**OFFTR Crossing**

* By ASIC rule, transaction need to be done on the market except block trade, large portfolio trade, trade with price improvement (TWPI), and out of hours trade.
* Crossing in the crossing system mainly use this exception of TWPI, where the crossing must be on the price better than that are available on the market. Otherwise, they should be routed to market trading platform.
* By ASX rule, the crossing must be reported immediately to the trading platform as NX XT. The timestamp for this is real time, since the crossing system is integrated to ASX trading platform.
* The crossing system make it possible to trade not in the full price step. For example, if the spread is only 1 price step, traders can put the order half of price step and then trade in the best midpoint (half of price step is still better deal than the best available price on the market)

**Why TWPI may have better information?**

* **Traders with information want to avoid signalling the market**. As traders doesn’t want to leak their information, they prefer to hide the order from the market. Special orders like fill or kill, all or nothing, and iceberg, may do the job. However, they still done the trades on the market, some information may still leak to the market. By doing crossing off-the market, traders can fully hide the information they have. If crossing market not available, then they can go to the market. Benefit for informed traders:
* Keep information from market by crossing with hidden liquidity
* Get better deal (doesn’t have to cross the spread)
* **Brokers usually have better information than retail traders and want to save as much by trading internally**. TWPI can be done between client and broker as Principal and liquidity provider in their own crossing system. For example, the broker know that the price is going to increase, hence it seeks from the crossing system to provide liquidity to their clients while making profit. If the internal crossing market is not available, brokers then go to the market. Benefit for informed brokers:
* Lower cost and fees
* Keep information from market
* get better deal

**Crossing System Example Case**

1. Selling order match with existing buying order on the crossing system, on the best midpoint (half of price step). The selling order never exists on market trading platform.

**A screenshot of a white text

Description automatically generated**

1. Selling order match with existing buying order on the crossing system after amendment. In ASX market platform, the amendment is notified as CANCEL because after the amendment it matches the order from crossing system (amendment never exists on market)

A screenshot of a list of numbers

Description automatically generated

1. Crossing cannot happen if the price is under day-low or above day-high

A white background with black text

Description automatically generated

A black text on a white background

Description automatically generated

The crossing system check every 30 seconds if there is movement on the day-low and day-high

