logic?**
	A	No. The new platform will not introduce any changes to the matching logic currently applied in the existing platform
	Q	**Will the new platform introduce any changes to the trading hours or market sessions?**
	A	No. The new platform will not introduce any changes to the trading hours or market sessions currently applied in the existing platform
	Q	**Will the new platform introduce any changes to market behavior?**
	A	With the exception of Market Orders (see following page), the new platform will not introduce any other changes to market behavior

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X-Stream INET FAQs

Q **What are the expected changes to Market Orders in the new platform?**

A

- During the Pre-Open market state (between 10:00am and 11:00am), the behavior of Market Orders will remain the same as that of the existing platform
- During the Continuous Trading period (between 11:00am and 3:30pm), Market Orders will be executed against the best available market price. Any remaining unexecuted quantity will be converted into a fixed price order against the next best available price (unless the Market Order is entered as a “Fill Or Kill” or “Fill And Kill” order)

Example:

In the example below, where a Sell Order of 500 shares is placed at market price, the platform will execute 200 shares at a price 10.05 and the remaining 300 shares will be converted to a limit price order at 10.05 (i.e. the same as the execution price)

Sell Order		Buy Order	
Price	Quantity	Price	Quantity
Market Price Order	500	10.05	200
		10.00	100
		9.95	100

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X-Stream INET FAQs	**Q**	**Will the new platform introduce any changes to the data that is currently disseminated?**
	A	The new platform will disseminate all data currently available to the market with the exception to the Theoretical Open Price (TOP) which will not be disseminated automatically with the new platform
	Q	**Will the new platform introduce any changes to the investor portfolio opening process?**
	A	No, the new platform will not introduce any changes to the investor portfolio opening process
	Q	**Will the new platform introduce any changes to the process of transferring shares between portfolios?**
	A	No, the new platform will not introduce any changes to the process of transferring of shares between portfolios
	Q	**Will the new platform introduce any changes to the process of pledging shares?**
	A	No, the new platform will not introduce any changes to the process of pledging of shares

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X-Stream INET FAQs	Q	**Will the new platform introduce any new order types?**
	A	No, the new platform will not introduce any new order types
	Q	**Will the new platform introduce any changes to the order types and attributes?**
	A	No, the new platform will not introduce any changes to the order types and attributes
	Q	**Will the new platform introduce any changes to the order validity periods?**
	A	No, the new platform will not introduce any changes to the order validity periods
	Q	**Will the new platform introduce any changes to the trade settlement process?**
	A	No, the new platform will not introduce any changes to the trade settlement process

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X-Stream INET FAQs	**Q**	**Will the new platform introduce any changes to the value of Small and Normal Trades?**
	A	No, the new platform will not introduce any changes to the value of “Small Trade” (trades less than or equal to SAR 15,000)
	Q	**Will the new platform support “Put-Through” Trades?**
	A	Yes, the new platform will support “Put Through” Trades without any change
	Q	**Will the new platform introduce any changes to the price tick size bands?**
	A	No, the new platform will not introduce any changes to the price tick size bands
	Q	**Will the new platform introduce any changes to the index calculation methodology?**
	A	No, the new platform will not introduce any changes to the index calculation methodology

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X-Stream INET FAQs	Q	**Will the new platform introduce any changes to the closing price calculation methodology?**
	A	No, the new platform will not introduce any changes to the closing price calculation methodology
	Q	**Does the Saudi Stock Exchange have contingency and disaster recovery plans in place in case of technical failures and external forces that could impact its ability to operate the market?**
	A	Yes. The Saudi Stock Exchange has the necessary contingency and disaster recovery plans in place to deal with technical failures that could impact the operations of the market. In fact, X-Stream INET comes with redundancy systems that enable the market to continue operating in case of technical failures in the main systems. Furthermore, although the platform has been deployed in several other markets around the world, the Saudi Stock Exchange carried out extensive and comprehensive testing with market members and data vendors for more than 20 months to ensure the integrity, reliability and compatibility of the system with market participants. Notwithstanding this, there are risks that are associated with any system deployment of this scale. The system could face with unforeseen technical failures, which in the worst case, might force the Exchange to cancel transactions and roll-back to the SAXESS system before trading can be resumed normally.

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Thank you

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