ABSTRACT

ELECTRONIC TRADING SYSTEMS

An anonymous trading system allows parties to divide potential counterparties into tiers according to their perceived creditworthiness and the risk involved in trading with them. Price adjustments are applied to order prices for all tiers other than the first so that second and subsequent tier counterparties trade at less favourable prices. An offer is converted into a series of linked orders, one per tier, all at different prices. Tier identifiers attached to the orders are compared to ensure that the correct tier prices are displayed to counterparties.

(Fig 5)