

# Xetra® Circular 46/2017

## Action required! High priority!

Please note: This circular is only available in English language

Date: 14.12.2017

Group of Recipients: **MiFID II Project Managers, Compliance Staff**, Transaction Fee Analysts,  
Please forward the following letter to all other responsible persons

## MiFID II Order to Trade Ratio Implementation at Wiener Boerse

Dear Sir or Madam, dear Members,

With this circular we would like to inform you, that Trading Members will be obliged to comply with Commission Delegated Regulation (EU) 2017/566 (previously: RTS 9) regarding Order-to-Trade Ratio (OTR). The OTR describes the ratio between entry, modifications and deletions of orders and firm quotes and executed transactions.

### The MiFID II OTR provision will be effective as of January 3, 2018.

Trading Venues shall calculate the ratio of order to trades effectively entered into the trading system by each member at the level of each financial instrument in the following two ways:

- Number based: 
$$OTR_{no} = \frac{\text{Total number of orders \& quotes}}{\text{Total number of transactions + Floor}} - 1$$
- Volume based: 
$$OTR_{vol} = \frac{\text{Total volume of orders \& quotes}}{\text{Total volume of transactions + Floor}} - 1$$

### OTR Thresholds

Please find below the maximum OTRs which have been defined by Wiener Boerse (WBAG). The OTRs thresholds are set per Asset Class, Segment and Account Type (Marketmaking/Issuer Transactions, Agent & (Riskless) Principal):

Asset Class	Segments / Types	Number based Order/Trade Ratio				Volume based Order/Trade Ratio			
		Floor Parameter	Market-making	Issuer Transactions	Agent & Principal	Floor Parameter	Market-making	Issuer Volumes	Agent & Principal
Equities	Austrian Market (ATX, ATX Prime, Mid Market, Standard Market, Other Listings)	1	100 000	n.a.	20 000	1 000	750 000	n.a.	100 000
	Global Market (Dow Jones, NASDAQ 100, DAX, CAC, FTS, other international Top Liquids)	1	150 000	n.a.	20 000	1 000	1 000 000	n.a.	100 000
	Exchange Traded Funds	1	150 000	n.a.	20 000	1 000	1 000 000	n.a.	100 000
Bonds	All Segments / Types	1	150 000	n.a.	50	10 000	1 500 000	n.a.	1 000
Certificates	All Segments / Unit Quotation	1	n.a.	150 000	50	1 000	n.a.	1 500 000	1 000
	All Segments / Percentage Quotation	1	n.a.	150 000	50	10 000	n.a.	250 000	1 000
Warrants	All Segments / Types	1	n.a.	50 000	50	1 000	n.a.	500 000	1 000

Table 1: Wiener Boerse OTR Thresholds as of January 3, 2018

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Please note that Members have to comply with OTR thresholds per trading day per single instrument and account traded.

### OTR Reports

- Members will receive one final end of day report about their OTR compliance on the respective trading day.
- The report will contain OTR violations only (where number based or volume based max. Order Trade Ratio thresholds were exceeded)
- If no OTR violation was detected for a Member, no report for this Member will be created
- The reports will be named pppOTRyyyymmdd.csv where “ppp” identifies the Billing Member ID as in use for WBAGs Billing Reports Cash Market and “yyyymmdd” identifies the trading date for which the OTR values were calculated.
- The file format will be csv, the field delimiter will be the tabulator sign (ASCII code 9).
- The report will be provided for Members on the trading day after 8:00pm via WBAGs Report Server and will be located in the same directory as WBAGs Billing Reports Cash Market.

The report will contain the following information:

Field	Type	Description	Example
Trade Date	char(8)	Trading Day (yyyymmdd)	20171212
Member	char(5)	Trading System Member ID	ABCVI
Trader	char(6)	Trading System Trader ID or "ALLTRD" representing the total OTR figures for all traders trading that ISIN using that Account	ALLTRD
ISIN	char(12)	Instrument	AT000000STR1
Type	char(3)	Asset Class (BON, EQU, WAR, CER)	EQU
Seg	char(4)	Instrument Group	CTP
Acc	char(1)	Account Type, A = Agent (including risk less principle account), M = Market Maker, P = Principal	P
No_Ord_Quo	integer	Total # of order & quote transactions	272346
No_Trades	integer	Total Number of trades	9
No_OTR	integer	Number based Order Trade Ratio = $(No\_Ord\_Quo / (No\_Trades + Floor)) - 1$	27235
Max_No_OTR	integer	Maximum Number based Order Trade Ratio for this ISIN in this Account	20000
No_OTR_Fee	decimal(18,2)	Number based Order Trade Ratio Excessive Usage Fee $(No\_OTR - Max\_No\_OTR * 0.01)$	72.35
Vol_Ord_Quo	integer	Total Volume of orders and quotes	45675320
Vol_Trades	integer	Total Volume of trades	3560
Vol_OTR	integer	Volume based Order Trade Ratio = $(No\_Ord\_Quo / (No\_Trades + Floor)) - 1$	10017
Max_Vol_OTR	integer	Maximum Volume based OTR for this ISIN in this Account	100000

Table 2: Structure of Wiener Boerse's OTR violations report (provided just in case of OTR violations)



### Consequences of breaching the OTR limits

WBAG is going to monitor Member's compliance with OTR on a daily basis. If members violate threshold values, WBAG will charge an "excessive usage fee" of **Euro 0.01** per order/quote exceeding the specified ranges.

Furthermore, WBAG will contact the Member to discuss the reason for the exceedance and report the violation to its Management Board.

WBAG reserves the right to desist from charging the OTR excessive usage fee in individual cases, based on stringent argumentation by the Member for the OTR exceedance.

WBAG will perform an evaluation of the maximum ratios twice per year and may adjust the values according to operational and regulatory needs.

### Following example calculation is intended to clarify application of the excessive usage fee:

- A trading member generates in one financial instrument in the Austrian Market Segment on one trading day in total 130,000 order transactions and 5 trades via the Agent Account. The current ratio for this market segment and this account type is 20,000. Correspondingly 120,000 transactions ( $20,000 * [5+1^1] = 120,000$ ) for the Trading Member are free of any excessive usage fee. The excessive usage fee would only apply to the additional 10,000 transactions and thus, would amount to 100 Euro ( $[130,000 - 120,000] * 0.01$  Euro).

Further information can be found on our website ([www.wienerborse.at](http://www.wienerborse.at) | MiFID II).

Please do not hesitate to contact us for any further questions you may have:

- **Xetra® Trading Helpdesk** (phone +43.1.53165.500 | mail [trading@wienerborse.at](mailto:trading@wienerborse.at))
- **MiFID II Project Office** (phone +43-1-53165-218 or 184 | mail [mifidproject@wienerborse.at](mailto:mifidproject@wienerborse.at))

Kind regards  
Wiener Boerse AG  
MiFID II & Xetra® - Project Team

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<sup>1</sup> Floor Parameter