XONTRO Newsletter

Financial Institutes

No. 72

BRAINTRADE

Gesellschaft für Börsensysteme mbH

08 July 2013

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Newsletter No. 72

This XONTRO newsletter contains information regarding the following topic:

- Modifications with regards to the so called "High Frequency Trading Law"

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1. Modifications with regards to the so called "High Frequency Trading Law"

As should be known to the public, the so called „Law towards the avoidance of hazards and misuses within the high frequency trading area (high frequency trading law)" has become effective on 15 May 2013. Within the framework of this law, § 16 (3) BörsG has been attached, ruling that orders having been generated by algorithmic trading mechanisms – inserts, modifications, and deletions – have to be marked as such by the trading members; in addition, the respective trading algorithm used has to be notified, too.

In order to enable your company to fulfill this requirement in case of need, the technical preconditions will be set up in XONTRO for this purpose. Therefore, the order entry interfaces SAKI-SWIFT and SAKI-FIX will be adapted accordingly, and the message types for order entry, modification and deletion will be amended by the new field "regulatoryID".

Queries with regards to regulatory laws or to regs and rules valid for for specific exchange trading places should be directed towards the relevant local exchange boards directly.
The modifications are scheduled to be launched within the simulation environment (IMS27) for testing purposes as of 14 October 2013. The production (IMS1) launch will take place within the XONTRO Release 32 on 25 November 2013.

Please bear in mind that orders to be sent to Xetra or Xetra Frankfurt 2 must not contain this tag, as the routing paths SAKI-SWIFT and SAKI-FIX will not be supported by DBAG for algorothmic trading. In those cases where the field is included anyway, its content will not be recognized by Xetra / Xetra Frankfurt 2, and it will neither be forwarded onto the trading system.

In what follows, the modified field formats resp. message types will be displayed:

a)   SAKI-SWIFT

The message types MT 500, 501 and 595 will be expanded by the Tag/Label 60 „RegulatoryID".

O / M	Label	Field Description	Format
O	60:	ID number of the algorithm that was used as the basis on which the order was entered, modified or deleted; valid IDs are numerical values ranging from 1 … 4294967294	10x

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b) **SAKI-FIX**

The FIX requests

- NewOrderSingle,
- OrderCancelRequest, and
- OrderCancelReplaceRequest

will be extended by the new Field Tag 25029 „RegulatoryID" of data type String:

25029	RegulatoryID	O	O	Number of the algorithm that was used as the basis on which the order was entered, modified or deleted; valid values are numbers ranging from 1 … 4294967294