



ICEBERG ORDERS

Version	1.1
Language	English
Date	16 Oct 01



DESCRIPTION OF THIS DOCUMENT

This document describes the functionalities of the Iceberg Order (also known as hidden-size order).

TABLE OF CONTENTS

1	DEFINITIONS	4
2	REQUIREMENTS FOR ACCEPTANCE	4
3	PROCESSING AT THE OPENING	5
4	PROCESSING DURING THE CONTINUOUS TRADING SESSION	5

ICEBERG ORDER

1 DEFINITIONS

An **Iceberg order (also known as a hidden-size order)** allows the trader to show other participants only part of the total quantity of the order entered.

An order's **disclosed quantity** is the maximum quantity of shares that the trader wishes to display to other participants at a given time.

An order's **displayed quantity** is the quantity shown in the order book and is visible to other participants.

2 REQUIREMENTS FOR ACCEPTANCE

Orders which include a hidden quantity are accepted in the pre-opening phase and during the continuous trading session.

An order's disclosed quantity must be greater than or equal to 10 times the unit of trading and must be smaller than or equal to the total order quantity.

Compatibility between iceberg order and order types :

Order Type Phase	Limit	Market at the opening	Market to limit	Must be Filled Order	Market Order	Stop Loss Must be Filled Order	Stop Loss Market Order	Stop Limit	All or None
Pre-opening	OK	Not Allowed	N/A	Not Allowed	OK	Not Allowed	OK	OK	Not Allowed
Continuous trading	OK	N/A	Not Allowed	Not Allowed	OK	Not Allowed	OK	OK	Not Allowed

3 PROCESSING AT THE OPENING

At the opening, the following iceberg orders are fully executed :

- Orders to buy at a limit above the theoretical opening price
- Orders to sell at a limit below the theoretical opening price

Iceberg orders with **limit prices equal to the theoretical opening price** receive priority for execution up to the disclosed quantity. After disclosed quantities are filled, the unfilled quantities on iceberg orders are positioned behind other orders at the same limit and will be executed only after full execution of orders without hidden quantities.

4 PROCESSING DURING THE CONTINUOUS TRADING SESSION

An iceberg order is positioned in the order book (only its disclosed quantity is displayed) according to the rules of price / time priority.

When an order is executed for its disclosed quantity, that quantity is renewed automatically and the order is positioned behind orders at the same limit.

Changes in total quantity and/or disclosed quantity affect order priority as follows:

- Increase or decrease in total quantity – **Priority is not changed.**
- Increase in disclosed quantity – Results in loss of priority if the displayed quantity is equal to the disclosed quantity (i.e. no partial execution of disclosed quantity).
- Decrease in disclosed quantity – **Priority is not changed.**
- Partial execution of the disclosed quantity (i.e. disclosed quantity exceeds displayed quantity):
 - Disclosed quantity is increased, or is decreased but not below the displayed quantity – **Priority is not changed.**
 - Priority is modified once the displayed quantity has been fully executed. The order, with its new disclosed quantity, joins the end of the queue of orders at the same limit price.

- Disclosed quantity is decreased to below the displayed quantity – Priority is not lost, but the new disclosed quantity is immediately substituted for the displayed quantity.

To sum up, priority is lost only when the new displayed quantity exceeds the former displayed quantity, i.e. a situation that is clearly detrimental to other orders at the same limit.

When the disclosed quantity of an order exceeds its displayed quantity, a change in the order's limit does not result in the disclosed quantity being substituted for the displayed quantity.