Customer Information

Introduction of T7 release 6.0

Leipzig, 2017-10-23

Dear trading participant,

In line with the Eurex Exchanges' release cycle, the EEX Derivatives Trading System Eurex T7 will be updated to version 6.0 on 4 December 2017. In the framework of the release, several functionalities are introduced to meet MiFID II regulatory requirments.

Enhancements to meet MiFID II regulatory requirments

Pre Trade Controls

In addition to the already existent possibilities a new parameter "Maximum Order Value" will be introduced. All entered orders will be validated against this parameter. EEX will maintain initial (maximum) values. Trading participants may contact their local Member Supervisor, memberreadiness@ecc.de or trading@eex.com for further information about their initial limits or for changing those.

Market Making Handling

Market Makers which are **recognized as "Investment Firms"** and pursue a Market Making strategy according to MiFID II regulation are obliged to flag quotes and orders which were submitted as part of a market making agreement with a "Liquidity Provision Indicator", which is newly introduced in the framework of the T7 release. The provision of this indicator is mandatory. However, orders and quotes which were not entered under the above mentioned

circumstances are flagged as such automatically, with the indicator stating "not true". Furthermore, the market states "fast" and "extended fast" are renamed into "stressed" and "exceptional".

Client Identification Code

Orders which were submitted on an agent account (A1, A2, …) on behalf of a client must be flagged with a client identification code (LEI or National_ID). The order is enriched with a short code. The mapping of short codes to full LEI or National IDs is done within the Deutsche Boerse Member Portal. More detailed information about this process can be found in the document "Overview Short Code Mapping", which is attached to this customer information.

From a technical perspective, this flag is not mandatory for EEX customers. When an agent account (A1, A2, …) is selected, the order can be entered in the trading system even if the Client Identification Code is not provided, for example if the A- accounts shall be used for proprietry business.

Please note that the entry and reporting of the Client Identification Code through T7 Trading System is only offered for exchange trades. For trade regsitrations via Straight Through Processing, the respective third-party-software takes care of the reporting. Trade Registrations entered via the T7 Trading GUI or FIXML interface must be manually enriched by the trading participant with the correct information afterwards for reporting purposes.

Investment Decision within Firm

Orders and quotes must be flagged with indicators identifying if the **investment decision was made** by an algorithm or a human. Therefore, two new optional order attributes are introduced:

- Investment Decision Maker

  The attribute may be filled with a short code identifying the person or an Algo_ID identifying the algorithm which is responsible for the investment decision. If left blank, the owner of the Trader ID will be assumed as Investment Decision Maker.

- Investment Decision Qualifier

  Determines if the decision was made by an algorithm or human. If left blank, the **human** owner of the Trader ID will be assumed as Investment Decision Maker.

Execution within Firm

Orders and Quotes must be flagged with indicators identifying if an algorithm or human **is responsible for the execution** of the transaction. Therefore, two new optional order attributes are introduced:

- Executing Trader

  The attribute may be filled with a short code identifying the person or an Algo_ID identifying the algorithm which is responsible for the execution of the transaction. If left blank, the owner of the Trader ID will be assumed as Executing Trader.

- Executing Trader Qualifier

  Determines if the execution of the transaction was triggered by an algorithm or human. If left blank, the **human** owner of the Trader ID will be assumed as Executing Trader.

Commodity Hedging Flag

Transactions in commodity derivatives which reduce risk in an objectively measurable way in Accordance with Article 57 of Directive 2014/EU may be flagged as such with the RiskReduction attribute set to "true".

EEX is implementing and offering these order attributes on 4 December 2017. Please note that it is the customer's responsibility to provide the correct information for every submitted order from 3 January 2018 on.

Orders which were entered before 4 December 2017 with a validity beyond this date will stay in the order book as valid orders. The newly introduced attributes are blank though. If such orders are valid beyond 3 January 2018, it is the customers responsibility to maintain this orders to update the newly introduced order attributes with correct information.

EEX, in cooperation with the respective providers, is taking care that EEX TT Screen and Trayport Joule Direct Screen® will support the introduced order attributes from 4 December 2017 onwards.

Several technical interfaces are subject to changes as well. Details can be found in the technical release notes and respective API descriptions. Those, as well as the full release notes for T7 release 6.0 and further descriptions can be found on Eurex Exchanges homepage:

http://www.eurexchange.com/exchange-en/technology/t7/system-documentation/release6

Yours sincerely,

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