

part of eex group



# Implementation Regulation of the Order Transaction Ratio

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Leipzig

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## 1. Preliminary note

According to Sect. 26a which has been inserted into the Exchange Act by the High Frequency Trading Act and that has been amended by the German legislation, implementing MiFID II into German law (*Zweites Finanzmarktnovellierungsgesetz – 2. FiMaNoG*), obliges Trading participants to maintain an adequate ratio between their order entries, order changes, and order deletions and their actually executed transactions (Order Transaction Ratio). EEX has to enact more detailed provisions regarding an adequate Order Transaction Ratio.

Section 46 of the Exchange Rules empowers the Management Board of the Exchange to stipulate an adequate Order Transaction Ratio considering the liquidity and volatility of the respective market including special situations of the order book and the means of order entry (manually or electronically).

Without prejudice to Sect. 46 of the Exchange Rules the Management Board of the Exchange hereby exercises this right by enacting this Implementation Regulation concretizing the adequate Order Transaction Ratio to be maintained by the Trading participants of EEX for financial instruments tradable at the respective spot and derivatives markets of EEX and certain classes of these financial instruments, respectively.

## 2. Scope of Application

The Implementation Regulation shall apply to all Trading participants of EEX according to the following provisions and for all financial instruments (products) tradable at the spot and derivatives markets of EEX.

The provisions of Sect. 3 of this Implementation Regulation (Order Transaction Ratio) do not apply to entries made within the scope of auctions and for undertakings whose order entries also serve as fulfillment of quoting obligations or other obligations to provide liquidity. Entries conducted and trades concluded via the Trade Registration Functionality of EEX are not considered.

### 3. Order Transaction Ratio

#### 3.1 Determination of the Order Transaction Ratio

The Order Transaction Ratio (OTR) will be determined for each Trading participant on a daily basis separately for each financial instrument tradable at EEX (product). The OTR of a Trading participant is adequate, if it does not exceed the allowed quantity of ordered contracts in a product (order times quantity) according to Sect. 3.2 for each executed transaction in a product within one day, whereas the OTR is also valid if no transaction in the respective product has been executed at all. The number of ordered contracts per product and day is calculated according to the following rules:

- Entry and Deletion of an order, respectively:
  - in each case the number of contracts ordered in the respective product
- Change of an order:
  - the number of contracts ordered in the respective product times two
- Entry of combined orders:
  - the number of contracts ordered in the respective product times two or times the number of orders, respectively, if all legs of the combined order relate to the same commodity or
  - the number of ordered contracts in the respective product per leg per commodity
- Quotes: two entries
- Measures conducted by the trading systems, e.g. deletion of orders, are not taken into consideration.

#### 3.2 Parameters of the Order Transaction Ratio

Market segments	Products	OTR (Ratio of the quantity of ordered contracts to executed contracts)
Spot market	Emission rights	100,000
Derivatives market	Power	500,000
	Natural Gas (PEG, PVB)	40,000,000
	Natural Gas (NBP, ZEE)	250,000
	Natural Gas (other market areas)	1,500,000
	Emission Rights	300,000
	Agricultural products	5,000
	Other Products	5,000

### **3.3 Order Transaction Ratio due to short-term risks for proper exchange trading**

Without prejudice to provision 3.2 the Management Board of the Exchange reserves the right to adjust the instrument groups and the respective parameters of the OTR accordingly to mitigate any short-term risks for the orderly exchange trading that might occur.

These changes become effective immediately after a corresponding customer information has been sent out.

## **4. Final provisions**

### **4.1 Changes to this Implementation Regulation**

Without prejudice to provision 3.3 of this Implementation Regulation, changes to this Implementation Regulation become effective as of the beginning of the first calendar day of the calendar month following the date the amended version of this Implementation Regulation has been released on the EEX website and a corresponding Customer Information has been sent.

### **4.2 Entry into Force**

This Implementation Regulation comes into force at the beginning of the first calendar day of the calendar month following the date this Implementation Regulation has been released and a corresponding Customer Information has been sent.