XONTRO

XONTRO Newsletter

Financial Institutes

No. 66

(English Version)

BRAINTRADE
Gesellschaft für Börsensysteme mbH

11 March 2013
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Newsletter Nr. 66
(English Version)

This newsletter contains information covering the following topics:

- EG orders are now available for the Munich Stock Exchange, too

- Contract notes

  o Distribution via file transfer (using the „Reg.Über" relationship)

  o Printed contract notes lists allocation

- Bilateral Aggregation – Reconciliation report

- Late night trading session

PLEASE OBSERVE – IMPORTANT NOTE:

Banks not yet having ordered the additional late night trading shift contract notes data carrier files are kindly requested to forward the order to BrainTrade as quickly as possible. In case the application and set up has not been dealt with in due time, it cannnot be ensured for all data to be transmitted properly. The application sheet may be found in the appendix of this newsletter again.

In addition, please regard the note on page 5 regarding a surveillance and compliance software.

1.   EG Orders in Munich

Beginning 18 March 2013, it will be possible to send EG orders to the Munich Stock Exchange (MAX-ONE), too. As a result, it will then be possible to submit the following order types to the Munich Stock Exchange location, too:

- One cancels other (OCO)
- Trailing stop
- Stop order

The technical solution essentially follows the procedure having already been established for the Stuttgart Exchange location. There are, however, a few deviations from this procedure, which will be described in what follows:

- In contrast to an EG order having been sent to the Börse Stuttgart, the submission of an EG order into MAX-ONE will immediately be finally confirmed or rejected. The preliminary confirmation will not be generated for the Munich Stock Exchange.
- At the Munich Stock Exchange, an OCO order will, along with the attainment of the stop limit, always be converted into a Market Order.
- At the Stuttgart Stock Exchange, along with the activation of a Trailing Stop or an OCO Order, the price or the pretrade value at which the order had been triggered is disclosed in the trigger message text field. This will not be the case in Munich, the reason for this being the fact that EG orders will only be triggered by exchange prices so that the inclusion of the trigger message did not appear to be a functional necessity.
- An activated EG Order may not be reset in Munich.
- Further details regarding this issue may be taken from the newest "Technical Connection" document to be provided as usual on our home page www.xontro.de within the next couple of days.

Within this context, the following new error messages may appear:

- o   TRADING RESTRICTION „EK" NOT ALLOWED ALONG WITH EG ORDER
- o   ALONG WITH EG ORDER, TRADING RESTRICTION „KS" ONLY ALLOWED FOR SA [1]
- o   INVALID OCO LIMIT RELATION
- o   TRAILING STOP DIFFERENCE REQUIRED
- o   NO TRAILING STOP ORDERS ALLOWED FOR THIS INSTRUMENT

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[1] SA = Single Auction

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2. Contract Notes

- **Distribution Via File Transfer (Using „Reg.Über" Relationship)**

  Normally, the regulation of the contract notes distribution is done according to the so called "Reg.Über" relationship deposited at CBF. As XONTRO will not have access to these CBF data in the future any longer, this relationship will have to be maintained directly in XONTRO – and independently from the CBF entries – in the future.

  At first glance, no changes will be needed to be introduced for the XONTRO participants. In the future, however, it may be regarded that CBF Reg.Über relationship modifications will not automatically lead to associated contract notes transfer file modifications any longer. In order to achieve contract notes transfer file modifications accordingly, an appropriate change request will have to be forwarded to BrainTrade in parallel to the Reg.Über relationship modification.

- **Printed Contract Notes Lists Allocation**

  Until now, the contract notes list files ready to be printed out have only been allocated during the morning of the following day. Along with the late night trading introduction, the printed contract notes lists will then be generated from within the end-of-day batch processing and then be allocated for transmission on the very same business day evening at approx. 10.45 h p.m. already.

3. Bilateral Aggregation – Reconciliation Report

In cases where a Financial Institute intends to participate in the Bilateral Aggregation, and wants to obtain the evening reports revealing the references between the settlement contract notes and the trading contract notes, they may be subscribed to by using the form sheet "Lists KI – Trade Lists, Engagement Lists" at BrainTrade. The application form sheet may be found as usually on our Home Page www.xontro.de.

Within this context, the following new error messages may arise:

- o SETTLEMENT TRADE MAY NOT BE CANCELLED
- o DUE TO AGGREGATION, TRADE MAY NOT BE CANCELLED. PLEASE ENTER COUNTERING TRADE
- o OTC ENTRY DEADLINE HAS BEEN REACHED

In addition, due to some participants' requests, the fields „(aggregated) nominal amount" and „resulting cash amount", as taken form the settlement contract note, will also be included in the reconcilliation report. This report modification will, however, not become valid before 18 March 2013:

Field	Description	Format
CBF-NR	Clearstream account number of contract note recipient	PIC 9(4)
ISIN	Security identification number	PIC X(12)
GNR	Trade ID of settlement contract note	PIC X(16)
GESCHAEFTS-ART	K (Buy) oder V (Sell)	PIC X(1)
AGG-NOMINALE	**Aggregated nominal amount (as of 18 March 2013)**	**PIC 9(12)V9(3)**
AGG-ABR-BETRAG	**Resulting cash amount (as of 18 March 2013)**	**PIC S9(10)V99**
LFD-NR-1	Sequential set number corresponding to Trade ID of the settlement contract note	PIC 9(5)
The two referencing fields to follow are contained 5 times within the set:		
GNR	Trade ID of the corresponding (trading) contract notes	PIC X(16)
NOMINALE	Nominal amount of the corresponding (trading) contract notes	PIC 9(12)V9(3)
LFD-NR-2	Next sequential set number corresponding to settlement trade ID; LFD-NR-1 and LFD-NR-2 are both used for the identification of follow-up sets. If both numbers are equal, then there is no follow-up set. If there is a follow-up set, then LFD-NR-2 identifies the number of the next set. Examples: 1 … 1 ➜ No follow-up set. 1 … 2, 2 … 3, 3 … 3 ➜ 3 sets altogether.	PIC 9(5)

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4.   Late Night Trading Session

- In contrast to what has been announced in our Newsletter No. 61, order entries for MAX-ONE will also be allowed until late end-of-day batch (starting at 10.15 h p.m.).

- In addition, the Börse Stuttgart has announced to extend the Investment Funds Shares Trading Session until 10.00 h p.m., too. As a result, all domestic and foreign shares, profit participating certificates, as well as all funds (ETPs and Investment Funds Shares) will then be tradeable until 10.00 h p.m., beginning 01 March 2013.

- **PLEASE OBSERVE – IMPORTANT NOTE:**
  Banks not yet having ordered the additional late night trading shift contract notes data carrier files are kindly requested to forward the order to BrainTrade as quickly as possible. In case the application and set up has not been dealt with in due time, it cannnot be ensured for all data to be transmitted properly. The application sheet may be found in the appendix of this newsletter again.

Surveillance and Compliance Software

During the course of an internal project, BrainTrade has become acquainted with the manufacturer of a surveillance and compliance software whose product has been judged to be highly interesting by us. The company's focus has been specialized to systems for automatic transaction monitoring, surveillance, compliance, and money laundering within the financial industry. They are offering a complete solution (system, support, consulting, and training); within Europe, they may be regarded as one of the leading partners with regards to the surveillance within the securities' business area. In case you should be interested to obtain such a system, you are kindly requested to ask BrainTrade for a corresponding contact. Please direct your request to Herr Manfred Freitag (phone ext.: +49 – (0)69 – 58 99 78 – 115, or mailto: manfred.freitag@xontro.de).

Late Trading Hours

Order sheet for XONTRO Trade – Contract Notes Data Carrier Files (S.W.I.F.T. Format)

☐ **PRODUCTION ENVIRONMENT TRANSFER (IMS1)**

☐ **TEST AND SIMULATION ENVIRONEMENT TRANSFER (IMS27)**

Please fax back to:

BrainTrade Gesellschaft für Börsensysteme mbH
D-60487 Frankfurt
Germany

Telefax: +49 – (0)69 – 211 – 608052
Telephone (direct line): +49 – (0)69 – 58 99 78 – 110

Final Contract Notes Data Carrier File Set Up Due To Late Trading Hours

for CBF account(s): _____   _____   _____   _____   _____   _____
                         Main Branch   Subsidiary Branch(es)

☐   **Please use the transmission details used for the contract notes transfer files having been set up already**

☐   **Please use the following parameters:**

Remote / Node Name _____ e.g. RMTyyy (yyy = consecutive number)

Transmission Parameters _____

S.W.I.F.T. Address: _____

The person specified below may be contracted for any further enquiries:

Company Name   _____

First & Last Name   _____   _____

Street / POB   _____

Postal Code & City _____ _____

Phone & Telefax No. _____   _____

E-Mail   _____

_____   _____
Location / Date   Signature(s)