eurex bonds circular 19/17

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Recipients: All Trading Participants of Eurex Bonds and Vendors
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Announcement Xetra Release 17.0

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Content may be most important for:	**Attachments:**
➲ All departments	Xetra circular 031/17 including Communication Calendar for Xetra Release 17.0

Please note attached Xetra circular 031/17: Announcement Xetra Release 17.0. Enclosed with the Xetra circular is the Communication Calendar for Xetra Release 17.0.

This also applies to Eurex Bonds (XEUB) but not to the Eurex Bonds Negotiation Platform (ENP) for the Request for Quote/Request for Order“ (RFQ/RFO) functionality. Information about impacts of the Xetra 17.0 Release on ENP and regulatory updates about ENP will be provided in the next months.

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Xetra Circular 031/17

FWB FRANKFURTER WERTPAPIERBÖRSE

To all Xetra® Members and Vendors

Recipients: Traders, Technical Contacts, Security Administrators, System Administrators, General

Management Board

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Announcement Xetra Release 17.0

Dear Sir or Madam,

Deutsche Börse Group plans to introduce Xetra Release 17.0 on 20 November 2017. This release will be mandatory for Xetra-Members of all Xetra markets.

With Xetra Release 17.0, functional and technical enhancements for the Xetra system will be implemented in order to fulfill MiFID II requirements. All amendments which will be introduced with Xetra Release 17.0 are listed below. Where the changes require amendments of the rules and regulations of the Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange), they are subject to corresponding resolutions of the FWB Exchange Council and approval by the Exchange Supervisory Authority.

Liquidity provision
Orders and quotes, which provide liquidity according to RTS 8, article 1, can be entered with a "Liquidity Provision" label. A new field for order and quote enters will be created for this purpose.

Tick Sizes
Tick Sizes, which are specified in Table 2 of the RTS 11 annex, will be implemented and used in the Xetra trading system. Every year, at the end of March/beginning of April (starting from 2019), ESMA will publish new liquidity bands which will be implemented by Deutsche Börse. In case of an amended Tick Size for an instrument, the orders of the respective instrument will be deleted and a new reason for deletion will be introduced. The new Tick Size regulation applies only to shares, depository receipts and ETFs. For instruments such as ETCs and ETNs which do not fall within the scope of the Tick Size regulation, new Tick Sizes will be defined. For all other instruments such as bonds or other

Management Board
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structured products, the Tick Size regime does not apply. The existing Tick Sizes will continue to apply after 3 January 2018.

Business Clocks
With the introduction of Xetra Release 17.0, time stamps will still be offered in CET (Central European Time). The conversion to the UTC (Coordinated Universal Time) time stamp is effected on 2 January 2018. From this date on, Xetra will use the UTC time stamp for all transaction interfaces and market data interfaces. Time stamps of existing orders will not be converted. In the Xetra J-Trader GUI and the Xetra reports, the CET time stamp will still be used.

Pre-Trade Controls
The Price Collar Check, which is already used for the trading models "Auction" and "Continuous Trading with Intraday Auctions", will also be implemented for the trading model "Continuous Auction".

By checking the maximum order value with the already existing tool, individual values per trader can be specified, which then apply to all instruments the respective trader is allowed to trade.

With Xetra Release 17.0, an additional check of the maximum order quantity is introduced. The implementation will be conducted analogically to the maximum order value on trader level.

Audit Trail
With the implementation of MiFID II/MiFIR, additional information need to be given when entering an order. With Xetra Release 17.0, new fields for the order and quote entry will be introduced. Within the scope of an European harmonisation, so-called "Short Codes" need be used when entering an order or a quote. By using the Short Codes instead of a LEI (Legal Entity Identifier) or a CONCAT (Concatenated Code), the number of fields for order and quote requests will be reduced. Xetra Members need to provide a list with the assignments of the CONCAT or LEI to the respective Short Codes, using the Member Section on the website of Deutsche Börse Group. Information regarding this topic will follow shortly.

The following new fields will be implemented with Xetra 17.0:

- In the new field "ClientID", the customer of the Xetra Member, for whom the order has been entered, can be registered.
- The field "Executing Trader" replaces the field "ComplianceID". In this field, the person or algorithm of the Xetra Member who is responsible for the execution of the order needs to be entered.
- In the field "Executing Trader Indicator" it is stated whether a person or an algorithm has been entered the field "Executing Trader".

- The field “Investment Decision Maker” states the responsible person or the used algorithm of the investment decision.
- In the field “Investment Decision Indicator” it is stated whether the investment decision has been made a person or an algorithm.

Passive/aggressive indicator
In the “Trade Confirmation” it is stated whether the underlying order has been aggressive or passive or whether none of the indicators are correct (“none”). Executions in the trading model “Continuous Trading with Specialist” are always indicated as “none”.

Direct Market Access
With Xetra Release 17.0, Deutsche Börse offers “Direct Market Access” (DMA). Orders which are entered via Direct Market Access are marked respectively. In Xetra, an already existing field is used.

Algorithmic Trading Flag
In future, market data will show whether a trade is an algorithmic trade. This is the case when at least one party used an algorithm.

Cessation of Xentric order support
Xentric Orders will no longer be supported after the introduction of Xetra 17.0 on 20 November 2017. In case you are still sending orders via this interface, you need to change to the Xetra interfaces FIX, ETS or VALUES API.

The simulation phase of Xetra Release 17.0 is planned from 11 September 2017 until 10 November 2017.

Please find attached the communication calendar with all the important dates, where further details regarding the development and functionalities of Xetra Release 17.0 will be announced by Deutsche Börse Group.

Information regarding the changes which will be implemented in the T7 System for MIFID II will be provided in a separate circular.

If you have any questions or require further information, please contact your Group Client Key Account Manager.

Kind regards,

Michael Krogmann

Holger Patt
On behalf of the Management Board

Attachment