

# Vienna Stock Exchange Position management controls

MIC:

**XWBO**

Competent authority:

**FMA – Österreichische Finanzmarktaufsicht**

## **1. Powers that the trading venue has to monitor the open interest positions of persons.**

Vienna Stock Exchange has not listed any derivatives (futures and options) but listings in securitised derivatives (certificates and warrants) based on commodities. As the term “commodity derivatives” comprises also securitised derivatives (certificates and warrants), the following process is related only to position management controls for securitised derivatives (certificates and warrants based on commodities) at Vienna Stock Exchange.

The Austrian Financial Market Authority submitted to Vienna Stock Exchange a draft regulation concerning position limits and the waiver of position reporting obligations in commodity derivatives (Warenderivateverordnung – “WDV”). According to § 2 WDV the position limit for securitised derivatives based on commodities traded on an exchange with a total number of securities in issue not exceeding 10 million units will be set at 2,5 million securities. According to § 3 WDV the requirements to submit aggregated position reports on a weekly basis as well as daily position reports according to § 20 Austrian Stock Exchange Act 2018 are not applicable if the total number of securities in issue does not exceed 2.5 million securities.

Based on the draft regulation concerning position limits and the waiver of position reporting obligations in commodity derivatives (WDV) Vienna Stock Exchange will concentrate its controls of position limits on setting up a process to control that the total number of securities in issue of commodity derivatives will not exceed 2.5 million. As the issuing volume of all listed products is an information which is part of the listing process the listing department of Vienna Stock Exchange has notice of the issuing volume at any time during the life cycle of all products listed at the exchange. Therefore, Vienna Stock Exchange can rely on this information without including external partners like for example a CSD.

Besides the fact that all issuers of securitised derivatives based on commodities at the Vienna Stock Exchange have committed themselves not to exceed the issuing limit of 2.5 million securities Vienna Stock Exchange has setup the following process in detail:

- a) All new listings of securitised derivatives will be checked by the listing department of Vienna Stock Exchange if the underlying is subject to the draft regulation concerning position limits and the waiver of position reporting obligations in commodity derivatives (WDV).
- b) If these securitised derivatives are subject to WDV the listing department of Vienna Stock Exchange will check the number of securities issued. If the number of issued securities is less or equal 2.5 million the limit acc. to §§ 2, 3 WDV is fulfilled and the securitised derivatives will be admitted to trading – if all other requirements in connection with its admission according to Austrian Stock Exchange Act are fulfilled. An increase in the number of issued securities of an already listed securitised derivative subject to WDV the issuer has to change the final terms which has to be reported to the exchange and will be handled like a new listing.

**2. Powers the trading venue has to access information, including all relevant documentation, from persons about the size and purpose of a position or exposure entered into, information about beneficial or underlying owners, any concert arrangements and any related assets or liabilities in the underlying market.**

All relevant documentation and information are part of the listing process. This process starts with a preliminary issue prospectus including general information such as planned kind of products (specification of certificates and warrants as well as asset classes, etc.). The preliminary issue prospectus gives the issuer the right to issue products described for a certain time period (usually 1 year).

Each single securitised derivative which should be listed throughout this period will be described in the final term sheet which covers all detailed information of the specific product. This information includes besides the description of the product ISIN, long name of the product, date of issue, date of last trading day, total number of securities in issue, etc. All relevant information will be stored in the database of Vienna Stock Exchange. If there is the need of further information the issuer is required to submit information.

**3. Powers the trading venue has to require reduction or termination of positions, on a temporary or permanent basis, as the specific case may require and to unilaterally take appropriate action to ensure the termination or reduction if the person does not comply.**

According to the described process in answer to question 1 - which based on the draft regulation concerning position limits and the waiver of position reporting obligations in commodity derivatives (Warenderivateverordnung – “WDV”) all issuers of securitised derivatives shall comply with the limit of 2.5 million securities in issue.

**4. Powers the trading venue has to require a person to provide liquidity into the market at an agreed price and volume on a temporary basis with the express intent of mitigating the effects of a large or dominant position, where appropriate.**

Not applicable for securitised derivatives as these products are always issuer driven.

**5. Any other powers the trading venue has in relation to position management, if applicable**

Besides the process described above concerning the control of the number of securities issued, there is no further mechanism in place in order to control the position management at Vienna Stock Exchange

**6. How position management controls apply to persons and take account of the nature and composition of market participants and the use they make of the contracts submitted to trading.**

Other than futures and options securitised derivatives (investment certificates and warrants) are mainly designed for retail clients. Above described general framework by setting up position limits referring to the total number of securities in issue should prevent market participants holding positions in commodity derivatives from distorting the market.