

Announcement  
of Frankfurter Wertpapierbörse (FWB)

Eighth Amendment Ordinance to the  
Exchange Rules for the Frankfurter Wertpapierbörse

On 27 September 2013, the Exchange Council of the Frankfurter Wertpapierbörse decided on the following Eighth Amendment Ordinance to the Exchange Rules for the Frankfurter Wertpapierbörse.

The Eighth Amendment Ordinance shall take effect on 1 October 2013 and 28 October 2013.

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**Eighth Amendment Ordinance  
to the Exchange Rules for the Frankfurter Wertpapierbörse (FWB)**

On 27 September 2013, the Exchange Council of the Frankfurter Wertpapierbörse decided on the following Amendment Ordinance:

***Article 1 Amendment to the Exchange Rules for the Frankfurter Wertpapierbörse in the version dated 28 March 2011, last amended by the Amendment Ordinance dated 14 June 2013***

The Exchange Rules for the Frankfurter Wertpapierbörse in the version dated 28 March 2011, last amended by the Amendment Ordinance dated 14 June 2013, will be amended as follows:

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MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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## **Exchange Rules for the Frankfurter Wertpapierbörse (FWB)**

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## Section VII Securities Transactions

[...]

### Sub-section 2 Entry of Orders

[...]

#### **§ 72 a Identification of algorithmic orders and of trading algorithms**

- (1) Exchange Participants are obligated to mark the orders and firm quotes generated through algorithmic trading within the meaning of § 33 Paragraph 1a Clause 1 of the Securities Trading Act or to identify the trading algorithms used in each case. This shall also apply in the event that the Exchange Participant directly trades at the FWB or that orders are being transmitted to the FWB by an other Exchange Participant via an Order Routing System.
- (2) The orders or quotes must be marked when they are entered, modified and deleted into the Exchange-EDP of the FWB. The trading algorithms used in each case must be identified when orders or quotes resulting from the trading algorithms are entered into the Exchange-EDP of the FWB and when such orders or quotes are modified or deleted. The marking of the orders or quotes generated and the identification of the trading algorithms used in each case must be made using the appropriate input options of the Exchange-EDP of the FWB. The marking of the orders or quotes generated and the identification of the algorithms used in each case must be comprehensible, definite and consistent. Trading algorithms must be identified by setting out the complete automated decision-making process by which the entry of orders or quotes into the Exchange-EDP of the FWB or the modification or deletion of such orders or quotes was effected.
- (3) The Management Board may issue further provisions on the structure and format of the marks and identifications.

#### **§ 72 b Order to Trade Ratio**

- (1) Exchange Participants are obligated to ensure an adequate ratio between order- and binding-quote-entries, -modifications, and –deletions (order-entries) and contracts traded.
- (2) The Order to Trade Ratio is determined by dividing the volume of the order-entries of an admitted enterprise per marketplace pursuant to the Appendix to § 72 b per security within one calendar month by a limit as defined in Paragraph 4. The Order to Trade Ratio is adequate if it is less than or equal to 1 at the end of the last trading day of a calendar month.

- (3) Limit-Orders with the execution condition Top-of-the-Book (TOP) and TOP+ are not considered to determine the volume of the respective order-entry. The modification of an order or a quote is counted as a deletion of the previous and an entry of a new order or a new quote.
- (4) The limit is the sum of a volume component and a floor.
- a) The volume component is the volume of contracts traded by the admitted enterprise per marketplace pursuant to the Appendix to § 72 b, per security within one calendar month multiplied by the Volume Factor. The Volume Factor is a number specified per security pursuant to the Appendix to § 72 b.
- b) The Floor is a number specified per security pursuant to the Appendix to § 72 b. The Floor is available to an admitted enterprise independent of the number of traded contracts.
- (5) The Volume factor and the Floor can be increased for one or more securities by the Management Board under exceptional market conditions in order to adequately adjust the permissible Order to Trade Ratio to the respective exceptional market conditions. Exceptional market conditions can be characterized by rapid and significant changes in market activity, extraordinary volatility or rapid and significant interest rate fluctuations.

## **§ 73 Execution Conditions, Validity Specifications and Trading Restrictions**

- (1) In Continuous Trading with Intra-Day Auctions:
1. Market Orders, Limit Orders and Market-to-Limit Orders may be entered during continuous trading subject to one of the following execution conditions:
    - immediate execution of the order in full or cancellation (“fill-or-kill”)
    - immediate execution of the order to the extent possible and cancellation of the unexecuted part (“immediate-or-cancel”)
  2. Limit Orders may be entered during continuous trading subject to one of the following execution conditions, provided that such entry would not lead to an auction being started within a volatility interruption and that no execution condition pursuant to Number 1 has yet been entered:
    - entry of such order into the order book provided that such order cannot be immediately executed against any of the visible orders in the order book; otherwise deletion of order (book-or-cancel);
    - entry of such order into the order book provided that such order cannot be immediately executed against any of the visible orders in the order book and provided that such order has a better limit than the visible orders entered on the same side in the order book; otherwise deletion of the order (top-of-the-book).

- entry of such order into the order book provided that such order cannot be immediately executed against any of the visible orders in the order book and provided that the sum of the values of all orders entered on the same side in the order book with the same or a better limit is smaller than a maximum threshold determined by the Management Board; otherwise deletion of the order (TOP+).

Orders with execution condition book-or-cancel, top-of-the-book or TOP+ shall be deleted upon beginning of the call of an auction. This shall also apply provided that an auction is started within a volatility interruption.

- 2a. Market Orders and Limit Orders may be entered with the execution condition that buy orders shall be executed only upon reaching or exceeding a Strike Match Limit and that sell orders shall be executed only up to reaching or falling short of a Strike Match Limit (strike-match). The execution condition strike-match cannot be combined with an execution condition pursuant to Number 1. and 2.

3. all orders except ~~Iceberg Orders, as well as~~ the Market Order or Limit Order with the execution condition strike-match, may be entered subject to one of the following validity specifications:

- valid for the respective Exchange day ("Good-for-Day")
- valid until revoked, but no longer than 360 calendar days after entry ("good-till-cancelled")
- valid until the end of the specified period ("Good-till-Date")

Orders which are entered without validity specifications are only valid until the end of the respective Exchange day. Orders which have not or not completely been executed shall be deleted from the Trading System upon expiry of the last validity date. Binding Quotes, ~~Iceberg Orders~~ and Market Orders or Limit Orders with the execution condition strike-match are only valid for the Exchange Day for which they have been entered.

- (2) In Continuous Trading with Intra-Day Auctions and in the Auction, Limit Orders and Market Orders may be assigned to all auctions or a certain auction by making them subject to one of the following trading restrictions:

- Valid only for opening auction (Opening auction only)
- Valid only for closing auction (Closing auction only)
- Valid only for auctions (Auction only)
- Execution of order only in auctions during the main trading phase (Auctions in main trading phase only)
- Execution of order only during the main trading phase (Main trading phase only).

In the market compensation phase, a Market Order or Limit Order may be entered with the trading restriction that the overhang can be taken with this order (accept surplus). In deviation to Sentence 1 and Sentence 2, Market Orders and Limit Orders with the execution condition strike-match can only be entered with the trading restriction Closing auction only.

[...]

### **Sub-section 7 Special Provisions for the Trading of Structured Products in Continuous Auction**

[...]

## **Section XI Final Provisions**

[...]

### **§ 121 Transitional Provision**

- (1) Securities which have been traded in floor trading until the effective date of these Exchange Rules for the FWB shall be traded in the electronic Trading System from the effective date of these Exchange Rules.
- (2) §§ 50, 51 shall apply for the first time to financial statements for the financial year which starts or has started after 31 December 2006. For financial statements the financial year for which started before 31 December 2006, §§ 62 and 63 of the Exchange Rules in the version dated 15 August 2007 shall apply, with the proviso that the Management Board assumes the functions of the Admissions Office.
- (3) The obligation of the Exchange Participants regarding the marking of orders and quotes generated through algorithmic trading and the identification of the trading algorithms used in each case under § 72 a apply as of 1 April 2014.
- (4) The obligation of the Exchange Participants regarding the Order to Trade Ratio under § 72 b apply as of 1 December 2013.

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**Annex to § 3 Paragraph 1**

[...]

**Annex to § 19**

[...]

**Annex to § 72 b**

<u>Marketplace<sup>1</sup></u>	<u>Segment</u>	<u>Floor</u>	<u>Floor Liquidity providers<sup>2</sup></u>	<u>Volume factor (dimensionless)</u>	
<u>Xetra (XETR)</u>	<u>DAX</u> <u>MDAX, SDAX, TecDAX</u> <u>Other German Shares</u>	<u>500</u>	<u>1.000</u>	<u>1</u>	
	<u>European Shares</u> <u>US Shares</u> <u>Other Shares</u>	<u>5.000</u>	<u>10.000</u>	<u>10</u>	
	<u>Exchange Traded Funds (ETF) &amp; Exchange Traded Products (ETP)</u>	<u>50.000</u>	<u>100.000</u>	<u>100</u>	
	<u>Bonds (nominal)</u>	<u>5.000.000</u>	<u>10.000.000</u>	<u>10.000</u>	
	<u>Frankfurt Stock Exchange (XFRA)</u>	<u>Bonds (nominal)</u>	<u>5.000</u>	<u>10.000</u>	<u>10</u>
		<u>Shares and other securities traded in shares</u>			
	<u>Structured Products (Scoach Europa AG (XSCO))</u>	<u>50.000</u>	<u>100.000</u>	<u>100</u>	

<sup>1</sup> All amounts in million, Floors are expressed in shares (Exception: bonds and in percentages listed Structured Products are expressed in nominal), the Volume Factor is dimensionless.

<sup>2</sup> Liquidity Providers are Designated Sponsors, Professionals, Block Agents and Quote Providers during trading of structured products.



**Article 2 Effectiveness**

Except for the adjustment in § 73 Article 1 will be effective as of 1 October 2013.

The adjustment of the validity of Iceberg Orders in § 73 will be effective as of 28 October 2013.

The foregoing Eighth Amendment Ordinance to the Exchange Rules for the Frankfurter Wertpapierbörse is hereby executed. Pursuant to the decision of the Exchange Council of the Frankfurter Wertpapierbörse dated 27 September 2013, the Amendment Ordinance shall become effective on 1 October 2013 and 28. October 2013 as specified in such Paragraph 2.

The Hessian Ministry for Economics, Transportation and Regional Development has given its approval required pursuant to §16 Paragraph 3 of the Exchange Act by letter dated 27 September 2013 (File No: III 8 – 37 d 02.07.02#007).

The Eighth Amendment Ordinance shall be announced by notice on the premises of the Frankfurter Wertpapierbörse and by electronic publication on the internet, available on the websites of the Frankfurter Wertpapierbörse (<http://www.deutsche-boerse.com>).

Frankfurt/Main, 27 September 2013

Management Board of the Frankfurter Wertpapierbörse

Dr. Martin Reck

Dr. Cord Gebhardt