Eurex Exchange Roadmap 2017

Welcome to the Eurex Roadshow!

September 2017
# Presentation Overview

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Eurex Exchange Roadmap 2017

Part I – Trading participant requirements to provide reference data

September 2017
Agenda – Part I

1. Introduction - participant reference data and enhancement of order records
2. Provisioning of the Legal Entity Identifier (LEI)
3. Provisioning of National IDs of traders of Eurex trading participants
4. Certification of algorithms applied via Algo IDs
5. Provisioning of Short Codes for client identification codes
6. Provisioning of Short Codes for execution and investment decision
7. Due Diligence requirements
8. Overview of the process flow
Introduction

The regulatory changes of the revised Markets in Financial Instruments Directive (MiFID II) and the associated Markets in Financial Instruments Regulation (MiFIR) will come into effect on 3 January 2018.

- Eurex is required to collect additional reference data from its participants.
- In addition, Eurex shall conduct an annual due diligence assessment of its participants to verify once a year if the participants are still registered as investment firms.

With this presentation Eurex wants to inform about the impact for participants resulting from these requirements.
Participant reference data and enhancement of order records

As a trading venue, Eurex is required to store and keep at the disposal of the National Competent Authority (NCA) the following data (among others):

- **Legal Entity Identifier (LEI)**
  - Identification of the member of the trading venue.
  - Identification of immediate clients of the member that are legal entities.

- **National ID**
  - Identification of the persons acting for the member on the trading venue.
  - Identification of immediate clients of the member that are natural persons.

- **Algo ID**
  - Certification of the participant’s algorithms to avoid disorderly trading conditions.

- **Short codes**
  - For identification of clients, and for execution decision and investment decision.

Eurex aims to minimize the impact on participants by limiting the impact on the existing order/quote message formats.
Legal Entity Identifier

General Format

- LEIs are used to uniquely identify legally distinct entities that engage in financial transactions
- LEIs are issued by "Local Operating Units" (LOUs) of the Global LEI System (for more information on how to obtain an LEI, please visit http://www.leiroc.org/lei/how.htm and http://www.geiportal.org/)
- The Legal Entity Identifier (LEI), as defined in ISO 17442, contains 20 alphanumerical characters

Submission Method

- The Central Coordinator of each Eurex Trading Participant can provide and update the Participant LEI in the “Member Section” under “User Administration”

Submission Deadline

- Eurex participants must provide their LEIs latest 01 December 2017 to ensure a smooth readiness
- Since LEIs must be renewed by LOUs annually, participants shall assure the renewal of members’ LEI in their compliance / business processes

§

Art. 25(2) of Regulation (EU) No 600/2014 and RTS 24, Eurex shall keep at the disposal of the competent authority the relevant data to identify the participant of the trading venue.
Legal Entity Identifier – How and where to enter it

- Please login with your username and your password to the Eurex Member Section.
  - [https://member.eurexchange.com/irj/portal/eurexchange](https://member.eurexchange.com/irj/portal/eurexchange)

- Then select “User Administration” on the top row. Please click on “Legal Entity Identifier (LEI)” in the navigation area.
- Please enter the valid LEI code and click on “Continue” to confirm the code and submit.
National ID of traders of Eurex participants

§

Art. 25(2) of Regulation (EU) No. 600/2014 and RTS 24, Eurex shall keep at the disposal of the competent authority the relevant data to identify the person within the trading participant of the trading venue who is primarily responsible for the investment decision or primarily responsible for the execution of the transaction.

### General Format

- The National ID requires joining the country code standard ISO-3166-1 of the nationality of the person
- For the majority of EU countries one of the required identifiers is the CONCAT* ID, which is a concatenation of the following elements
  - A) date of birth of the person
  - B) first five characters of the first name
  - C) first five characters of the surname
- The highest priority identifier available to the participants must be used in accordance with the priority levels provided in the table (ESMA 2016/1064 RTS 22 Annex II dd. Jul 1st, 2016).

### Submission Method

- For existing traders, the Central Coordinator will frequently receive a list of all traders that have not provided a National ID. Participants can then submit the National ID via a bulk upload in the Member Section from 18 September onwards.
- For new traders in admission, participants can provide the National ID via the Member Section „Admission & User IDs“ already.

### Submission Deadline

- Eurex participants should provide the National IDs of all their admitted traders latest by 1 December 2017 to ensure a smooth readiness.
- Traders admitted after this date need to provide their National ID to successfully complete the admission process.
- On the 3 April 2017 ESMA published the standards and formats for the National ID (Ref.: ESMA70-1861941480-56)

* For more details about CONCAT, please see ESMA/2016/1452, chapter 5.5
National ID – How and where to enter it

Please login to the Member Section and go to “Admissions & User IDs”.

- Click on “Apply” in the navigation and choose the structure “Eurex-Trader”
- If all three ticks in the boxes are set, please click on “Continue”

Please enter your National ID besides all other required information.

- After selecting the responsible Eurex trading participant/person (in this case CONCAT), the system will automatically generate the CONCAT for you.
- Please enter all the other requested information and click on “Continue” to continue the admission process.
Certification of algorithms applied via Algo IDs

§

Under Art. 25(2) of Regulation (EU) No 600/2014 and RTS 24, Eurex shall keep at the disposal of the competent authority the relevant data to identify the algorithm that is within the participant of the trading venue primarily responsible for the investment decision or primarily responsible for the execution of a transaction.

Participants must certify that all deployed algorithms have successfully passed the testing requirements imposed by MiFID II regulation. The algorithm certification should contain the Algo ID of the algorithm that was tested and the name of the trading participant that would like to have the algorithm registered at Eurex. For testing, the standard simulation T7 Cloud Simulation as well as member internal test environment can be used.

General Format

- Participants shall create certificates and upload them via the member section.
- The details of the file format used for the upload are currently elaborated by the FIX community. Eurex’s implementation will follow the FIX standards.
- 8-byte numeric identifier

Submission Method

- Eurex plans to offer an upload functionality for algorithm certificates within the Eurex member section by 18 September 2017.
- Trading participants will be able to upload the certificates in bulk or single transactions.

Submission Deadline

- Eurex participants should upload their certificates latest 1 December 2017 to ensure a smooth readiness.
- Each Algo ID used must have a certificate.
- Certificates for new algorithms must be uploaded before 23:30 h CET of day T.
- Eurex will provide a report for missing/ not certified Algo IDs.
Short Codes

a) For client identification codes

Under Art. 25(2) of Regulation (EU) No 600/2014 and Art. 2 of RTS 24, Eurex shall keep at the disposal of the competent authority the relevant data to identify the client of the trading participant of the trading venue.

There are five possibilities for the population of field 3 „client identification code“ of table 2 of the RTS 24 annex:

1. When the client is a legal entity, the LEI code of the client
2. When the client is not a legal entity, the National ID of the client
3. In case of an aggregated order, the flag AGGR
4. In case of pending allocations, the flag PNAL
5. The field should be left blank only if the trading participant is trading on own account

b) For execution decision (mandatory) and investment decision (optional)

As set out in Article 2(1)(b) of RTS 24, the field „investment decision“ should always be populated when the participant is dealing on own account since it is putting its books at risk.

The execution decision field should be populated in every transaction report. In cases where the decision about the execution was made

- By a client
- By a person within the participant firm (either an admitted trader or another non-admitted person who is instructed the details for the execution
- By an algorithm
Short Codes – How and where to enter them

Submission Method

- Trading participants will be able to upload the short codes and according National IDs or LEIs in bulk or as single transactions in the member section.
- Details regarding the file formats used for the upload are currently elaborated by the FIX trading community. The Eurex implementation will follow the FIX standards.
- It is currently purposed to use the following standard short codes:
  - 0 = no client for this order
  - 1 = aggregated order flag „AGGR“
  - 2 = pending allocations flag „PNAL“
  - 3 = Client
- Eurex plans to offer an upload functionality for short codes within the Eurex Member Section by 18 September 2017.
- Trading participants will be able to upload the short codes in bulk or single transactions.

Submission Deadline

- Eurex has to be provided with the short codes and corresponding long codes in the relevant identifier (National ID and LEI) before 23:30 CET of day T.
- If a participant fails to provide the decrypted ID for a short code submitted by the end of day T, Eurex will inform the participant accordingly on the next trading day. The participant must ensure to complete missing data at the latest next trading day (T + 1) before 23:30 h.
Due Diligence requirements

According to Art. 48(1) of Directive 2014/65/EU and Art. 7 of RTS 7, each year Eurex is required to conduct a risk based assessment of its participants and check if the participants are registered as investment firms.

### General Format

- Participants will receive a due diligence questionnaire that contains questions covering the following areas:
  1. Pre-trade controls on price, volume and value of orders and usage of the system and post-trade controls on the trading activities of the participants
  2. Qualifications required on staff in key positions within the participant
  3. Technical and functional conformance testing
  4. Policy of use of the kill functionality
  5. Registration as an "investment firm" as defined in Art. 4(1) or 2014/65/EU
  6. Provisions on whether the participant may give its own clients direct electronic access to the system and if so, the conditions are applicable to those clients
  7. Whether the client is subject to MiFID II and MiFIR

### Submission Method

- Eurex plans to make the questionnaire available in the member section starting 18 September 2017.
- Participants shall fill in the questionnaire and upload it into the member section.
- Participants are obliged to fill the questionnaire at least once a year.

### Submission Deadline

- Existing trading participants need to complete the questionnaire by January 2019 for the first time.
- New participants, admitted after 31 December 2017, need to provide the required information upon admission.
Process flow

1. Register your company’s LEI
2. Upload of IDs
   - National ID
   - Algo Certificate
   - Short Codes
3. Due Diligence questionnaire

Provisioning of a report informing about unregistered IDs that have been flagged

Flagging of IDs via
- ETI / FIX interfaces

Eurex Exchange T7

Database

Only on request

National Competent Authority
### Implementation & rollout plan – non-release items

#### Member-relevant information

<table>
<thead>
<tr>
<th>LEI</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tbody>
<tr>
<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
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</tbody>
</table>

- **2017**
  - **Q1**: From February New Traders: Available in Member Section
  - **Q4**: 1 Dec Submit LEI

- **2018**
  - **Q1**: Renew annually

#### Order-Relevant information

<table>
<thead>
<tr>
<th>National ID</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
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</tbody>
</table>

- **2017**
  - **Q1**: From 18 Sep Existing Traders: Upload via Member Section available

- **2018**
  - **Q1**: 1 Dec Submit National ID

#### Due Diligence

<table>
<thead>
<tr>
<th>Algo ID</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
</tr>
</tbody>
</table>

- **2017**
  - **Q1**: From 18 Sep Algo ID: Upload via Member Section available

- **2018**
  - **Q1**: 1 Dec Submit Algo ID

#### ShortCode Solution

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<thead>
<tr>
<th>ShortCode Solution</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
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</table>

- **2017**
  - **Q1**: From 18 Sep ShortCodes of National ID’s and LEI’s

- **2018**
  - **Q1**: Renew annually

<table>
<thead>
<tr>
<th>Due Diligence Questionnaire</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
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<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
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<td>May</td>
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</table>

- **2017**
  - **Q1**: From Sep Questionnaire: Download via Member Section available

- **2018**
  - **Q1**: Renew annually
Eurex Exchange Roadmap 2017

Part II – T7 R6.0 – The MiFID II / MiFIR compliance release

September 2017
Agenda – Part II

1. Overview of T7 Release 6.0
2. Rollout and implementation planning
3. Implementation and communication schedule
4. MiFID II Regulatory Requirements
5. Technical enhancement regarding First-In-First-Out Gateways
6. T7 Enhancements for the Derivatives Markets
7. Reports
8. Process flow
9. Update Communication
10. Contacts
Overview T7 Release 6.0 for Eurex

- T7 Release 6.0 is planned to be launched on 4 December 2017. The simulation period for T7 Release 6.0 is currently planned to start on 25 September 2017.

- This document provides an overview of the enhancements planned for T7 Release 6.0, including:
  - MiFID II regulatory requirements
  - Technical enhancement regarding First-In-First-Out (FIFO) Gateways
  - For Eurex:
    - A new RFQ-based platform
    - Entry of leg trade prices for TES trades in complex instruments
    - Initial boundary price based on settlement price and quote spreads
    - Delta validation for option volatility strategies

Please note that the introduced enhancements and new functionalities are not backward compatible.

The documents will be available on the Eurex website: www.eurexchange.com > Technology > Eurex Exchange’s T7 > System Documentation > Release 6.0
## Roadmap update – Project overview

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<tr>
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<td>Production</td>
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<td>Simulation</td>
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<td>Cloud Simulation</td>
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<td>MOC</td>
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<td>T7 / FX</td>
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### Detailed Communication Calendar

- **Production**
  - 18 Apr: Release 5.0
  - 25 Sep: Release 6.0

- **Simulation**
  - 6 Mar: Cloud Simu 5.0
  - 28 Aug: Cloud Simu 6.0

- **MOC**
  - 22 Jun: Simu

- **T7 / FX**
  - 1 Jul: Simu
  - 19 Sep: EuroSTOXX 50 Corporate Bond Index

- **Network Upgrades**
  - July: Release 6.1

- **Colo 2.0**
  - Q1 2018: Partition specific

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**Eurex Exchange Roadmap 2017**

**September 2017**

Detailed communication calendar can be found at [www.eurexchange.com](http://www.eurexchange.com)
**T7 6.0 Rollout and implementation planning**

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<thead>
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<th>2018</th>
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<tr>
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<td>Apr</td>
<td>May</td>
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<tr>
<td>Rollout plan</td>
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<tr>
<td>Development &gt; Preparation for simulation</td>
<td>Cloud Sim</td>
<td>Simulation*</td>
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<tr>
<td>28 Aug</td>
<td>25 Sep</td>
<td>4 Dec</td>
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<td>Communication schedule</td>
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<tr>
<td>Release Announcement April 2017</td>
<td>Release Notes June 2017</td>
<td>Documents for Simulation August 2017</td>
</tr>
</tbody>
</table>

- Deutsche Börse AG will provide a dedicated release simulation environment in order to give trading participants the opportunity to perform comprehensive testing of their trading applications, independent from the T7 production environment. The simulation period for T7 Release 6.0 is currently planned to start on **25 September 2017**.

- In addition to T7’s release simulation, participants can also use the T7 Cloud Simulation that allows trading participants and Independent Software Vendors (ISVs) to test against the current T7 production environment as well as the T7 R.6.0 version.

- In this environment participants can initiate predefined market scenarios and test specific strategies more easily than in a shared environment.

- The T7 Cloud simulation is available 24/7 for a fixed price per hour and is accessible using an SSL-encrypted internet connection.

- In June 2017, Eurex will publish detailed release notes listing all functional and technical enhancements that will be available in T7 Release 6.0.

## Implementation and communication schedule

### T7 Release 6.0

<table>
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<th>Release Notes</th>
<th>Eurex</th>
<th>Xetra</th>
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<td>T7 Release 6.0, Release Notes</td>
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### Simulation

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### Overview and Functionality

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### GUI Solutions

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### Trading Interfaces

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<th>T7 FIX Gateway - FIX 4.2 and 4.4 Manual incl. Fiximate and Repository</th>
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### Market and Reference Data Interfaces

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### Reports

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<th>XML Reports - Reference Manual</th>
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<th>Common Report Engine User Guide</th>
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### Network Access

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### Rules & Regulations

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MiFID II Regulatory Requirements

General Overview

In order to satisfy the regulatory MiFID II/ MiFIR requirements, which will be effective from 3 January 2018, Eurex introduces several enhancements with T7 6.0.

Pre-trade Controls
- Order price check, maximum order value, maximum order quantity (according to RTS 7 Art. 20).

Market making
- Handling (RTS 8 for ESMA*/2015/1464).

Pre-trade and post-trade transparency
- Provision (RTS 1 and 2).

Audit trail reporting
- Several new fields (for example ClientID for customer identification) are introduced to provide the necessary input for the Audit Trail Reporting required by ESMA* (RTS 24).

*European Securities and Markets Authority
# MiFID II Regulatory Requirements

## Pre-trade and post-trade controls

<table>
<thead>
<tr>
<th>RTS 7 Art. 20 - Article 48(4) and (6) of Directive 2014/65/EU</th>
<th>Eurex Orderbook and TES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading venues shall operate at least the following pre-trade controls adapted for each financial instruments traded on them:</td>
<td></td>
</tr>
<tr>
<td><strong>Price collars/ order price check</strong>, which automatically block orders that do not meet pre-set price parameters on an order-by-order basis.</td>
<td>The requirement for price collar check is covered by the <strong>Price reasonability check</strong> and <strong>extended price range functionalities</strong>.</td>
</tr>
<tr>
<td><strong>Maximum order quantity</strong>, which prevents orders with an uncommonly large order size from entering the order book.</td>
<td>The requirement for maximum order quantity is covered by the <strong>User transaction size limit</strong> functionality <em>(which is maximum order quantity, maximum TES quantity and maximum calendar spread quantity)</em>.</td>
</tr>
<tr>
<td><strong>Maximum order value</strong>, which prevents orders with uncommonly large order values from entering the order book by reference to notional values per financial instrument.</td>
<td>TES (Trade Entry Services) is considered as business outside the order book. Requirements that only apply for on-book trading are not relevant for TES. Maximum order value check will not apply to Eurex TES.</td>
</tr>
</tbody>
</table>
## MiFID II Regulatory Requirements

### Pre-trade and post-trade controls – further reading

### Functional requirements overview

#### Price collars
- The pre-trade controls rule regarding price collars has to automatically block orders that do not meet pre-set price parameters when comparing the order price with a reference price.
- The price collar requirement as well as the “Skip flag” functionality is already fulfilled with the existing price reasonability check and extended price range validation functionalities in T7 which will be activated for all Eurex products.

#### Maximum order quantity
- The pre-trade control rule regarding maximum order quantity has to automatically block orders that do not meet pre-set maximum order quantity limits by the participant for their users.
- The order quantity is defined as following: The total order quantity respectively the modified total order quantity will be the order quantity and validated against the maximum order quantity. Any previously matched partial execution will not be taken into account.
- Plain limit or market orders will be validated with the respective order quantity.
- Iceberg orders will be validated with the full order quantity when entering the order book, refills of iceberg orders are not treated as new orders or order modification and therefore not be validated again.
- Volume discovery orders will be validated with the full order quantity.
- The maintenance of the maximum order quantity by the participant can be done at any time, besides the roll over process of the reference data base.
- Taken the various partner exchanges of T7 into account, executing the pre-trade control rule regarding maximum order quantity will be controlled via a new field in the market parameter entity.

#### Maximum order value
- The pre-trade controls rule regarding maximum order value has to automatically block orders that do not meet pre-set maximum order value limits by the participant. This is to avoid uncommonly large orders (in Euro) from entering the order book.
- Executing the pre-trade control rule regarding maximum order value will be controlled via a new field in the market parameter entity.
- The “skip flag” functionality (also known as “opt-out”) will be implemented. On request of the participant, the maximum order value check will not be executed.
# MiFID II Regulatory Requirements

## Pre-trade and post-trade controls

### Impact on implementation

**T7 Admin GUI**
- Participants have to have the possibility to maintain the maximum order quantity and the maximum order value limits in T7 in the member admin GUI.

**T7 Trader GUI**
- Order entries via GUI in T7 are applicable to pre-trade controls.
- Validation of orders entered via GUI regarding maximum order value and maximum order quantity will be done in matching engine. There will be no “skip flags” available.
- No changes in GUI required.

**ETI & FIX Gateway**
- The “skip flag” functionality for maximum order quantity and maximum order value will be implemented in the same manner as the price validity check.
MiFID II Regulatory Requirements

Market Making – Overview

<table>
<thead>
<tr>
<th>RTS 8 for ESMA*/ – Annex I (2015/1464/EU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Market making obligation flag for liquid financial instruments that are defined by ESMA*.</td>
</tr>
<tr>
<td>▪ Liquidity Provision Indicator in order and quote maintenance requests for market makers to mark their orders and quotes for the purpose of liquidity provision.</td>
</tr>
<tr>
<td>▪ Introduction of Stressed Market Conditions based on the market conditions in an instrument, under which relaxed obligations for market making apply.</td>
</tr>
<tr>
<td>▪ Introduction of Exceptional Market Conditions, which have a major impact on the trading environment and under which obligations for market making do not apply.</td>
</tr>
</tbody>
</table>

- With effect from January 3, 2018 MiFID II requires that investment firms that pursue a market making strategy have to sign a market making agreement and are obliged to meet requirements as defined by the trading venue.
- For providing liquidity in stressed markets, investment firms will be rewarded for the additional risk they undergo through the market maker scheme a trading venue shall offer in liquid equity instruments.
- Trading venues are required to communicate the existence of such stressed market conditions and exceptional circumstances to all market participants.
- Market makers are required to flag orders and quotes which are submitted to the trading venue with a corresponding liquidity provision flag in order to distinguish them from other order flows.
- Since orders can also be used for Market Making strategies the new flag is required in all order and quote entry requests via all trading interfaces.

*European Securities and Markets Authority

www.eurexchange.com
MiFID II Regulatory Requirements

Market Making – Obligation & Market Conditions

Market Making Obligation
- T7 provides a corresponding MM obligation flag on product level in the T7 reference data.
- Liquid instruments (and) according market making obligations are described in RTS 8 article 5(1).

Stressed Market Conditions (SMC)
- SMC correspond to stressed trading conditions.
- SMC is defined in terms of significant short-term changes of price and volume (RTS 8 Art. 6 (2)) and are detected based on the market conditions in an instrument.
- In derivative markets, SMC can be detected in simple instruments only, with effect on all instruments of the concerned product.

Exceptional Market Conditions (EMC)
- EMC refer to a major impact on the trading environment caused by some unplanned event (list of causes RTS 8 Art. 3).
- Typically, exceptional circumstances affect all instruments in a market; for derivative markets exceptional circumstances may affect only a specific product.
- The start and the end of EMC are displayed on the GUI and forwarded to the webpage of the affected trading venue.

Liquidity Provision Indicator
- T7 is enhanced with a liquidity provision indicator in order and quote maintenance requests and TES trading requests.
- The liquidity provision flag refers to RTS 8 article 2.
MiFID II Regulatory Requirements
Market Making – Reference Data

Market making obligation - New Attribute RegMMO
- The attribute RegMMO (denoted as MM obligation flag for derivative products) denotes whether a derivative product is subject to market making obligation based on regulatory requirements.
- RegMMO can only be set to True if the concerned product is associated with a legal product group which is eligible for SMC detection.

Stressed Market Conditions (SMC)
- Note that some trading parameters which are currently for usage in fast market conditions only, will also be applied in automated stressed market conditions

Reference Data Files for Publication
The product and instrument files are enhanced as follows:
- New flag for the SMC eligibility of a product (IsSMCEligible)
  The flag is set according to the associated legal product group of a product and is added to the table of trading parameters in the section for market making parameters.
- New flag for the regulatory MM obligation of a product (MM obligation flag)
  The flag is added to the table of trading parameters in the section for market making parameters.
MiFID II Regulatory Requirements  
**Market Making – Trading Interface Enhancements**

The following ETI messages and corresponding FIX messages are enhanced with a new attribute for the liquidity provision indicator.

<table>
<thead>
<tr>
<th>Orderbook trading (ETI &amp; FIX)</th>
<th>TES (only available via ETI)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liquidity Provision Indicator (as optional) in:</strong></td>
<td><strong>Liquidity Provision Indicator (as optional) in:</strong></td>
</tr>
</tbody>
</table>
| - New Order Single (short and regular layout) | - Enter TES Trade  
  *The liquidity provision indicator is provided per TES trade side.* |
| - New Order Multi Leg | - Modify TES Trade  
  *The liquidity provision indicator is provided per TES trade side.* |
| - Mass Quote  
  *The liquidity provision indicator is available once per request and applies to all quotes in the request.* | - TES Broadcast  
  *The liquidity provision indicator is provided per TES trade side.* |
| - Replace Order Single (short and regular layout) | - Approve TES Trade |
| - Replace Order Multi Leg | - Approve TES Trade Broadcast |
| - Extended Order Information (this applies to ETI only)  
  *The liquidity provision indicator is shown for the retransmissions of order events.* | - Upload TES Trade  
  *The liquidity provision indicator is provided per TES trade side.* |
| | - TES Trade Upload Broadcast  
  *The liquidity provision indicator is provided per TES trade side.* |
# MiFID II Regulatory Requirements

## Market Making – Market Data Interface Enhancements

<table>
<thead>
<tr>
<th>Changes of messages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instrument State Change</strong></td>
</tr>
<tr>
<td>- The message is enhanced with an indicator for the SMC-Auto status.</td>
</tr>
<tr>
<td>- The existing fast market indicator is redundant for Eurex.</td>
</tr>
</tbody>
</table>

| **Mass Instrument State Change** |
| - The message is enhanced with an indicator for the SMC-Auto status. |

| **Depth Snapshot Message** |
| - The message is enhanced with an indicator for the SMC-Auto status. |
| - The message is enhanced with an indicator for the SMC-Fast status. |
| - The existing fast market indicator is redundant for derivative markets. |

| **Product State Change** |
| - The message is enhanced with indicators for the SMC-Auto status and for the SMC-Fast status. |
| - The SMC-Auto status originates from any instrument of the concerned product. |
| - The existing fast market indicator is redundant for derivative markets. |

- Note that in derivative markets, the SMC-Auto status indicator will change simultaneously for all instruments of a product at a time.
MiFID II Regulatory Requirements
Market Making – Reference Data Interface Enhancements

<table>
<thead>
<tr>
<th>Market Making Obligation</th>
<th>Stressed Market Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ The product snapshot message is enhanced to show the MM obligation flag as additional</td>
<td>▪ The product snapshot message is enhanced to indicate that the applicable minimum quote quantity (bid and offer in quote size rules) is adapted in stressed market conditions, for SMC-Auto and SMC-Fast in the same way.</td>
</tr>
<tr>
<td>product (market segment) attribute.</td>
<td>▪ The product snapshot message is enhanced to indicate that the applicable price range tables for the validation of quote spreads in mass quotes and quotes request are adapted in stressed market conditions, for SMC-Auto and SMC-Fast in the same way.</td>
</tr>
<tr>
<td>▪ The product snapshot message is enhanced to show the eligibility of automated</td>
<td>▪ The product snapshot message is enhanced to indicate that the applicable price range tables for the price reasonability check and the market order matching range are adapted only in stressed market conditions on fast market (SMC-Fast).</td>
</tr>
<tr>
<td>stressed market conditions as additional product (market segment) attribute.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RDF is enhanced accordingly.</td>
</tr>
</tbody>
</table>
## MiFID II Regulatory Requirements

### Market Making - GUIs

<table>
<thead>
<tr>
<th>Liquidity Provision Indicator</th>
<th>Stressed Market Conditions</th>
</tr>
</thead>
</table>
| The enhancements affect the Trader/Admin GUI as follows:  
  - New field to enter and display the Liquidity Provision Indicator  
    This affects the following Views:  
      - Order Entry  
      - TES Trade Entry  
        This applies to all kind of TES trades.  
        This applies to derivative markets only.  
    - New field to display the Liquidity Provision Indicator  
      This affects the following Views:  
      - Order  
      - Order History | The Trader/Admin GUI and are enhanced to additionally display the SMC-Auto status on the following views:  
  - Market  
  - Contract/Instrument Statistics  
  - Product Statistics  
    This applies to derivative markets only. The SMC-Auto status of a derivative product corresponds to the SMC-Auto status of any of its instruments. |
MiFID II Regulatory Requirements
Pre-trade transparency provision

Pre-Trade transparency requirements are referring to order book transparency during Continuous trading and during auctions, the post-trade transparency requirements are focused on the transparent reporting after a transaction.

<table>
<thead>
<tr>
<th>RTS 2 Functional requirements according to MiFID II</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTS 2, Annex I, Table 1 “For each financial instrument, the aggregate number of orders and the volume they represent at each price level, for at least the five best bid and offer price levels.”</td>
<td>To meet the requirements for T7 order book, beside of the publication of orders and the volume they represent at each price level, the aggregated order book information needs to be published for at least the five best bid and offer price levels.</td>
</tr>
</tbody>
</table>
| RTS 2, Annex I, Table 1 “Adequate information as to the level of orders or quotes and of trading interest; in particular, the five best bid and offer price levels and/or two-way quotes of each market maker in the instrument, if the characteristics of the price discovery mechanism so permit.” | • For TES trades the T7 system is required to fulfill the criteria’s of the large in scale and non-liquid instrument waivers in order not to fall into the obligation of pre-trade transparency.  
• For the non-liquid instrument waiver it is required, that the product is validated as such.  
• For the large in scale (LIS) waiver the minimum block trade size will be set at or above the “large in scale post” threshold. |
| **Market depth of at least five for all products** | Add illiquid instrument flag in product, use LIS pre values for Minimum Lot size and LIS post for Non-Disclosure Limit in TES Profile. |
MiFID II Regulatory Requirements

Audit trail

Several new fields are introduced in the T7 Audit Trail records to provide the necessary input for the Audit Trail Reporting required by ESMA* (RTS 24).

Investment qualifier and Execution qualifier (FIX Adaptation for field 4)

- Investment qualifier data field is used in the specification process of the Investment identifier. Trading participants will have the possibility to specify an Investment and Execution qualifier value to distinguish between natural persons {National_ID} and Algos {Algo ID}.
- Possible values: 24- Human / Natural person, 22-Algo, {Empty}.

Liquidity provision activity: ESMA Field 8 (Section B)

- This data field has been defined by ESMA as an indication as to whether an order or a quote is submitted to a Trading Venue as part of a market making strategy. It is therefore necessary that such orders, quotes or T7 entry service trades are flagged accordingly to facilitate identification and reporting downstream.
- LiquidityProvisionFlag field will be supported on all orders and quotes maintenance interfaces (ETI; FIX, GUI) and in the order audit trail.

*European Securities and Markets Authority
MiFID II Regulatory Requirements
Audit trail – Changes in interfaces

Changes in ETI and FIX

The new data fields:

- Client identifier
- Investment qualifier
- Investment identifier
- Execution qualifier
- Execution identifier
- LiquidityProvisionFlag

are being implemented for the following message/transactions type:

- Order transactions
- Quote transactions
- Mass quote transactions
## MiFID II Regulatory Requirements

### Audit trail – Changes in interfaces

<table>
<thead>
<tr>
<th>New Data field name (Internal)</th>
<th>ETI / FIX Name</th>
<th>#</th>
<th>ESMA Data Field</th>
<th>Description / Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Client identifier</strong></td>
<td>Client identifier (20003)</td>
<td>3</td>
<td>Client Identification Code</td>
<td>New data field (i.e. Client identifier) will be added to the following message type:</td>
</tr>
<tr>
<td>(8-Byte numeric Short Key)</td>
<td></td>
<td></td>
<td></td>
<td>▪ Order entry (add, modify)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Cross request</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Quote request for message/record</td>
</tr>
<tr>
<td><strong>Investment qualifier</strong></td>
<td>Investment qualifier (21222)</td>
<td>4</td>
<td>Investment decision within firm</td>
<td>New data fields (i.e. Investment identifier Investment qualifier, Execution qualifier Execution identifier) will be added to the following message type:</td>
</tr>
<tr>
<td>(1-Byte field value)</td>
<td>Investment identifier (20122)</td>
<td></td>
<td></td>
<td>▪ Order entry (add, modify, delete)</td>
</tr>
<tr>
<td></td>
<td>Execution qualifier (21112)</td>
<td></td>
<td></td>
<td>▪ Cross request</td>
</tr>
<tr>
<td></td>
<td>Execution identifier (20012)</td>
<td></td>
<td></td>
<td>▪ Quote request for message / record</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Mass quote entry</td>
</tr>
<tr>
<td><strong>Execution identifier</strong></td>
<td></td>
<td>5</td>
<td>Execution within firm</td>
<td></td>
</tr>
<tr>
<td>(8-Byte numeric Short Key)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liquidity Provision Flag</strong></td>
<td>Liquidity provision flag</td>
<td>8</td>
<td>Liquidity provision activity</td>
<td>New data field (i.e. Liquidity Provision Flag) will be added to certain message types</td>
</tr>
<tr>
<td>(True or False)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#: Field number as specified by ESMA
MiFID II Regulatory Requirements
Audit trail – Changes in interfaces

T7 Trader GUI
Specification of the Short Code (Client identifier, Investment identifier, Investment qualifier, Execution qualifier, Execution identifier and LiquidityProvisionFlag). As a new field within the T7 Trader GUI platform, these new fields need to be taken into account for the following windows:

- Order/Quote entry and maintenance
- Fields visibility via the Order Overview windows (own order overview window not relevant).

Market Data Interfaces
Along with parameter matrix, the new data field; IndicativeAuctionVolume, is distributed to the market via the Market Data interface (MDD) based on the rules defined within the matrix.

#: Field number as specified by ESMA
Technical Enhancements – FIFO Gateways

- With Release 6.0 T7 will implement the so called partition specific (PS) gateway.

- Partition specific gateways will replace the existing high frequency gateways and will allow routing only to a specific partition.

- Sessions may login to only one partition specific gateway at a time and have to specify the partition ID in their initial connection request.

- During a transition period high frequency and partition specific gateways will be offered in parallel.

- Low frequency gateways will stay in place and allow routing to all partitions.

*For further information please contact your direct Technical Key Account Manager.
T7 Enhancements for the Derivatives Markets

Several enhancements relevant for the T7 Derivatives markets are introduced with the new T7 6.0 release:

**New RFQ-based Platform**
- With the upcoming MiFID II regulation there will be an increased requirement on investment firms to prove Best Execution.
- Eurex wants to provide its members tools to meet these challenges.
- With the new RFQ-based platform the T7 platform is enhanced with a selective Quote Request for platform to negotiate off-book transactions electronically.
- The initial release of the RFQ-based platform is aimed for both Brokers and Market Makers in Fixed Income Options. The service helps to provide all necessary data to prove Best Execution, while also streamlining the current voice driven market.

**Entry of Leg Trade Prices for TES Trades in Complex Instruments**
- TES trade entry and modification for complex instruments is enhanced to allow the initiating user to enter leg prices.
- The leg trades generated from these TES trades will apply the prefilled prices for the legs.

**Initial Boundary Price based on Settlement Price for Quote Spreads**
- The price validations for TES trading are enhanced to allow the use of the previous day settlement price as reference price and calculate minimum and maximum price boundaries around it by using quote spreads.

**Delta Validation for Option Volatility Strategies**
- To prevent the setup of wrongly defined options volatility strategies with respect to their delta neutrality, an optional validation of the delta neutrality of options volatility strategies is introduced with T7 6.0.
Reports

The following new reports are introduced with T7 6.0:

- TE600 – Daily “New RFQ-based platform” Maintenance (Derivatives only)
- TE960 – Regulatory Market Conditions Maintenance (Cash & Derivatives)
- TR160 – Identifier Mapping Error (Cash & Derivatives)
- TR161 – Identifier Mapping Status (Cash & Derivatives)

There are changes in the following existing derivatives market reports:

- TE540 – Daily Order Maintenance
- TE545 – Daily TES Maintenance
- TE550 – Open Order Detail
- TE810 – T7 Daily Trade Confirmation
- TR900 – Daily Order and Quote Transactions

There are changes in the following existing cash market reports:

- TC540 – Daily Order Maintenance
- TC550 – Open Order Detail
- TC810 – Daily Trade Confirmation
- TD930 – Daily Trade Statistics

Please note that the list of affected reports might change until the publication of the Release Notes.
Process flow

1. Register your company’s LEI
2. Upload of IDs
   - National ID
   - Algo Certificate
   - Short Codes
3. Due Diligence questionnaire

- Provisioning of a report informing about unregistered IDs that have been flagged
- Flagging of IDs via ETI / FIX interfaces

Eurex Exchange
T7

Deutsche Börse Group

Database

Only on request

National Competent Authority
Update Communication

- A new Eurex Exchange website is now available for T7 Release 6.0 with the related information.
- On this side, all release relevant information will be published, such as
  - General updates
  - Circulars and mailings
  - Specifications
  - Relevant documents
- The link to the website is as follows: www.eurexchange.com/initiatives/t7release60

T7 Release 6.0

This site provides you with all relevant information for the Eurex T7 Release 6.0.

The launch of T7 Release 6.0 is planned for 4 December 2017. An overview of the release content relevant for Eurex customers is provided on this page. All relevant information will be published here.

Eurex is committed to providing its customers with information updates throughout the development of the release in order to support adequate planning and to ensure a successful launch. To ensure effective information distribution, we kindly ask interested persons to subscribe to the RSS feed of this page.

The enhancements of the release include:
- MiFID II / MiFIR regulatory requirements
- Technical enhancement regarding the first-in-first-out (FIFO) gateways
- The all-new Liquidity Discovery Service (to help members to fulfill best ex requirements, streamline lengthy voice/bid process, increase market transparency and to ensure business continuity)
- Entry of leg trade prices for TES trades in complex instruments
- Initial boundary price based on settlement price and quote spreads
- Delta validation for option volatility strategies

The following diagram gives an overview of the introduction schedule:

Events

The Eurex Roadmap 2017

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
<th>Register</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 May 2017</td>
<td>Eckbom</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 May 2017</td>
<td>London</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Contacts

<table>
<thead>
<tr>
<th>Global Key Account Management Trading</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>General email support</td>
<td><a href="mailto:customer.readiness@eurexchange.com">customer.readiness@eurexchange.com</a></td>
</tr>
<tr>
<td>Key Account Managers</td>
<td>Please use your common contact details</td>
</tr>
</tbody>
</table>

The documents will be available on the Eurex website: [www.eurexchange.com](http://www.eurexchange.com) Technology > Eurex Exchange’s T7 > System Documentation > Release 6.0
Eurex Exchange Roadmap 2017

Part III – New Eurex RFQ Platform

September 2017
Motivation: The Best Execution Challenge for Off-Book Price Formation of ETDs

Requirement to take all sufficient steps to achieve the best result for clients*

Take into account price, cost, speed, likelihood of execution, size, nature or any other considerations*

All communication ‘intended’ to lead to a trade needs to be collected, collated and synchronised**

Synchronised data must be retrievable in a timely manner, for use in proof of BestEx from clients for up to five years***

This creates huge challenges for current off-book business, which is mostly driven via voice and chat.

An Electronic, selective RFQ Platform, is our solution to help Members meet this challenge…

MiFID II Directive references: * Article 27 par1. ** Article 16/7 par2. *** Article 16/7 par9
A selective Request For Quote (RFQ) system can cater for customer needs for off-book transactions

Central Order Book

All-to-All

Anonymous

Selective RFQ

Selective

This mechanism lends itself to situations where there is enough centralised liquidity to absorb the trading interest efficiently, and with minimal slippage.

This mechanism lends itself to situations where there is not enough centralised liquidity to absorb the trading interest efficiently. Moreover, increased dissemination of quality of the flow (not anonymous), and reduced leakage (not all-to-all), affords Market Makers the confidence to meet the liquidity needs.
The cornerstones of the new Eurex RFQ platform

**Target Market**
Off-book ETD business

**Target Audience**
Broker and Market Maker

**Requester**
Electronic selective RFQ Platform with STP to Exchange

**Targeted Launch Date**
December 2017 with Fixed Income Options
## Key benefits for our customers at a glance

<table>
<thead>
<tr>
<th>Best Execution</th>
<th>Streamline Voice Process</th>
<th>Market Insights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best Execution is one of the most onerous aspects of MiFID II for an Investment Firm. It leaves room for interpretation but requires solid data basis.</td>
<td>Voice/chat process is inefficient (series of bi-lateral conversations), increases risk of leakage and makes dispute resolution cumbersome.</td>
<td>Collection and analysis of price formation to gather important intelligence and effectiveness of counterparties is difficult using existing methodology.</td>
</tr>
<tr>
<td>Eurex makes compliance to this requirement a part of the fundamental design.</td>
<td>Eurex developed the platform to make the work at the desk easier and more efficient.</td>
<td>Analysis of available data helps members to make more informed decision around quoting and selection of counterparties.</td>
</tr>
<tr>
<td>Eurex provides all the tools for compliance but allows each Investment Firm to implement its interpretation.</td>
<td>The platform replicates key voice processes while consolidating responses simultaneously to facilitate quick decisions.</td>
<td>The platform is fully electronic and has a comprehensive audit trail functionality.</td>
</tr>
</tbody>
</table>
Platform overview and market structural fit

New RFQ Platform

Data Analytics Tools (BestEx and Intelligence)

RFQ Engine

Bank Broker Desks, & smaller Brokers/IDBs

Member configurable

Member client solution

Post initial Roll-out

EUREX Exchange (Other underlying Exchanges)

Market Makers

Bank/Broker maintains existing client relationship

Clients

Bank/Broker maintains existing client relationship

www.eurexchange.com
New negotiation workflows: RFQ Firm and RFQ Indicative

RFQ Indicative

Broker ➔ Send RFQ Indicative ➔ Market Maker
 Broker ➔ Send Pending Deal ➔ Final Deal
 Market Maker ➔ Approve

RFQ Firm

Broker ➔ Send RFQ Firm ➔ Market Maker
 Broker ➔ Send Quote ➔ Select
 Market Maker ➔ Send Quote
 Final Deal
Minimal setup required to use the service

<table>
<thead>
<tr>
<th>Technology</th>
<th>Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built on Eurex T7 Infrastructure</td>
<td>No separate agreements needed, all Eurex members can use the service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For Requesters</th>
<th>For Responders</th>
</tr>
</thead>
<tbody>
<tr>
<td>No special setup required, service can be accessed through the Eurex T7 GUI</td>
<td>Contact Eurex to be set up on default lists recommended</td>
</tr>
</tbody>
</table>
Eurex Exchange Roadmap 2017

Part IV – Update Third Country Firms (TCFs)

September 2017
With MiFID II/ MiFIR application on 3 January 2018, scope of trading activities requiring authorisation will be extended

Key facts

- MiFID II defines the scope of activities, which require authorization
- Activities requiring authorisation for firms dealing on own account include: membership of an exchange, being market makers or applying high frequency trading strategies
- There are a few exemptions from the MiFID II requirements e.g. for funds regulated under the AIFM-D or the UCITS regulation

- Starting from 03 January 2018 third country firms (TCF) will have three options to continue doing business in the European Economic Area (EEA), depending on their business model
  - Use MiFID II / MiFIR equivalence regime (and related transitional periods)
  - Establish a branch in the EEA
  - Establish a legal entity in the EEA

- MiFIR introduces an equivalence regime which allows TCFs to continue doing business in the EEA without the need to establish a branch, depending on their business model
- Between application of MiFID II / MiFIR and equivalence decisions of EU COM, MiFIR introduces transitional periods for TCFs
- Transitional periods allow TCFs to continue business in the EEA until three years after EU COM has made an equivalence determination with regards to a third country
- Details on how to proceed until EU COM decides and of the design as well as potential prerequisites for transitional periods are left to the single member states

1. Other activities requiring authorization are dealing on own account when executing client orders and having direct electronic access to EU trading venue
2. Exemptions apply to insurance undertakings (Art. 2(1)(a) MiFID II); collective investment undertakings and pension funds (Art. 2(1)(i) MiFID II); persons involved in commodity derivatives trading satisfying the criteria under Art. 2(1)(j) MiFID II
3. German approach is outlined on following slide; Other EEA countries follow different approaches i.e. UK and Netherlands with “overseas person” exemption
Depending on the business model, MiFID II / MiFIR foresee different options for continuing doing business in the EEA

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Please note:
- This illustration reflects Eurex understanding and is no legal guidance!
- Options to continue business in EEA may heavily depend on the concrete business model
- Market participants should conduct a careful strategic review of their organisational set-up together with the requirements of their business model

1. Branch or legal entity may need to be set-up in case of negative equivalence determination
2. For offering services to eligible counterparties and professional clients within the meaning of Section I of Annex II of MiFID II, may allow operating under transitional periods / equivalence
3. Please note that set up of a branch will not allow for passporting; illustration only outlines minimum requirements
German transposition law of MiFID II implements possibilities for exemptions and transitional periods for TCFs

- § 2(5) German Banking Act (KWG) grants BaFin the authority to exempt TCFs from various provisions of the KWG, including the authorization requirement; Exemptions can only be granted on a case-by-case basis
- Prerequisite is the submission of a complete application for exemption to BaFin; BaFin will assess applications and based on the assessment approve or reject an exemption
- Furthermore, §64v(8) KWG establishes a temporary exemption for TCFs dealing on own account, which become subject to authorization requirements due to the extension of the scope of activities, which require authorization

- §64v(8) KWG allows BaFin to temporarily exempt particular TCFs, which are dealing on own account in Germany from the MiFID II requirements
- Prerequisite is that TCFs submit a complete application for exemption to BaFin by 02 July 2018; if a complete application was submitted, the exemption in accordance with §2(5) KWG is temporarily granted
- The temporary exemption, which is effectively a transitional period will last from 03 January 2018 until the EU COM has made an equivalence determination regarding the particular jurisdiction of a TCF and ESMA has decided about registering these firms in the register for third country firms
- Completeness of applications will be determined by BaFin;

- EEA firms which intend to be authorized in Germany will be provisionally authorized by BaFin based on German transposition law of MiFID II (2nd FimanoG*)
- Prerequisite is that EEA firms submit a complete application for authorization to BaFin by 02 July 2018
- If a complete application was submitted, EEA firms will be provisionally authorized from 03 January 2018 until BaFin has decided about the authorization; Passporting to other EEA countries will be possible
- After receiving a complete application for authorization; BaFin has up to six months to decide to approve or reject an application for authorization; completeness will be determined by BaFin
- BaFin already accepts applications for authorization; finalization of application will be an interactive process between BaFin and the applicant

* Finanzmarktnovellierungsgesetz
### German HFT Act criteria

- Dealing on own account
- Latency minimizing infrastructure
  - 10 Gbit/sec in Colocation, P/M account
- No human intervention
- High intraday message rate
  - Daily threshold of 75,000 messages (order entries, quotes, deletions, modifications) per member (to be converted into an annual figure)

### MiFID II HFT criteria

- Dealing on own account
- Latency minimizing infrastructure
  - 10 Gbit/sec in Colocation, P/M account in liquid products, having an ExecutionID (= algorithmic)
- No human intervention
- High intraday message rate
  - Four messages per second for all instruments traded or
  - Two messages per second for a single instrument

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- Transitional period in Germany for TCFs dealing on own account does not apply to high frequency trading
- High frequency trading required authorization in Germany, before MiFID II / MiFIR
- MiFID II does not establish a new high frequency trading framework in Germany
- MiFID II only changes a few details of the German high frequency trading provisions

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1. MiFID II algorithmic trading requirements apply also to all members and participants of regulated markets and MTFs who are not required to be authorized in accordance with Art. 2(1) (a), (e), (i) and (j) MiFID II

2. Messages per second shall be determined
   - on the basis of data with regard messages submitted during the preceding 12 months or
   - on the period within those 12 months during which the firm was active
   - Reports will be provided on a daily basis like today using the new parameters
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