

## Xetra Circular 024/19

# Tick sizes for shares and depositary receipts - Annual review

### Summary

This circular provides details on the annual review of tick sizes for shares and depositary receipts as per Commission Delegated Regulation (EU) 2017/588 (RTS 11). Following the publication by ESMA, Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange) provides an analysis of the potential changes in tick sizes for shares and depositary receipts listed on Xetra and Börse Frankfurt. Changes will be effective on **1 April 2019**.

### Attachments:

- DAX\_MDAX\_SDAX\_LB-April2019-FWB.xlsx
- FWB\_liquidity\_bands\_April2019.xlsx

**Date:** 28 March 2019

**Recipients:** All Xetra® Members and Vendors

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**Target groups:**

- Traders
- Technical Contacts
- General

**Related circulars:**  
125/17  
140/17  
007/18

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## Tick sizes for shares and depositary receipts - Annual review

ESMA has provided the calculations of the average daily number of transactions for shares and depositary receipts based on the most relevant market in term of liquidity to apply on 1 April 2019. FWB is hereby publishing the comparison of the liquidity bands currently in use with the liquidity bands to apply as of 1 April 2019.

The trading venues Xetra (XETR) and Börse Frankfurt (XFRA) will strictly apply the minimum tick size requirements to orders and quotes in shares and depositary receipts as per the Commission Delegated Regulation (EU) 2017/588 and the corresponding Annex (RTS 11). The implementation of the new tick sizes will be effective on Monday 1 April 2019.

For the trading venue Xetra (XETR, system: T7), on 1 April 2019, during the start phase at the beginning of the day, orders whose limits are not compliant with the tick size of the new liquidity band, will be deleted. The deletion will be conducted on a single order basis and the deletion reason will be either "Invalid Limit Price" or "Invalid Stop Limit Price".

For the trading venue Börse Frankfurt (XFRA, system: Xetra), on 1 April 2019, all orders will remain in the Xetra system, even those orders whose limit is not compliant with the tick size of the new liquidity band, except "One-Cancels-Other-Stop-Limit" orders, which will be deleted manually in the pre-trade phase by Cash Markets Operations on 1 April 2019.

Note that as per Xetra Circular 007/18, the liquidity band 11 (WM tick size table S) will still apply to instruments whose home market is outside the European Union and not in Switzerland. For instruments with Switzerland as their home market one of the liquidity bands from 1 to 6 is still assigned, but might be different from the one communicated by ESMA.

For Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs), liquidity bands remain unchanged and are available in the Reference Data file. According to the Commission Delegated Regulation (EU) 2017/588 (RTS 11), Exchange Traded Funds whose underlying financial instruments are exclusively shares that are also subject to the tick size regime, are assigned to liquidity band 6 of the MiFID II tick size regime.

For ETFs which are based on security types other than shares, and for ETFs that are not exclusively based on shares that are also subject to the tick size regime, the tick size is determined by the liquidity profile of the underlying financial instruments; instruments are distributed between Liquidity Bands 6 to 10 (cf. Xetra Circular 140/17). The same applies to Exchange Traded Products including the two product groups Exchange Traded Commodities (ETCs) and Exchange Traded Notes (ETNs).

### Potential impact of the annual adjustment as of 1 April 2019 (with closing prices as of 25 March 2019):

Index*	No. of instruments	Decrease in tick size		No change		Increase in tick size	
		No. of instruments	% of instruments	No. of instruments	% of instruments	No. of instruments	% of instruments
DAX®	30	6	20%	24	80%	0	0%
MDAX®	60	4	7%	54	90%	2	3%
SDAX®	70	3	4%	54	77%	13	19%

\*Index composition as of 25 March 2019

Results on an instrument basis are provided in the attached Excel files.

The simulation results are shown for illustrative purposes only and shall not serve as a basis for any decision or action. They must not substitute the official calculations carried out and published by the competent authorities for the purpose of implementing the Commission Delegated Regulation (EU) 2017/588. The tick sizes applicable based on MiFID II/MiFIR as of 1 April 2019 must be determined solely on the basis of official information.

If you have any questions or need further information, please send an e-mail to:  
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