Xetra Circular 162/09

BÖRSE FRANKFURT

To all Trading Members admitted at the Frankfurt Stock Exchange (FWB) and Vendors

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

Management Board

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Announcement Xetra Release 11.0

Dear Sir or Madam,

Deutsche Börse AG is planning to introduce Xetra Release 11.0 on June 28, 2010. The release will be mandatory for the members of all Xetra markets.

The major enhancements and changes that will be implemented with Xetra Release 11.0 are outlined in an overview below:

- **Performance Improvements**

  The processing time of non-persistent orders and quotes will be significantly reduced. In this context, unreliable order information (i.e. synchronous responses and the All Order/Quote Execution Confirmation broadcasts via VALUES API, synchronous notifications and information notifications via Enhanced Transaction Solution interface) will be sent out to members immediately after the order/quote is processed by the Xetra matching engine but before the technical transaction processing is completed on the host.

  Consequently, such unreliable order information of non-persistent orders or quotes contains only preliminary information about the execution status of the non-persistent order or quote. This information needs to be confirmed by a reliable and recoverable event notification via the Enhanced Transaction Solution interface or by a reliable and recoverable matching event broadcast via VALUES API.

Management Board
Frank Gerstenschläger
(Chairman)
Rainer Riess
(Deputy Chairman)
Cord Gebhardt
Roger Müller

In very rare cases, deviations might occur between the preliminary unreliable order information and the reliable and recoverable order information. In these cases potentially affected members will be electronically notified and are requested to verify the execution status of their recently entered non-persistent orders and quotes. Processing of persistent orders will not be affected.

- **New Features for the Enhanced Transaction Solution Interface**

  In order to facilitate the member's internal trade reconciliation process the Enhanced Transaction Solution interface will be enhanced by the following features:

  Trade information that is currently only available on the Trade Confirmation via VALUES API like counterparty and trade ID will be provided for the corresponding execution and session. A new application message is introduced that contains trade enriched information for all executed orders/quotes owned by the session.

  Additionally each execution will be identified via the Enhanced Transaction Solution interface by a unique match ID. The unique match ID will be added both to the ETS Order Execution and to the new ETS Trade Information to allow an easy mapping of ETS Order Execution and ETS Trade messages. The public market data information of the Enhanced Broadcast Solution interface stream "All Trade Prices" also contains the unique match ID.

- **Book-or-Cancel Order Restriction**

  The implementation of the new execution restriction "Book-or-Cancel" (BOC) allows placing orders as resting liquidity into the order book. Whenever there is an immediate execution upon order entry possible (i.e. the order is aggressive), the BOC order will be rejected. Thus, the BOC order restriction ensures that the order is always passive with its full order volume.

  The BOC order execution condition is only applicable with limit orders. It is applicable with any validity constraint and is not allowed in combination with a trading restriction.

  All BOC orders are deleted when an auction or a volatility interruption is triggered. During the auction call phase and volatility interruptions incoming BOC orders are rejected.

- **Introduction of four Decimals for Equities**

  With regard to the introduction of a harmonized tick size regime in Europe the tick size will be extended to four decimals for equities. The number of tick size settings will be extended to a maximum of eleven price bands for each instrument.

- **Member Settlement Account Extension**

  An extension of the member settlement account length to 35 digits will be implemented in order to meet requirements from local central security depositories (CSD).

- **Indicative Quotes for Continuous Auction with Market Maker**

  Within the trading model "continuous auction with market maker / issuer", it is currently possible to enter standard and matching quotes. All quotes submitted enter the order book with their full volume. Hence all quotes are executable immediately upon their submission. Currently, indicative quotes with a volume equal to zero are prohibited by the rules and regulations of the Frankfurt Stock Exchange. Starting with Xetra Release 11.0, a new quote type for indicative quotes with a positive volume will be introduced. These indicative quotes will be considered for matching purposes only with a volume of zero, and will hence trigger a call phase upon each executable situation, which cannot be fully filled solely by an order-against-order execution. With respect to quote publication, the indicative quote will be shown with full volume to the public.

- **Xetra J-Trader – Mass Order Entry via Excel Upload**

  It will be possible to import a set of orders from Excel into the Mass Order Entry window of the Xetra J-Trader GUI.

Xetra Release 11.0 will be a mandatory release and not backwards compatible. Please be reminded that members will be required to run the installation (update) kits on their existing or new MISS server(s)/workstation(s). These kits will install the Xetra Release 11.0 software including the latest version of the Xetra J-Trader GUI. Therefore, existing in-house and third-party applications will have to be adjusted as well. As for Xetra Release 10.1, installation of GATE 3.5 will be required for Xetra Release 11.0.

Further details for enhancements and facilities introduced with Xetra Release 11.0 will be published in January 2010 by Deutsche Börse AG. The communication calendar, also to be provided in January 2010, will give you an overview of publication dates for Xetra Release 11.0 documents.

Should you have any further questions or require additional information, please do not hesitate to contact our Member Services & Admission Team at telephone +49-(0) 69-2 11-1 16 40 or fax +49-(0) 69-2 11-1 16 41.

Yours faithfully,



Rainer Riess



Bernd Eschenbrücher
on behalf of the Management Board