



The tick size of shares and ETFs changes as of 4 March 2019. The price of shares and ETFs will be determined with a precision of PLN 0.0001 taking into account the applicable liquidity band defined in the tick size table.

DETAILS OF THE CHANGE

The minimum tick size of shares before the change depends among others on the share price and ranges from one grosh to several grosh for most shares. The minimum tick size of shares after the change may be less than PLN 0.01 and may be a fraction of one grosh. There will be six new tick sizes under PLN 0.01 as shown in the table to the right. The tick size under PLN 0.01 will apply to shares trading at the lowest prices. The liquidity of the shares will be relevant, as well. However, the share price may not be less than PLN 0.01. See below for details.

0.0001 PLN
0.0002 PLN
0.0005 PLN
0.0010 PLN
0.0020 PLN
0.0050 PLN

IMPACT OF THE CHANGE

The new tick sizes will make the determination of share prices more precise than before. The new tick sizes will ensure a more precise market valuation of the instruments and should facilitate trading in stocks, including in particular penny stocks. The new tick sizes should eliminate the impact of major percentage changes on penny stocks, for which a price change from PLN 0.50 to PLN 0.60 represents a 20% percentage change in price and a change of one-fifth in capitalisation.

Examples of changes of share prices:

0.0500	(0.00%)
0.0501	(+0.20%)
0.0502	(+0.40%)
0.0503	(+0.60%)
[...]	
0.0598	(+19.60%)
0.0599	(+19.80%)
0.0600	(+20.00%)

CLEARING AND SETTLEMENT

Every transaction on the exchange, regardless of the tick size, needs to be cleared and settled. For shares traded with the precision of a tick size greater than PLN 0.01, the value of the transaction equal to the price times the volume may be less than PLN 0.01.

$$\left(\text{transaction price (PLN)} \mathbf{5.2312} \right) \times \left(\text{transaction volume (\#)} \mathbf{10} \right) =$$
$$\text{transaction value (PLN)} \mathbf{52.3120}$$

Clearing and settlement are performed in the Polish Zloty (PLN) with a precision of one grosh. For this purpose, every transaction needs to be rounded off as follows:

- fractional amounts under PLN 0.005 are omitted;
- fractional amounts of PLN 0.005 or more are rounded up to PLN 0.01 (1 grosh).

Example:

Transaction price (PLN)	5.2312	5.2565	5.2878
Transaction volume (# instruments)	10	10	10
Transaction value before rounding off (PLN)	5.2312x10=52.3120	5.2565x10=52.5650	5.2878x10=52.8780
Transaction value after rounding off (PLN)	52.31	52.57	52.88

TICK SIZE TABLES

The tick size of shares depends on the share price and liquidity. There are six tick size tables, each applicable to a different liquidity level. Table 1 is for shares of the lowest liquidity while Table 6 is for shares of the highest liquidity. The shares are classified by liquidity by the European Securities and Markets Authority (ESMA). Typically, shares are classified once per year. The Exchange uses data published by ESMA to inform investors about the allocation of shares to one of the six tick size tables (the GPW Management Board passes a relevant resolution). This is how investors know the tick size applicable to relevant shares.

Based on ESMA's liquidity assessment, the Exchange decides, for instance, that ABC shares are subject to tick size table 5. If the share price is around PLN 15, the tick size in PLN 0.005 (see the price range from PLN 10 to PLN 20). The tick size applies until the Exchange selects a different tick size table for the shares or the share price falls out of range from PLN 10 to PLN 20.

	Tab. 1	Tab. 2	Tab. 3	Tab. 4	Tab. 5	Tab. 6
0,01 ≤ price < 0,1	0.0005	0.0002	0.0001	0.0001	0.0001	0.0001
0,1 ≤ price < 0,2	0.001	0.0005	0.0002	0.0001	0.0001	0.0001
0,2 ≤ price < 0,5	0.002	0.001	0.0005	0.0002	0.0001	0.0001
0,5 ≤ price < 1	0.005	0.002	0.001	0.0005	0.0002	0.0001
1 ≤ price < 2	0.01	0.005	0.002	0.001	0.0005	0.0002
2 ≤ price < 5	0.02	0.01	0.005	0.002	0.001	0.0005
5 ≤ price < 10	0.05	0.02	0.01	0.005	0.002	0.001
10 ≤ price < 20	0.1	0.05	0.02	0.01	0.005	0.002
20 ≤ price < 50	0.2	0.1	0.05	0.02	0.01	0.005
50 ≤ price < 100	0.5	0.2	0.1	0.05	0.02	0.01
100 ≤ price < 200	1	0.5	0.2	0.1	0.05	0.02
200 ≤ price < 500	2	1	0.5	0.2	0.1	0.05
500 ≤ price < 1 000	5	2	1	0.5	0.2	0.1
1 000 ≤ price < 2 000	10	5	2	1	0.5	0.2
2 000 ≤ price < 5 000	20	10	5	2	1	0.5
5 000 ≤ price < 10 000	50	20	10	5	2	1
10 000 ≤ price < 20 000	100	50	20	10	5	2
20 000 ≤ price < 50 000	200	100	50	20	10	5
50 000 ≤ price	500	200	100	50	20	10

EFFECTIVE DATE OF THE NEW TICK SIZE

The new tick size will be introduced on GPW as of 4 March 2019. All broker's orders submitted to the exchange but not executed will become null and void after that trading session.