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**To: All NZFOE Dealers  
All Participants**  
**No: 7/00**

### **Expressions of Interest and Input of Bids and Offers**

This Circular is to remind all Trading Permit Holders of the Rules regarding Expressions of Interest and input of bids and offers.

#### **Expressions of Interest - Trading Rule TR.10**

The Rules regarding Expressions of Interest are intended to promote transparency in the market and to ensure that price discovery occurs in the SYCOM® system rather than over the telephone or between select clients.

An Expression of Interest is an enquiry made to obtain the current market in a particular contract. It is not a firm order to buy or sell. Upon receipt of an Expression of Interest a SYCOM® Trader is required to broadcast the interest to the entire market. This announcement is to be made via the 'Request for Quote' facility for single contracts or option strikes; or via the 'Message' facility for multi-legged strategies.

A response from a client in relation to an original Expression of Interest, which does not constitute an order, is also deemed to be an Expression of Interest on behalf of that client.

Once an Expression of Interest has been broadcast to the market a SYCOM® Trader may make enquiries regarding that Expression of Interest amongst other market participants. However, only information that has been disclosed to the entire market may be disclosed to other market participants. It is a breach of the Rules to disclose details of an Expression of Interest that have not been broadcast to the market.

#### **Input of Bids and Offers - Trading Rules TR.11 and TR.17**

All bids and offers, that are at or near market, must be entered into SYCOM® upon receipt, in sequence, and pursuant to client instructions. It should be noted that SYCOM® Traders may finesse orders, that is, orders must be entered into SYCOM® but they do not have to be entered at their limit price or for full volume. However, only the details that have been disclosed in the screen may be divulged to clients. Further, a Client Identifier must be entered with each order.

In addition to the above, it is considered a breach of the Rules to release opposing orders at exactly the same time in an attempt to execute a cross trade. If opposing strategies are either 'tagged and released' or entered into different terminals at the exactly the same time, the orders will cross immediately leaving no opportunity for other participants to participate in the trade. This may constitute a breach of Trading Rule TR.17.1(c)(vi) (avoiding trading to cross).

Should you have queries in relation to this matter please do not hesitate to contact the undersigned on + 64 9 309 8308, 021 428 600 or email [greg@nzfoe.co.nz](mailto:greg@nzfoe.co.nz).

**Greg Boland**  
**General Manager; NZFOE**

**17/10/2000**