25 January 2018

MiFID II/MiFIR readiness newsflash

Dear Trading participant,

MiFID II was implemented on Wednesday, 3 January 2018 and as a result, Eurex and Xetra updated their respective Exchange Regulations regarding Direct Electronic Access (DEA) and Order Routing Systems (ORS). This update allows Exchange participants to provide DEA to their clients for trading on our Exchanges as well as the continued use of existing Order Routing Systems.

Sponsored Access (an alternative way of accessing trading venues electronically), as defined under MiFID II, will still not be offered for Eurex and Xetra Exchanges.

Indicating a client connection via DEA

If an European Economic Area (EEA) domiciled Trading participant would like to offer their clients DEA, they can do it using one of two ways:

- If a client of a Trading participant is connected via an Order Routing ID (i.e. OR*), the Trading participant may indicate that their client is linked via DEA by:
  - populating the short code "3" as "NORE" in the ExecutionTrader field of each order message
  - leaving the Investment Decision field blank
  - booking the trade on an agency account (A-account)

- Alternatively, Trading participants may use dedicated DMA Trader IDs to indicate that their client is connected via DEA.

Non-EEA domiciled Trading participants are **not** permitted to provide DEA to their clients.

If you are domiciled in the EEA and intend to connect clients to either of our Exchanges via DEA, please consider the following mandatory steps:

- Inform the supervisory authority of the State Hesse
- Inform BaFin
- Inform your home regulator in the EEA
- Send an application form to register DMA system to the Exchanges:
  - Eurex
  - Xetra

If you have any further questions or comments, please do not hesitate to contact your Key Account

Manager or send an e-mail to customer.readiness@deutsche-boerse.com.

Kind regards
Your Customer Readiness Team

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