ATHEXGROUP
Athens Exchange Group

Athens Stock Exchange

Covered Sales

February 2017

Description of Covered Sales Functionality

Covered Sales Functionality gives the opportunity to the ATHEX Trading Member to sell securities of a client without consumption of its daily credit limit
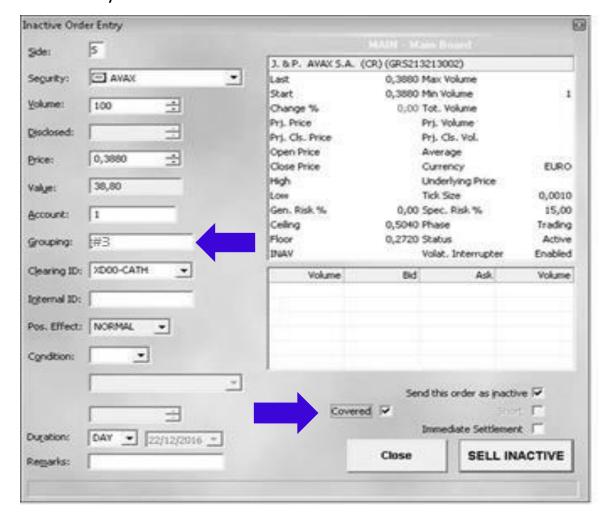
Entry of order

Entry of covered sales' order via ORAMA or ATHEX GW with the following features:

- Inactive order
- Special value on field Grouping: #3
- Only daily orders (GTD)

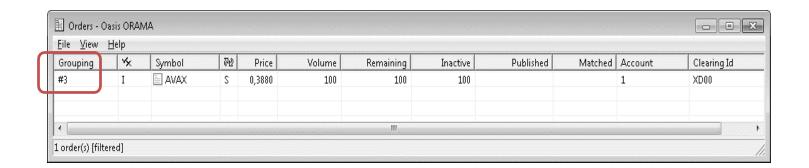Entry of covered sales' order via **ORAMA**

Approval of order via DSS

The order is transferred in real time to DSS for check/approval:

- The **DSS** checks the Securities Account of the beneficiary and if the total number of order's shares are available then the shares are transferred to the Clientele Collateral Account of the Clearing Member and pledged in favor of **ATHEXCLEAR**

- The **OASIS** is informed in real time and the covered sell order can be activated. The field Grouping takes the **value #3**

- If the required securities are not available in the Securities Account of the beneficiary, **the OASIS is notified** accordingly by the **DSS** and the covered sell order is automatically cancelled by OASIS.

Orders - Oasis ORAMA

File View Help

Grouping	˅˟	Symbol	ᾱᾼ	Price	Volume	Remaining	Inactive	Published	Matched	Account	Clearing Id
#3	I	AVAX	S	0,3880	100	100	100			1	XD00

1 order(s) [filtered]

Entry of order (3/3)

Order Execution

- Trader is able to **activate** the order
- Trader can change **the volume** or the order's price

Order Cancellation

- If a covered sell order is cancelled, the DSS is notified and **returns the available number** of securities **to the Securities Account of the beneficiary.**

At the 'End of the Day'

At the **End of the Day,** after transactions have been loaded into the **Clearing System and during the transaction finalization phase, the following takes place:**

- For all transactions arising from a covered sell order, the **System will transfer the corresponding securities from the Clientele Collateral Account of the Clearing Member** to the Securities Account of the beneficiary with a simultaneous Irrevocable Securities Account Notification

   and

- If there are blocked transferable securities for covered sell orders in respect of which a transaction was not carried out for the entire quantity that was blocked on the specific day of transactions, **these shall be cancelled and the remaining quantity of transferable securities returned to the Securities Accounts of Investor.**

Restrictions

- **Covered sales** apply exclusively to transactions where the **Trading Member is also the Clearing Member and the Operator** that will undertake the trade settlement

- Orders-transactions arising from covered sales **are not offset in the OASIS** by opposite buy orders-transactions for credit limit management reasons

- This functionality **does not apply to pre-agreed trades** (block trades)

- Only sell orders with **daily duration** can use this functionality

- The Intermediaries Accounts **do not participate** in covered sales functionality