



הבורסה לניירות ערך תל אביב  
TEL AVIV STOCK EXCHANGE

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### **TASE Market Data Policy**

At the beginning of 2019, the Tel Aviv Stock Exchange (TASE) initiated changes to the fee schedule for its market data products, which comprise the appendix to the Regulations under the Fifth Part of the TASE Rules (hereinafter: the Fee Schedule). Following several inquiries to the TASE staff on this matter, we found it necessary to clarify TASE's policy regarding the following:

#### **1. The distinction between private and commercial clients**

With respect to the private customer declaration mentioned in section 1.a. 1) of the Fee Schedule, the TASE staff would like to clarify that digital delivery of this declaration is acceptable, and that the wording of the declaration and the timing of the customer's signature, is at the discretion of the vendor, as long as these comply with the conditions stipulated in the aforementioned section of the Fee Schedule. It is important to state that the vendor is not permitted to rely on the aforementioned declaration in cases in which its propriety is in question, particularly, among other things, with respect to information held by the vendor about the customer (such as the scope of customer activity).

#### **2. Concurrent users license**

Section 1.a1 of the Fee Schedule permits "A Stock Exchange member or a banking corporation may buy a concurrent usage license that is transferable between several users that do not act as investment consultants or portfolio managers. In such a case, the payment will be calculated as the product of multiplying the monthly cost per terminal unit by the highest daily number of users during the course of the month."

In light of the inquiries regarding this, the TASE staff would like to clarify that the unit of count in this section is user based. Accordingly, for example, one user making use of two different work stations will be counted as one, while two users sharing the same work station (for example, shifts in a call center), will be counted as two distinct users.

When a member or a banking institution opts for a concurrent license, it must report on a monthly basis the concurrent users each month to TASE, separately from the reporting regarding their other users.

#### **3. Mixed Use by a Private client**

Market data for private clients is available according to the Fee Schedule (Section 1.2a, 1.3b of the Fee Schedule) as both a monthly package fee and as a single item query. As a matter

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of policy, TASE does not prohibit mixing the two products used by a single customer. For example, a private client using a “level 1” full data package (NIS 4) can also view single data items, for which the vendor will be charged NIS 0.0238 per item, up to a ceiling of NIS 70 per customer.

#### **4. Distribution of non-display market data – definitions**

Section 1.4a of the Fee Schedule sets the fee for non-display market data. This data is intended for use by quote generators, and “any other computer that receives non-display data”.

The TASE Rules defines a quote generator as follows: “A computer program by use of which a large number of orders can be sent to the Stock Exchange within a short time, in accordance with an algorithm prescribed in the program”. Such quote generators must be registered by TASE and should do so with the TASE member through which they operate.

“A computer... that receives non-display data” (Non-display application) can include, among other things:

- a. Investment portfolio P&L calculation applications;
- b. Trading and trader transaction monitoring and control programs;
- c. Automated order entry systems;
- d. Risk management tools;
- e. Digital portfolio management and investment advice systems;
- f. Systems which make use of market data to development analytic tools to assist pre-trading, trading and post-trading processes.
- g. Any other activity, including market data processing or storage, which is not the actual display of the data.

For the avoidance of doubt, the distribution of a data product to customers including the processing of TASE data, requires a derived data distribution license, under Section 1.H of the Fee Schedule and paragraph 8 of this document.

To be clear, any use of level 1 market data is subject to charge, according to the prices set in Section 1.4A of the Fee Schedule.

#### **5. Distribution of Non-display Market Data – Unit of Count**

Section 1.4a of the Fee Schedule defines a "terminal unit" as a “quote generator” or a “computer”. Notwithstanding the above, TASE policy is to refrain from charging for each computer or server that makes use of an automated data processing operation, and to refer to several computers or servers (which are not considered quote generators) that make use of a specific application as one terminal unit. This option, as is accepted in other securities exchanges, is subject to two exceptions– a) computers or servers located in different countries should not be considered as one terminal unit, and b) applications based on derivatives market data should not be unified with applications based on the securities market.

Example 1: a company operating an automated application for risk management in the United States and Hong Kong that makes use of securities market data – 2 applications

Example 2: An Israeli company has a risk management system which makes use of both spot and derivative market data – 2 applications.

Example 3: A company operates an automated application of a trading server which automates only the order entry of securities traded on the securities market. The application is available on a number of servers in various locations in Israel – 1 application.

## **6. Minimum fees for data vendors - definitions**

Regarding the status of data vendors – any party which displays, redistributes or publishes market data distributed by TASE – whether in real time, delay or end-of-day – is considered a TASE data vendor. As such, it must sign a distribution agreement with TASE and to submit monthly reports regarding the scope of fee-liable market data distributed by it over the course of the month. The minimum distribution fee for a data vendor is set in Section 1.c of the Fee Schedule. Exceptions for minimum fee are for distributors who distribute mostly to foreign clients and distribute solely trading data without payment, as defined in section 1.g. of the Fee Schedule.

Data vendors meeting the following cumulative criteria are entitled to distribute certain (fee-of-charge) TASE data without signing a data distribution agreement:

- a. The vendor receives the market data from another data vendor (hereafter: a data supplier) and not directly from TASE;
- b. The data supplier reports the transfer of data to the data vendor and is charged the minimum fee for it under Section 1.c. of the Fee Schedule
- c. TASE considers the data vendor and its customers to be customers of the data supplier, such that the data distribution is covered by the agreement signed by the data supplier regarding TASE's liability and other issues stipulated in the agreement;
- d. The data distributed by the data vendor is solely trading data without payment, as defined in section 1.g. of the Fee Schedule.

## **7. Market Data without payment**

On 2.12.2019 TASE's CEO announced that the lag required for market data to be considered delayed is 15 (rather than 20) minutes from the time it was posted by TASE. This change took effect on 12.12.2019.

The rules governing end-of-day data are identical to those governing delayed data – this data can only be distributed by a TASE data distributor (as defined in paragraph 6 above)

and without an additional charge for the number of users. The distribution of data as end-of-day data is possible starting 15 minutes after the close of the trading day.

## **8. Distribution of Derived Data**

Section 1.h. of the Fee Schedule defines derived data as follows: “Data obtained as a result of processing trading data by the information distributor and on condition that it is not possible to reverse engineer and extract the original trading data from such data, and that there is a substantial difference between the derived data and the original trading data.”

The distribution of derived data, under this definition, requires a separate license for derived data distribution. Examples of the use of derived data include:

- a. A trading platform, which distribute price information derived from TASE market data;
- b. Calculation of indices or benchmarks in a manner which makes use of TASE market data for presentation or distribution among customers. Within the meaning of this paragraph, an index – including tracking indices, benchmark indices and various analytical indices (for example, Volume -Weighted Average Price)<sup>1</sup>.
- c. The sending of alerts or messages, including information derived from TASE market data, such as automated processing to identify opportunities which make use of TASE market data<sup>2</sup>.

The license to distribute derived data is a general license for use by the licensee. Under a single license, a licensee may distribute various derived data products. The distribution of data derived from delayed or end-of-day market data is also considered derived data distribution.

## **9. V.A.T. charges**

TASE would like to clarify that data vendors providing data to customers in Israel are required to add V.A.T. to the prices stipulated in the Fee Schedule.

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<sup>1</sup> According to a resolution adopted by the TASE Board of Directors from 30/5/2019, these fees are waived for index vendors distributing to Israeli customers. The resolution came into effect 1/7/2019.

<sup>2</sup> To dispel any doubt, an alert or message comprised solely of TASE market data is considered the distribution of TASE market data (and not derived data) and will be charged according to the relevant sections of the Fee Schedule.