

# XONTRO<sup>®</sup>

XONTRO Newsletter

Financial Institutes

No. 34

(English Version)

Within XONTRO, the following modifications will be introduced:

As of 2 June 2008: XONTRO Release 26.1: Adaptations in XONTRO because of the new fees and pricing model for the floor exchanges Berlin, Duesseldorf, Hamburg, and Hannover

**NOTE:**

Please note that, for the Berlin floor exchange, beginning Monday, 7 April 2008, the exchange trading time will start at 8.30 a.m. already.

## **New pricing models**

### **1. Introduction**

The Berlin, Duesseldorf, Hamburg, and Hannover floor exchanges intend to introduce a new fees and pricing model.

The technical basis for the new pricing models will be identical for all exchange places listed; it will be brought into production on 2 June 2008. What is described in this newsletter are the components possible to be used, but not, however, the pricing models of the individual exchanges. Details about the way these look like, which components will be used from the technical realization, and the date at which the transition is scheduled for production launch, may be taken from the circulars of the relevant exchanges.

The new fees and pricing models will replace the contract notes fees for on-exchange trades applied as hitherto. The contract notes fees for direct (OTC) trades, within one ("Platz") as well as across more than one ("PÜEV") exchange location, as well as the calculation and charge of the intermediaries' brokerage, will remain untouched by the new fees and pricing models.

## 2. Fees

### 2.1 *Order executions / on-exchange trade entries*

There will be one single fee charged per executed order. Partial executions occurring during one trading day will be merged. Partial executions occurring over several trading days will lead to the charge of an individual fee per trading day.

The fee calculation will be done based upon the order as entered by the order issuer, independently of the way the order had been entered into the XONTRO system.

The same calculation scheme will apply for so called on-exchange trade entries.

The fees may be calculated:

- Either based on the volume of the executed order, resp. the trade volume entered by the intermediary (floor/range/cap),
- Or as a fixed fee per trade transaction (order execution resp. trade volume entered by the intermediary),
- Or as the contract notes fee.

### 2.2 *Off-exchange trade entries*

The same calculation scheme will apply along with off-exchange trades having been entered by intermediaries.

In this case, too, the participants will have a choice between the models:

- Floor/range/cap
- Fixed fee
- Contract notes based fee

### 2.3 *Differentiation according to securities' subgroups*

The calculation schemes as well as the prices will be able to be differentiated according to securities' subgroups. For the definition of securities' subgroups, the *Wertpapier Mitteilungen* (WM) field GD198b will be used. Within this context, different regulations may be valid for 2.1 and 2.2.

### 3. Special features

#### 3.1 *Freelance-broker-mediated depository-bank-to-bank-trades*

As has been introduced to the Frankfurt floor exchange already, the regional exchanges will have the option to charge the so called "freelance-broker-mediated depository-bank-to-bank-trades" separately. The conditions for this special fee treatment are the same as for the Frankfurt floor location, namely:

- Trade entry to be done by a freelance-broker
- Only "broker's proprietary trades" (against the freelance-broker's depository bank) on one side of the trade(s), regardless of there be one or more proprietary trades
- Only banks on the other side of the trade (no "trading among intermediaries" (*HUM*) allowed); regardless of there be one or more banks, or if agent or proprietary trade(s)
- No (preliminary or final) *Aufgabe* (pending trade)

#### 3.2 *Aufgabe (pending trade) closures by a pricing intermediary against a depository bank*

Along with the closure of an *Aufgabe* (pending trade) by the pricing intermediary against his depository bank, there will be the option to apply special fee conditions against the depository bank. By this means, the option to charge the pricing intermediary's proprietary trades at a lower price will be created.

This will be valid for "same-day *Aufgabe* closures" as well as for closures of *Aufgaben* from the previous trading day(s).

#### 3.3 *Assignment of „manual trade references“ and their delivery within the contract notes data carrier file*

Along with trades not being based upon electronic orders, the fee calculation will be based upon the trade nominal amount as having been entered by the intermediary. As has already been the case for trades executed in Frankfurt, these trade entries will be assigned a reference number in the future.

If the financial institute desires, these numbers may be included as a reference clue into the contract notes data carrier files; further details about this feature may be obtained from the "S.W.I.F.T. Message formats for contract notes, trade confirmations and CCP trades in XONTRO Trade" description for the Message Types MT512 and MT599.

Financial institutes that have already applied for these references, on the occasion of the introduction of the new fees and pricing model for Frankfurt, will then automatically receive these references for the remaining exchange locations, too, beginning with the production launch date 2 June 2008.

If you have not yet received these manual trade references within the contract notes data carrier files in the past, but wish to have them included in the future, you are kindly asked to use the appropriate application form sheet. It can be found on our home page [www.xontro.de](http://www.xontro.de).

#### **4 Documentation and invoicing**

The new fees will **not** be included or documented in the contract notes. If needed, the financial institutes may, however, receive a daily documented evidence report for the fees charged. The respective .csv file will be made available to the customers either via the "BT Fileservice" or via file transfer. The file structure may be obtained from the appendix.

The (net) fees contained in this daily file will be accumulated over one month and then be invoiced (amended by the respective applicable turnover tax amount) at the end of the month.

**APPENDIX**

The daily fee file has the following structure:

<b>Field</b>	<b>Description</b>	<b>Format</b>
ABSCHL_DATUM	Trade date / Contraction date	PIC 9(8)
ABSCHL_ZEIT	Trade time / Contraction time	PIC 9(8)
GESCHAEFTSNUMMER	Trade number	
GNR-BOE	Exchange identifier	PIC X(3)
GNR-BOETAG	Date	PIC X(6)
GNR-LFD_NR	Sequential number	PIC X(7)
ORDER_NR	XONTRO order number	PIC X(13)
EINGABENUMMER	Number for manually entered trades (3 characters for prefix „MAN“ or „MFM“ followed by a 13-digit number)	PIC X(16)
GESCHAEFTSART	BUY_SELL_FLAG	PIC X
STORNO_FLAG	Cancellation flag	PIC X
CBF_NR	CBF account number of issuer/executor	PIC 9(4)
KZ_AUSF_AUFG	A = Issuer, E = Executor	PIC X(1)
KZ_CBF_NR_ART	000 = Bank, 001 = Broker	PIC X(3)
BOE_CBF_NR	Exchange location code of issuer/executor	PIC X(3)
ISIN	ISIN	PIC X(12)
KURS	Price	PIC 9(8)V9(8)
NOMINALE	Nominal amount	PIC 9(14)V9(3)
KURSWERT	Market value	PIC 9(15)V99
BERECHNUNGS_MODELL	Calculation model: "SNO" (contract note) or "FIX" (fixed) or "FRC" (floor/range/cap)	PIC X(3)
WP_GRUPPE	Security subgroup: 00 - 10 (00 = default)	PIC X(2)
KZ_AUSF_KUMULIERT	J/N (accumulated partial execution flag)	PIC X
KZ_DEPOT_SKM	J/N (depository bank of pricing intermediary flag)	PIC X
KZ_MFM	J/N (freelance-broker-mediated depository- bank-to-bank-trade flag)	PIX X
KZ_PRIVILIGIERT	J/N (privileged flag)	PIC X
KZ_BOERSLICH	"AB" (off-exchange) or "BS" (on-exchange)	PIC X(2)
SNO_ENTGELT	Contract-note-based fee amount	PIC S9(7)V9(2)
FIX_ENTGELT	Fixed fee amount	PIC S9(7)V9(2)
FRC_ENTGELT	FRC resp. MFM fee amount	PIC S9(7)V9(2)

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GNR-BOETAG	Date	PIC X(6)
GNR-LFD_NR	Sequential number	PIC X(7)
ORDER_NR	XONTRO order number	PIC X(13)
TAGES_DATUM	Current date (YYYYMMDD)	PIC 9(8)