XONTRO Newsletter

(English Version)

Financial Institutes

No. 24

BRAINTRADE
Gesellschaft für Börsensysteme mbH

Oktober 25th, 2006

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English Version

Within XONTRO, the following modification will be introduced:

As of January 1st, 2007:   New fees' calculation for the electronic trading system in Stuttgart

Electronic trading system in Stuttgart

1. Introduction

The „Baden-Württembergische Wertpapierbörse (Börse Stuttgart)" in Stuttgart intends to introduce a new electronic trading system. Within this electronic trading segment, a new pricing and fee model will be applied, too.

In a first step, all derivative products are scheduled to be traded within this new trading system, including the usage of the rules and regulations of the new pricing and fee model. Aside from this, other segments (e.g. those for shares and bonds) will further on exist, in which the fees will be balanced as hitherto according to the "current" pricing and fee model for trades executed by the pricing intermediaries ("Skontroführer").

Within the new market model, the fee calculation will be conducted within the electronic trading system used by the boerse stuttgart. In this respect, there will be no more pricing intermediaries ("Skontroführer"). Each security instrument being traded within the new trading system, however, will instead be serviced by a so called "Quality-Liquidity-Provider" (QLP). The QLP's (CBF) member account number will be listed, as before (instead of the Pricing Intermediary's account number), within the WM/WSS instrument database.

The pricing and fee positions generated so far:

- Contract notes' fees and
- Brokerage

will not be accumulated any longer within the electronic trading system.

The new fees will not be documented within the contract notes (Schlussnoten). If desired, however, the financial institute may be entitled to receive a daily written proof of the fees calculated. The appropriate .csv file will be made available either by means of the "BT File Service", or via file transfer. The file layout may be inspected in the appendix of this newsletter.

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2. Base data in WSS

2.1. Instrument base data

The instrument base data changes will be communicated by WM to the public as usually. Within WSS (3270 terminal layout[1]), the data layout will be given as follows:

```
TRAN: WSIS FC: BO SB: W#DR0KJY##

W S S ------------ ANZEIGE STAMMDATEN BÖRSE -------------------- SEITE:  2 ---
DE000DR0KJY5 I68D                DRESDNER BK CALL07 DAX                GS   ST
WKN   DR0KJY
          BER       NAS      DUS       FRA      HAM      HAN      MUN      STU
STATUS                             TG 1.NOT                           TG 1.NOT
ZUL.DAT                            06.02.06                           06.02.06
MARKT                                    FV                              FV-EH
-ZUSATZ                               SMART                              EUWAX
MAKLER                                 7805
QLP                                                                      6182
MAKLERGEB.                               1A
ENTGELT                                                                    3A
COU.CAP                                   3
STOP-LOSS/BUY  N         N        N        J        N        N        N        J
BEG. Z.
ENDE Z.
L.H-TAG                            12.06.07                           12.06.07

                                     GUELTIG AB 07.02.2006 BIS 9999999999
 -- ID-KZ: 7999192799 -- PW:         ------ B99980WT -- 16/10/06 -- 13:30:13 --

 WS1100I  WEITERE DATEN VORHANDEN: PF8
```

If an instrument to be traded within the electronic trading system is to be displayed, then the fields "Makler" (intermediary) and "Maklergeb." (brokerage fee type) will remain empty. Instead, the fields "QLP" and "Entgelt" (fee type) will be filled. These values do not, however, represent new WM fields; they will just be displayed in a different manner within WSS.

In addition, the field "Markt" (market segment) will contain new values. These are:

AM-EH	Official Market – Electronic Trade	WM Key 174
GM-EH	Regulated Market – Electronic Trade	WM Key 175
FV-EH	Open Market – Electronic Trade	WM Key 176

The field "Entgelt" (fee type) may contain two expressions. These are:

3A	Transaction fee according to the pricing and fee model for the new electronic trading system of the boerse-stuttgart
39	No transaction fee to be calculated (e.g. along with new issuing or underwritings)

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[1] By the time this newsletter was compiled, the „WSS Online" views for the WSS data were not available yet.

3.   Fee calculation

3.1   General issues

As a general rule, the new pricing and fee model will be valid for all securities' instruments listed within the market segments of the electronic trading system ("AM-EH", "GM-EH", and "FV-EH"). Direct (OTC) trades will not be affected by this rule. In these instances, the "current" contract note fees will be imposed further on.

The calculation will be carried out daily, based upon the order executions. For trades not being based upon electronic orders entered, the calculation will be done on the basis of the trade nominal amounts entered. "True" partial executions – as opposed to "technically caused delivery splits" into several contract notes – will be calculated as "separate" executions. Specifically, this may result in the finding that a 1:1 relation to the contract notes' volume may not be given any longer.

3.2   Trading participants' transaction fee

The transaction fee to be charged against the participant will be set up using a fixed (2.00 €) and a variable (0.671 ‰ of the market value) part, whereas the variable part has a cap of 10.08 € and a floor of 0.63 €. These amounts are to be taken excluding any sales (or other) taxes to be applied separately.

If, subsequently, a trade (as represented by a contract note) will need to be cancelled, then the fee's part that was charged in accordance with the contract note will be re-calculated in favour of the participant(s).

3.3   Issuers' transaction fee

The boerse-stuttgart has asked the issuers to settle all issuers' trades being traded in instruments using the electronic market segment via a separate CBF settlement account number which is to be unique within this segment. For as long as this requirement is fulfilled, this separate CBF account number may be deposited within XONTRO. As a consequence, along with all trades using this CBF account number, not the fixed and variable transaction fees listed above, but the "sliding-scale fees" as listed in the table below will be charged then:

Market value in EUR				Transaction fee in EUR
		up to	5.000,00	4.20
from	5,000.01	up to	6,000.00	5.04
from	6,000.01	up to	7,000.00	5.88
from	7,000.01	up to	8,000.00	6.72
from	8,000.01	up to	9,000.00	7.56
from	9,000.01	up to	10,000.00	8.40
from	10,000.01	up to	11,000.00	9.24
from	11,000.01	up to	12,000.00	10.08
from	12,000.01	up to	13,000.00	10.92
from	13,000.01			11.76

The amounts listed above are to be understood excluding any extra sales taxes that might have to be charged additionally.

3.4 Special cases

In case the WSS fee type field contains the value "39", then no fees whatsoever will be calculated.

3.5 Invoicing

The fees and charges will be added up during the actual month. At the last business day of the month, these fees – together with the contract note fees derived from trades executed in securitites' instruments outside of the electronic trading segment – will be invoiced to the customers, together with the currently valid sales tax added, if necessary.

In this instance, all amounts (fixed, variable, and "sliding-scale", if applicable) will be shown separately.

APPENDIX

The daily transaction fee file bears the following structure:

Field	Description	Format
SCHLUSSTAG	Contract date	PIC 9(8)
ABSCHL_ZEIT	Contract time	PIC 9(8)
GESCHAEFTSNUMMER	Trade number	
BOETAG	Business date	PIC X(6)
BOERSENPLATZ	Execution venue	PIC XXX
LFD_NUMMER	Consecutive number	PIC X(7)
ORDER_NO	XONTRO Order reference number	PIC X(13)
BUY_SELL_FLAG	Type of trade (buy or sell)	PIC X
WEITERGELEITET	„W" or blank „/ NULL"; shows if the order was forwarded or not	PIC X
STORNO_FLAG	Cancellation flag	PIC X
BOE_EINGEBER	Execution venue of order recipient resp. order issuer	PIC XXX
EINGEBER	CBF account number of order recipient resp. order issuer	PIC 9(4)
EINGEBER_KZ	Flag shows if issuer was bank or intermediary: 000 = bank 001 = intermediary	PIC 999
BOE_AUFGEBER	Execution venue of order issuer resp. contract note recipient	PIC XXX
AUFGEBER	CBF account number of order issuer resp. contract note recipient	PIC 9(4)
AUFGEBER	Flag shows if recipient is bank or intermediary: 000 = bank 001 = intermediary	PIC 999
ISIN	International securities identification number	PIC X(12)
PREIS	Price	PIC 9(8)V9(8)
NR_KF	Ordinal number of price fixing	PIC 9(5)
NOMINALE	Nominal amount	PIC 9(14)V9(3)
KURSWERT	Market value	PIC 9(15)V99
FIX_ENTGELT	Due fixed amount excluding sales tax	PIC S9(7)V9(2)
VAR_ENTGELT	Calculated variable transaction fee excluding purchse tax	PIC S9(7)V9(2)
STAFFELENTGELT	variable fee for issuers excluding sales tax	PIC S9(7)V9(2)

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Notes:

- The trade number will only be filled for trade cancellations, with no regards as to whether the trade cancelled was an order-driven trade or a trade entry.
- Please keep in mind that neither the trade number nor the order reference number must by necessity be unique.
- Closures of pending trades ("Aufgabe-Schliessungen") will be free of fee calculation because for the entry that had resulted in a pending trade ("Aufgabe"), a fee had been calculated already. This is likewise valid for "pending trade deletions" ("Aufgabe-Loeschungen"). Thus, list entries for "pending trade closures" ("Aufgabe-Schliessungen") and "pending trade deletions" ("Aufgabe-Loeschungen") will not be delivered.