

## New Approach to Self-Match Prevention Changes at EEX

Dear Trading Participants,

**As of 28 October 2024**, EEX will adopt a new approach for “on exchange” Self-Match Prevention (SMP). Our current model uses an “enabled by default” strategy, where the SMP is active for all trading participants in Gas Products.

Members are not required to submit a Cross ID or an SMP flag, as protection is automatic. Our model (known as **SMP Type B**) does have several limitations mainly, it only applies to gas products and mandatory nature with no opt out once enabled.

### SMP Type A

For these reasons, **EEX will move to SMP Type A which does not have the same limitations.**

This version will expand SMP application to any EEX product. Traders will be empowered to flag their selected orders for SMP protection or toggle this feature on/off at vendor level.

It will also bring alignment with the well-established and proven SMP model within DBAG, already seen on Eurex/Cash markets.

**A side-by-side comparison and reason for switch:**

<b>Current EEX Version (SMP Type B)</b>	<b>New SMP method in October (SMP Type A)</b>
<p>Summary</p> <ol style="list-style-type: none"> <li>SMP Type B is not suitable for power products. It works on gas only.</li> <li>SMP Type B is not suitable for <b>DEA/DMA Scenarios</b></li> <li>SMP Type B is a mandatory functionality and does not offer the trader to have SMP activation “order by order”, or choice to disable at Vendor level.</li> <li>SMP Type B has a more fundament logic that cancels one side or both sides of the crossing order entirely.</li> </ol>	<p>Summary</p> <ol style="list-style-type: none"> <li>Works on all EEX asset classes (gas, power, emissions etc.).</li> <li>SMP Type A uses Smart Logic and will automatically net-out resting quantity against the incoming order and then attempt to match further down the stack (if quantity allows)</li> <li>Concept of Cross ID would be familiar to some members trading within the DBAG group such as Eurex/Cash markets.</li> <li>Market Wide SMP will enable protection to prevent crossing against yourself under different Member IDs or DEA/DMA within the same exchange.</li> <li>Feature support by most vendors already.</li> </ol>
<p>SMP (Type B) Documentation link</p> <p>7.6.2 (page 126) Documentation</p>	<p>SMP (Type A) Documenation link</p> <p>7.6.1 (page 125) Documentation</p>

**Optional feature: Market Wide SMP**

This feature supports SMP across different trading participants, such as participants with multiple Member IDs and accounts across DEA/DMA scenarios.

## Gas Market feature SMP continued as a configuration in new release.

Due to the physical nature of the gas markets, EEX has requested EEX Vendors to provide guidance preserving the current Gas SMP behavior. It is required to submit a “Cross ID” automatically for all gas products to prevent self trading on this asset class. Gas products can be identified in the RDF/RDI static data files to have MIC value of XPSF or XPOT.

## Impact/ New Steps

On review, many EEX vendors/members already support SMP Type A for other DBAG Markets on T7, utilising the same underlying systems and following the same release cycle. EEX registered vendors have been contacted and we have requested them to reach out to their users should any customisations and setup steps be required.

For vendors/trading participants that require supporting documents please have a look at this website: <https://www.eurex.com/ex-en/support/initiatives/t7-release-12-1>

## Overview Feature summary

Link: Functional reference

Section 7.6

## Trading Interface

### ETI

Link: ETI Documentation

Notable sections, but not limited to:

Section 4.7.5 Self-Match-prevention

Section 4.7.10 Order Status and execution report

### FIX

Link: FIX Documenation

Notable sections but not limited to

3.8.7 Self Match Prevention

3.8.10 Order Status and Execution Report

## Market Wide SMP (optional feature)

Link: Market Wide SMP release notes

Notable sections, but not limited to:

Section 2. Introduction of a market-wide Self-Match Prevention

Please do not hesitate to contact us in case of any further questions.

Yours sincerely,

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