eurex bonds circular 40/16

Date: 20 September 2016
Recipients: All Trading Participants of Eurex Bonds and Vendors
Authorised by: Gloria Pfaue

⚠ **High Priority**

Introduction of new functionality

Contact: Eurex Bonds Info line, T +49-69-211-1 12 22

Content may be most important for:	**Attachments:**
➲ Front Office/Trading ➲ Middle & Back Office ➲ IT/System Administration ➲ Auditing/Security Coordination	none

Summary:

In June 2016 we held a consultation amongst our members about RFQ as new trading protocol for Eurex Bonds. The majority of the members viewed this product positively. We would like to thank you for your feedback. Based on the consultation we have now started the project.

The goal is to introduce a new user friendly web-based/FIX Eurex Bonds interface to the market. RFQ provides a convenient and highly flexible functionality for the traders to negotiate prices for off-book trades and execute them faster and more efficiently. It also brings the user experience to the newest market standard replacing the current execution GUI. The current market standards, which are being implemented for the user interface, will accelerate and facilitate the integration for the market participants. The implementation of the new functionality is carried out in consultation with market participants.

Please refer to this circular for details including timeline and supported features.

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The Go-Live is planned for the **beginning of January 2017**. In order to enable a shorter time to market, the project has been split into two phases. The first phase will include:

- **Trade negotiation using standard RFQ workflows**

  Additional functionality will allow existing Eurex Bonds members to negotiate trades using request for quotes, either via a dedicated Eurex Bonds RFQ trading GUI or via a FIX interface.

The second phase is planned for April 2017 and will include the following functionalities:

- **Axes – Management of interests which a trader shows in buying or selling of bonds**

  Each dealer has the possibility to upload his Axes using a standardized spreadsheet. Each trader is also able to show their axes only to certain selected counterparts.

- **Central Limit Order Book (CLOB) management functions**

  In order to allow a seamless replacement of the current J-Trader GUI the order management functionalities for the Eurex Bonds CLOB will be implemented into the new user friendly web-based GUI.

- **Pre-trade checks with regard to MiFiD II**

  MiFID II requirements have been taken into account for the new functionalities and therefore they will be compliant with all regulatory requirements with regard to best execution, waiver regime, transparency and reporting.

Please do not hesitate to call the Eurex Bonds Info line on tel. +49-69-211-1 12 22 for any questions you may have.

20 September 2016