

T7 Release 11.0

Cash Market

September 2022



DEUTSCHE BÖRSE
GROUP

Agenda

Introduction and Overview

Pre-Trade Risk Limits based on Notional Value

Enhancements for Xetra EnLight Quotes

Message Encryption for ETI Low Frequency Gateways

Changes to Short Code processing logic (Modifications in XML report field and XML report TR 166)

Further Changes and Enhancements

1 Introduction & Overview



Overview of Xetra T7 Release 11.0

Main Features

	T7 Xetra XETR	T7 Börse Frankfurt XFRA
Pre-trade Risk Limits for Xetra based on Notional Value	X	
Enhancement for Xetra EnLight Quotes	X	
Message Encryption for ETI Low Frequency Gateways	X	X

Backwards compatibility for trading interfaces



NO

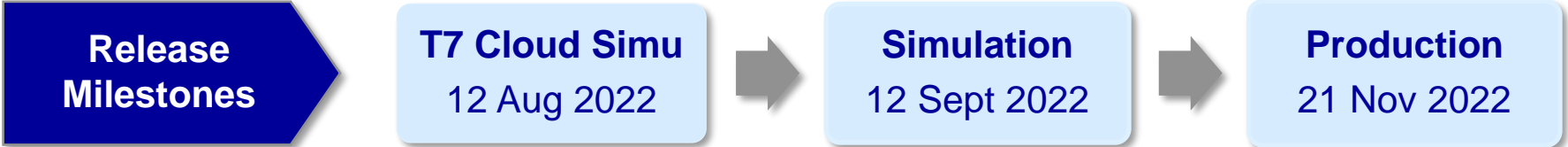
Backwards compatibility for market & reference data interfaces



NO

Introduction Schedule

2022								2023		
Q2		Q3			Q4			Q1		
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
				12.08.	Rel 11.0 Cloud Simulation					
Rel 10.1 permanent Simulation					12.09.	Rel 11.0 Simulation				
							21.11.	Rel 11.0 Production		
<ul style="list-style-type: none"> ▲ Release Notes for R 11.0 (Preliminary) July 2022 ▲ Documents for R 11.0 Cloud Simulation Aug 2022 ▲ Release Notes for R 11.0 (Final) Sep 2022 ▲ Documents for R 11.0 Simulation/Production Sep 2022 ▲ Documents for R 11.0 Production Nov 2022 										



Publication Schedule

T7 Release 11.0	Derivatives Markets	Cash Markets	Combined	Q3/2022			Q4/2022	
				Jul	Aug	Sep	Oct	Nov
T7 Release 11.0 - Release Notes	x	x		◆	●			
T7 Functional Reference			x		●			
T7 Functional and Interface Overview			x		●			
T7 Participant Simulation Guide			x		●			
T7 Cross System Traceability			x		●			
T7 Incident Handling Guide			x		●			
T7 Participant and User Maintenance Manual	x	x			●			
Contract Notes Description		x						●
T7 Known Limitations			x		■			●
T7 Trader, Admin and Clearer GUI – User Manual	x	x			●			
T7 Trader, Admin and Clearer GUI – Installation Manual			x		●			
T7 Enhanced Trading Interface – Manual incl. XSD, XML Representation and Layouts			x		■			●
T7 FIX LF – Manual incl. XML Representation and FIX Repository			x	◆	■			●
T7 Market, – Enhanced Order Book- and Reference Data Interfaces Manual incl. Fast Message Template, Repository & FIXML Schema Files			x	◆	■			●
T7 Extended Market Data Services – Manual incl. Fast Message Template and Underlying Ticker Data			x		■			●
Cash Market Instrument Reference Data Guide		x						●
T7 XML Report Reference Manual			x		■			●
Common Report Engine User Guide			x		●			
Common Upload Engine User Guide			x		●			
Exchange Rules & Regulations		x						●
Market Models		x						●

- **Cloud Simulation** (identified by ◆) will be published in July / August 2022
- **Simulation versions** (identified by ■) will be published in September 2022
- **Production versions** (identified by ●) will be published in September / November 2022
- All documents will be available on www.xetra.com under:
Technology > T7 trading architecture > System documentation > Release 11.0

2 Pre-Trade Risk Limits (PTRL) based on Notional Value



PTRL functionality introduced for Xetra on-book trading

PTRL offer improved risk management for CCP cleared products



Key Features

- Trading participants (TP), Clearing Members (CM) and Xetra Exchange can set limits for daily max notional value of order & quote entries/modifications/executions per product & trading side
- PTRL can be set by:
 - Xetra for participants
 - CMs for clearing-related participants
 - TP for user risk groups (new type for assigning PTRL)
- TPs define limits via T7 Admin GUI while CMs define limits via T7 Clearer GUI
- PTRL can be maintained via ETI/GUI
- Long & short limits can be defined per product (intraday changes become effective immediately)
- Exchange defines which products are eligible for new PTRL functionality

PTRL based on Notional Value

Terminology & Mechanism

- *PTRL Definition* = Setting of PTRL by EX, TP or CM
- *PTRL Consumption* = Accumulated notional value of open orders & quotes per trading side and net position of trades executed per trading side throughout the day
- Prior to acceptance of an incoming order/quote transaction, order will be checked whether *PTRL Consumption*, which at that point in time will include the notional value of new incoming transaction, will exceed *PTRL Definition*:
 - If incoming transaction would cause violation of any of PTRL Definitions, incoming transaction will be **rejected**
 - Deletions of open transactions always lead to a reduction of PTRL Consumption, they are always accepted



Calculation

- Xetra PTRL are limits to notional value* (quantity multiplied by PTRL reference price; ref price is determined at time of entry/modification of order/quote)
- Once execution take place, price is used to determine *PTRL Consumption* of executed orders/quotes & *PTRL reference price* is used to reduce open order/quote PTRL Consumption

Calculation of PTRL Consumption is:

PTRL Consumption **Buy** = Quantity of open orders (quotes) on Buy side * PTRL reference price + Net Position Buy

PTRL Consumption **Sell** = Quantity of open orders (quotes) on Sell side * PTRL reference price + Net Position Sell

Net Position (Buy/Sell) reflects the executed notional value and is reset to 0 at start of day

PTRL based on Notional Value

Miscellaneous

- For IOC, BOC and FOK orders, complete quantity will be considered for evaluation of PTRL Consumption at time of order entry/modification
- For VDO & Iceberg orders, full quantity will be considered for evaluation of PTRL Consumption at time of the order entry/modification
- For orders with the restrictions (Auction Only, Intraday Auction Only , Opening Auction, Closing Auction, Trade at Close) PTRL Consumption will only be evaluated at time of order entry/modification (not at start of auction call phase)
- In case of Market Reset, restated orders are re-accumulated as open limits of respective trading sides
- Trade Reversals will not cause an update of the net position

3 Enhancements for Xetra EnLight Quotes

Non-recoverable Xetra EnLight Quotes

New distinction of Xetra EnLight HF and LF Quotes

Frequency Restriction for Xetra EnLight Quotes

Non-recoverable quotes for Xetra EnLight

Key Features

- Only non-recoverable Xetra EnLight quotes will be offered to minimize its (persistence layer) footprint
- Only the state of Xetra EnLight quotes can be recovered (no history)

New distinction of HF and LF quotes for Xetra EnLight

Key Features

- New attribute will differentiate between Xetra EnLight HF & LF quotes
- HF/LF attribute can be set at time of Xetra EnLight quote entry
- *Features Xetra EnLight LF quotes*
 - Will be distributed to all sessions of all Xetra EnLight respondents & requesters
 - Will be persistent in case of T7 session loss of submitting session & can be recovered
 - Automatic pulling of quotes will be possible
- *Features Xetra EnLight HF quotes*
 - Will only be distributed to submitting session of related Xetra EnLight respondent & all subscribed sessions of BU of requester of related Xetra EnLight negotiation
 - Will be deleted in case of T7 session loss of submitting session (no recovery possible)
 - Automatic pulling of quotes will not be possible

Frequency Restrictions for Xetra EnLight

Key Features

Distribution of LF quote information

- LF quote information will always be distributed immediately
- Frequency of LF quotes will be limited on respondent level (for each negotiation) by LDS server & will be configurable
- Deletion of LF quotes is always possible

Distribution of HF quote information

- Only first HF quote within a negotiation will be published immediately (follow-up HF quotes will be stored only in Negotiation context)
- Later HF quote information will be distributed per time interval/frequency in form of a snapshot of all HF quotes (on negotiation level) if there are additional quotes
- Frequency for HF quote information/snapshots might vary up to several milliseconds

4 Message Encryption for ETI Low Frequency Gateways



Payload Encryption for FIX LF Interface

An additional FIX LF connectivity option via an additional port will be provided.



Key Features

- Additional connectivity option for ETI Low Frequency Gateways will be offered, supporting payload encryption via OpenSSL (TLS 1.2 – restricted cipher-suites)
- Further details will be contained in the Network Access Guide *under xetra.com > Technology > T7 Trading architecture > System documentation > Release 11.0*

5 Changes to Short Code processing logic

(Modifications in XML report field and XML report TR 166)



MiFIR Reporting: Adaptation of the Shortcode-Longcode processing

Key Changes

- Differentiation between StatusIndicators N and M
 - New records must be registered with StatusIndicator N and will be rejected if the shortcode in the affected Mapping is already registered for that MemberID and MIC
 - Modification of existing records must be conducted with StatusIndicator M and will be rejected if the shortcode in the affected mapping is not already registered for that MemberID and MIC
- Changes to acceptable ValidFromDates depending on the StatusIndicator
 - Modifications and Deletions (StatusInd M or D) no longer accepted with ValidFrom T-1 or T
 - ValidFromDates in the future restricted to T+1 for all Status Indicators
- Rejection of modifications (StatusIndicator M) that would result in the ClassificationRule changing
- Enhancement of the TR166 Identifier Mapping Final Error report to include lists of all affected short codes in addition to the counts in the current format

Related Documentation -- FWB

XETRA Circular 044/22

www.xetra.com > Newsroom > Circulars & Mailings

Reporting Handbook MiFID II/MiFIR v.3.7

www.xetra.com > Newsroom > Current regulatory topics > MiFID II and MiFIR

T7 XML Report Reference Manual v.110.2.4 (for TR166 changes)

www.xetra.com > Technology > T7 trading architecture > System documentation > Release 11.0

6 Further Changes and Enhancements



Further Changes and Enhancements (1/2)

Xetra EnLight AutoEx Expiry Time now defined as Duration	<ul style="list-style-type: none">▪ Expiry time for Xetra EnLight AutoEx quote collection will be defined by requester as a duration (not anymore as a point in time)▪ Once negotiation event started, actual AutoEx expiry time will be calculated based on duration & disseminated in notifications and reports as today▪ Change will avoid problems with synchronization of clocks between participant & T7 in case of short AutoEx durations below 500 ms
Change in Handling of Historical ETI News and risk notification messages	<ul style="list-style-type: none">▪ Sequence number of ETI News & ETI risk notification messages will be reset to 1 overnight each day (no historical messages via ETI)▪ Historical News messages will be offered via T7 Trader GUI & historical risk notification messages will not be offered anymore
DSCP in EOBI to indicate unchanged BBO	<ul style="list-style-type: none">▪ Differentiated Services Field Codepoints (DSCP) in packet header for EOBI messages will reflect special situation when matching order does not improve Best Bid Offer (BBO) while moving the midpoint of best bid and ask.

Further Changes and Enhancements (2/2)

Modification of Minimum Quote Size	<ul style="list-style-type: none">▪ Minimum quote size will be aligned with the minimum order size (valid also for fast markets)
Modification of XML report TL001	<ul style="list-style-type: none">▪ Two modifications of XML report TL001 System Transaction Overview:<ul style="list-style-type: none">- Format of field limit to be modified from numeric 9 to numeric 11- Field aT to be removed from text report & displayed only in XML report
Removal of Issuer Mnemonic from RDI / RDF	<ul style="list-style-type: none">▪ Issuer mnemonic field will be removed from RDI & RDF interfaces:<ul style="list-style-type: none">- RDI: Instrument Snapshot message. <i>Issuer</i> (106).- RDF: AllTradableInstruments file. <i>Issuer Mnemonic</i> (column 108 respectively DD).

Thank you!

Deutsche Börse AG
Mergenthalerallee 61
65760 Eschborn

If you have any further questions please contact your Key Account Manager or send an e-mail to client.services@deutsche-boerse.com



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