

Announcement

of Frankfurter Wertpapierbörse (FWB)

Third Amendment Ordinance to the

Conditions for Transactions on the Frankfurter Wertpapierbörse

On 8 November 2018, the Exchange Council of the Frankfurter Wertpapierbörse decided on the following Third Amendment Ordinance to the Conditions for Transactions on the Frankfurter Wertpapierbörse.

The Amendment Ordinance shall take effect at the points in time specified in Article 2 of the Amendment Ordinance.

A copy of the Ordinance is deposited at the reception desk of the trading floors, Frankfurter Wertpapierbörse, Börsenplatz 4, 60313 Frankfurt/Main, and is available for inspection during the general opening hours. The mentioned Ordinance was laid down on 22 November 2018.

**Third Amendment Ordinance
to the Conditions for Transactions on the Frankfurter
Wertpapierbörse (FWB)**

**Article 1 Amendment to the Conditions for Transactions on the Frankfurter
Wertpapierbörse in the version dated 29 June 2017, last amended on 8 June
2018**

MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

I. **Part Scope of Application, Accomplishment of Transactions, Non-Permissible Transactions for Trades in the Order Book**

[...]

§ 2 Accomplishment of Transactions

- (1) Transactions are accomplished by way of execution of orders and their subsequent electronic storage in the trading system of FWB.
- (2) In case of securities for which the settlement takes place through Eurex Clearing AG, transactions are accomplished under the prerequisites pursuant to Paragraph 1 between one business party and Eurex Clearing AG respectively between Eurex Clearing AG and the other business party. In case one business party is not authorized to participate in the settlement of transactions via Eurex Clearing AG, transactions are accomplished between ~~Eurex Clearing AG~~~~the business party~~ and the company authorized to participate in the settlement of transactions via Eurex Clearing AG (Clearing Member) which settles the transactions of the business party, as well as between the Clearing Member and Eurex Clearing AG. It is the business party's responsibility to ensure, by means of respective agreements, that it holds a respective legal position with regard to the trades accomplished with its Clearing Member.
- (3) Accomplished transactions are confirmed electronically (transaction confirmation) to the business parties and, in cases of Paragraph 2, to Eurex Clearing AG.
- (4) Companies admitted to exchange trading on FWB are entitled and obligated the transactions which have been accomplished by the execution of orders having been entered for the companies under usage of the user IDs and codes assigned to them or generated by them.

[...]

**I a. Part Scope of Application, Accomplishment of Transactions,
Non-Permissible Transactions for Off-Book Trades**

§ 3 a Scope of Application

All transactions that have been accomplished as off-book trades in the T7 Entry Service (TES) are concluded according to the following conditions.

§ 3 b Accomplishment of Off-Book Trades

- (1) An off-book trade is initiated by entering the trade details (“offer conditions”). The offer conditions must be entered within a time period specified by the Management Board after the buying and selling trading participants have agreed on the security, the volume, the price and the fact that such trade is concluded at FWB in a binding manner. The off-book trade is accomplished between the trading participants involved in the off-book trade after the entry of the respective orders that are generated through confirmation of the offer conditions (TES orders). Each confirmation of the offer conditions must be submitted within a time period specified by the Management Board upon entry of the offer conditions. Employees of the trading participants that are not admitted to trading or another trading participant may also enter the offer conditions. The trading participant entering the offer conditions into the system must ensure that the obligations pursuant to Sentence 2 are met. However, the offer conditions may only be confirmed by the trading participants involved in the off-book trade.
- (2) Off-book trades are accomplished according to the rules specified in Paragraph 1 and their subsequent electronic storage in the system. § 2 Paragraphs 2 to 4 shall apply accordingly.

§ 3 c Cross Trades

Trading participants are prohibited from using the TES order functionality for off-book trades to submit orders for off-book trades under which the beneficial owner on both the buy and sell sides is identical. Within the meaning of this provision, the beneficial owner of an off-book trade is a person entering into the off-book trade on its own account or for whose account a trading participant enters into the off-book trade.

II. Part Performance of Transactions

§ 4 Time of Performance of Transactions

- (1) Performance with respect to Exchange transactions accomplished pursuant to § 2 must be made on the second day of performance following the day the transaction is entered into; the Management Board may adopt different rules for Exchange transactions in securities which are quoted and/or settled in a foreign currency or in a unit of account, or for Exchange transactions in debt securities and money-market funds with a constant net inventory value.
- (2) The purchaser is obligated to pay the price for the securities that are the subject of the transaction upon delivery, but no earlier than on the second day of performance after entering into the transaction.
- (3) In respect of Exchange transactions accomplished pursuant to § 3 b, the trading participants involved in the transaction may determine the day of performance. Performance with respect to Exchange transactions must be made no earlier than on the day following the day the transaction is entered into and no later than eighty-nine days following the day the transaction is entered into.

[...]

III. Part Cancellation of Transactions in the Order Book

§ 23 Cancellation of Transactions upon Application

[...]

III a. Part Cancellation of Off-Book Trades

§ 32 a Cancellation of Off-Book Trades Upon Application

The Management Board will cancel an off-book trade if the trading participants involved in the off-book trade assert without delay – however, no later than 30 minutes after the closing of the off-book trading hours for the security traded – that they have erroneously or incorrectly entered the off-book trade into the system and request a cancellation.

§ 32 b Official Cancellation of Off-Book Trades

The Management Board may officially cancel off-book trades if this is required in order to guarantee an orderly exchange trading or if an off-book trade has been accomplished due to an error in the system.

[...]

Article 2 Effectiveness

- (1) § 2 shall become effective on 28 January 2019.
- (2) Part Ia, § 4 and Part IIIa shall become effective, as amended by Article 1, upon approval of the waiver from the pre-trade transparency requirement pursuant to Article 4 (1) (c) of Regulation (EU) No 600/2014 and Article 7 of Delegated Regulation (EU) 2017/587 and Article 9 (1) (a) of Regulation (EU) No 600/2014 and Articles 3 and 13 of Delegated Regulation (EU) 2017/583, however, no earlier than 5 December 2018.
- (3) In addition, Article 1 shall become effective on 3 December 2018.
- (4) The Management Board shall announce effectiveness pursuant to Paragraph 2 by notice on the premises of the FWB and by electronic publication on the internet, available on the websites of the FWB (<http://www.deutsche-boerse.com>).

The foregoing Third Amendment Ordinance to the Conditions for Transactions on the Frankfurter Wertpapierbörse is hereby executed. Pursuant to the decision of the Exchange Council of the Frankfurter Wertpapierbörse dated 8 November 2018, the Amendment Ordinance shall become effective at the points in time specified in Article 2 of the Amendment Ordinance.

The Third Amendment Ordinance shall be announced by notice on the premises of the Frankfurter Wertpapierbörse and by electronic publication on the internet, available on the websites of the Frankfurter Wertpapierbörse (<http://www.deutsche-boerse.com>).

Frankfurt/Main, 22 November 2018

Management Board of Frankfurter Wertpapierbörse

Dr. Martin Reck

Michael Krogmann