XETRA

XETRA ENLIGHT

Request for Quote (RFQ) service for equities, ETFs and ETPs

The most important advantages at a glance:

- Trading from 09:00 to 17:45 CET for equities, ETFs and ETPs
- Optimized on-exchange off-order book price formation
- Cost-effective straight-through processing, clearing and settlement of all transactions. Central counterparty (CCP) clearing provides settlement netting of both on- and off-order book transactions, failed trades management and client asset protection services.
- Pre- and post-trade transparency fully compliant with MiFID II, including best execution requirements: automated trade reporting, deferred trade publication and audit trail availability
- AutoEx functionality allows for automated RFQ executions based on user-defined rule sets.
- Trading is monitored by Trading Surveillance Office to protect users from abusive market practices.
- Low transaction fee of 0.01 bps capped at €5 (min. €0.50)

With Xetra® EnLight, Deutsche Börse offers a request for quote (RFQ) service which is fully integrated into the T7 trading system. It allows for on-exchange execution of off-order book transactions in equities[1], ETFs and ETPs and enables users to take full advantage of Deutsche Börse Group's complete service chain – from trading, clearing and settlement to trade reporting and market data dissemination.

Efficient RFQ processing
Xetra EnLight is designed to achieve a high degree of automation by leveraging Deutsche Börse's T7 trading infrastructure. At the same time, it offers settlement netting of both on- and off-order book transactions and reduces settlement and counterparty risks through CCP clearing services provided by Eurex Clearing.

Banks and brokers (requesters) can send RFQs either to a selected group of market makers or to all market makers registered for an instrument (responders). The workflow is supported by a staging feature that facilitates RFQ routing between the requester OMS and the Xetra EnLight interface. RFQs can be submitted as either one-way or two-

way requests, allowing users to control information leakage. The service supports both above and below large-in-scale transactions.

Manual and automated RFQ executions
Xetra EnLight enables requesters to execute RFQ transactions either manually or automatically. Requesters can accept quotes by either automatically selecting the best quote response or by selecting a single quote response from a specific market maker. In addition, Xetra EnLight AutoEx allows users to define a set of rules under which RFQs are automatically executed based on parameters such as RFQ duration, minimum number of quote responses received and price limits pegged to a reference price.

Regulatory framework
Xetra EnLight is classified as a request for quote trading system under MiFID II. For large-in-scale RFQs the pre-trade transparency waiver is applied and trade publication is deferred in accordance with the corresponding MiFID II rules. Xetra EnLight trades are automatically reported and published to the market.

High price quality and competitive pricing
Large orders can potentially achieve a significant price improvement compared to on-book trades when traded via Xetra EnLight. Requesting parties and market makers both benefit from a low transaction fee of 0.01 bps capped at €5 (min. €0.50).

How to sign up
Xetra members are able to use Xetra EnLight without further registration or additional connectivity requirements. Market makers can register on a single ISIN level to receive quote requests for the respective instruments.

Xetra EnLight workflow
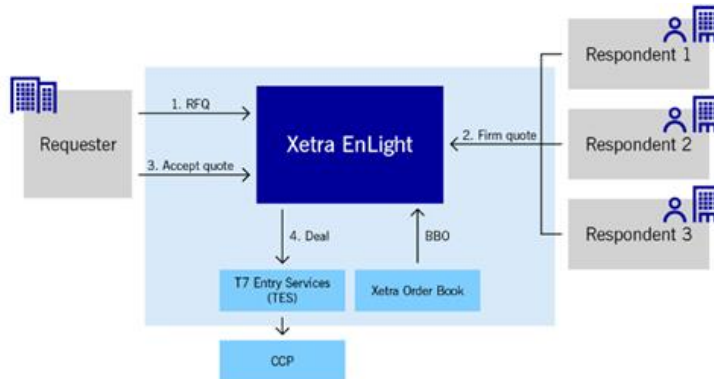
1. Requesters send a private RFQ to either all registered market makers or to individually selected market makers. A buy-side client who may have initiated the request with the member firm can be disclosed on an optional basis.

2. Requested market makers respond with firm quotes only visible to the requesting member. Quotes can be continuously updated during the RFQ event. Xetra EnLight automatically validates quotes against a price corridor set around the best bid/offer (BBO) of the Xetra order book to ensure price quality.

3. Requesters can accept quotes either by defining AutoEx rules for an automated execution, by automatically selecting the best market maker quote response, or by selecting a quote response from a specific market maker.

4. Once a quote is accepted, the trade will be automatically routed to CCP clearing and further on to settlement at Clearstream via the T7 Trade Entry Service (TES).

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