DEUTSCHE BÖRSE

Xetra EnLight

GUI Manual

Version 1.1

History

Version	Date	Reason for change
1.0	24.09.2019	Version 1.0 – T7 R7.1
1.1	25.06.2020	Version 1.1 – T7 R8.1

Corresponding Documents

Documents
Market Model for the Trading Venue XETR
T7 Cash Markets Trader, Admin and Clearer GUI Manual
T7 Release 8.1 - Functional Reference

Above documents can be found under the following path:

www.xetra.com > Technologie > T7 Handelsarchitektur > Systemdokumentation > Release 8.1

Table of Content

1 Introduction

With Xetra EnLight, Frankfurt Stock Exchange offers an on-exchange request-for-quote (RFQ) functionality for off-book block trading of cash market instruments. It facilitates the execution of transactions in equities, ETFs and ETPs by leveraging the full range of Deutsche Börse Group's service offering: from trading, clearing and settlement, to transaction reporting and post-trade transparency (trade reporting).

While central counterparty clearing adds settlement netting of on- and off-order book transactions, failed trades management and client asset protection to RFQ trading, a new "Smart RFQ" feature supports requesters by identifying additional quote providers for requested instruments based on historical trading and post-trade data.

The following trading parameters apply to Xetra EnLight:

- In general, trading via Xetra EnLight is possible in all securities which are traded in the electronic trading system T7 on the trading venue Xetra (MIC: XETR).
- Trading takes place from 09:00 CET until 17:45 CET, i.e. requests and quotes may only be entered and accepted during this time period.
- The following trade sizes can be executed via Xetra EnLight:
    - ETFs and ETPs: ≥ 100.000 EUR
    - other securities like shares: no minimum trade size

For further information, e.g. on the permissible price change (tick size), please refer to **circular 049/19** or see our **Factsheet for Xetra EnLight**.

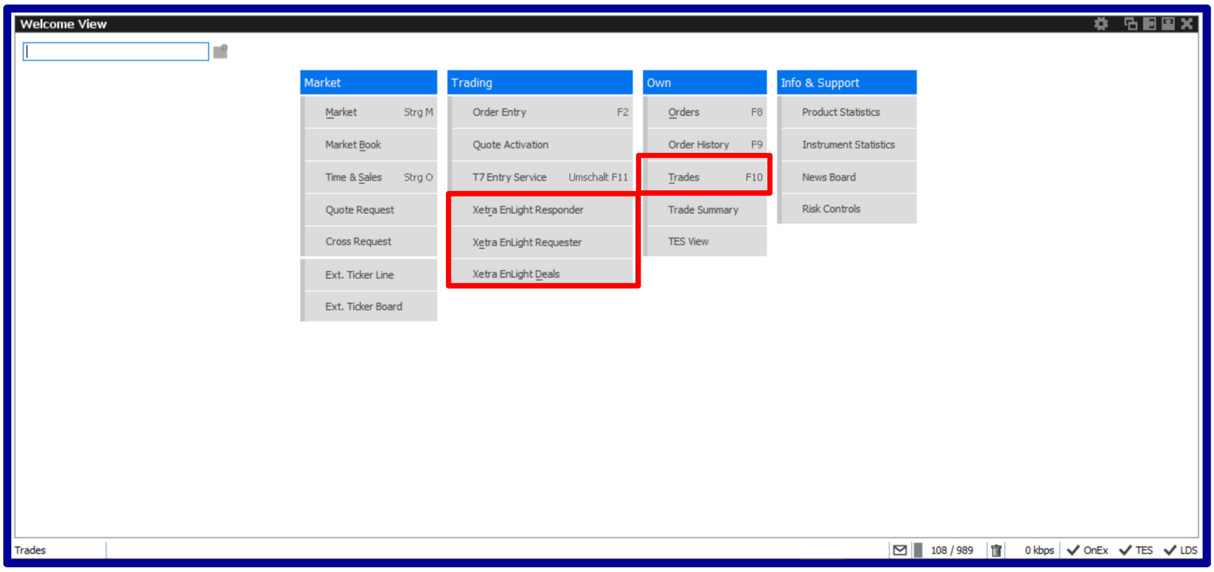
2 Fundamental Principles of Xetra EnLight

The following summary shall give an overview over the fundamental principles of the Xetra EnLight RFQ functionality.

- The RFQ trading model complements order book trading and the Xetra T7 Entry Service for Operating MIC XETR.
- The RFQ trading model is an on-exchange off-book trading model.
- The RFQ trading model is quote-driven.
- A member can initiate an RFQ event for a particular instrument by sending a private RFQ to registered responders specifying the size and optionally a side. There is no minimum or maximum number of responders defined.
- The requested volume has to be equal to or larger than the minimum size defined by the FWB management board.
- The requested quantity has to be a multiple of the minimum tradable unit.
- The requester can define an expiry time for the RFQ. The exchange defines a default and maximum expiry time.
- The requester is always transparent to the selected responders.
- Responders may acknowledge the request, accept the request by submitting an RFQ quote, reject the RFQ or simply do nothing.
- There is no obligation for a responder to respond to an RFQ.
- The responder quote specifies size and price for the related RFQ.
- The size of the quote must be equal to the requested size.
- For instruments assigned to MiFID II liquidity bands 1 to 6, the minimum tick size (price step) for quote responses is the same as the order book tick size. For other instruments, the tick size is 0.0001.
- All responder quotes are firm.
- Responder quotes can be updated at any time during the RFQ event.
- RFQ quotes are published according to the rules defined by MiFIR. Quotes are published all at the same time just before the execution of the trade. Quotes which fulfill the large-in-scale requirement are not published on basis of the large-in-scale pre-trade transparency waiver.
- The RFQ trading model ensures that requesters can match the best available quote. In case two or more responders submit the best quote, the quote to be matched is selected randomly. Additionally, the requester can manually select a quote even if the selected quote does not provide the best price.
- The remaining RFQ quotes expire automatically upon execution of the trade.
- RFQ trades are automatically routed to the central counterparty for clearing and settlement.
- The counterparties receive a trade confirmation directly after the match was executed.
- RFQ trades are published according to the rules defined in MiFIR and the respective RTS', i.e. publication is deferred on basis of the rules specified in RTS 1 and RTS 2.
- RFQ prices do not update the reference price for on-book trading.

3 Xetra EnLight

This document provides instructions for the graphical user interface (GUI) of Xetra EnLight. The manual will focus on the new functions introduced with Xetra EnLight: Xetra EnLight Responder, Xetra EnLight Requester, Xetra EnLight Deals and Xetra EnLight-specific information available in the Trades view.



In the following chapters the view for requesters is shown with a white background and the responder view is presented with a blue background.

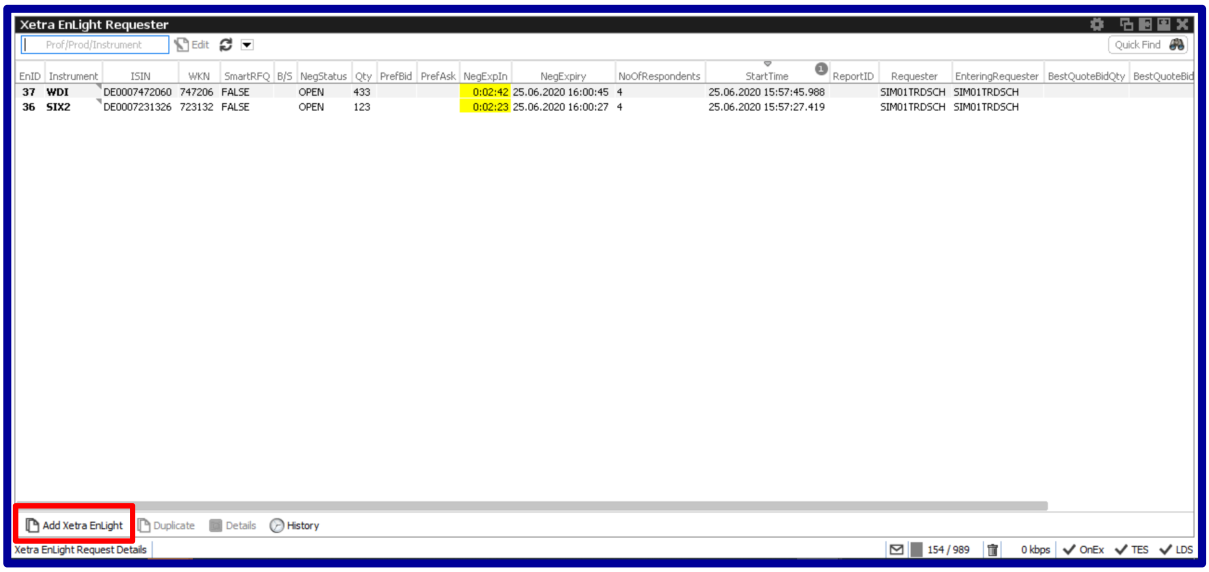
4 Xetra EnLight Requester

The “Xetra EnLight Requester” window is opened by clicking on “Xetra EnLight Requester” in the “Welcome View”. The “Xetra EnLight Requester” view is the starting point of Xetra EnLight for Requesters and serves as an overview of all currently running requests. It provides the following functions:

1. Adding a request to start a new RFQ event (“Add Xetra EnLight”)
2. Displaying detailed information of a running RFQ event (“Details”)
3. Displaying a history of all past RFQ events of the current business day (“History”)

4.1 Initiating an RFQ Event

On the “Xetra EnLight Requester” window, a user is able to initiate a new RFQ by clicking on “Add Xetra EnLight”.

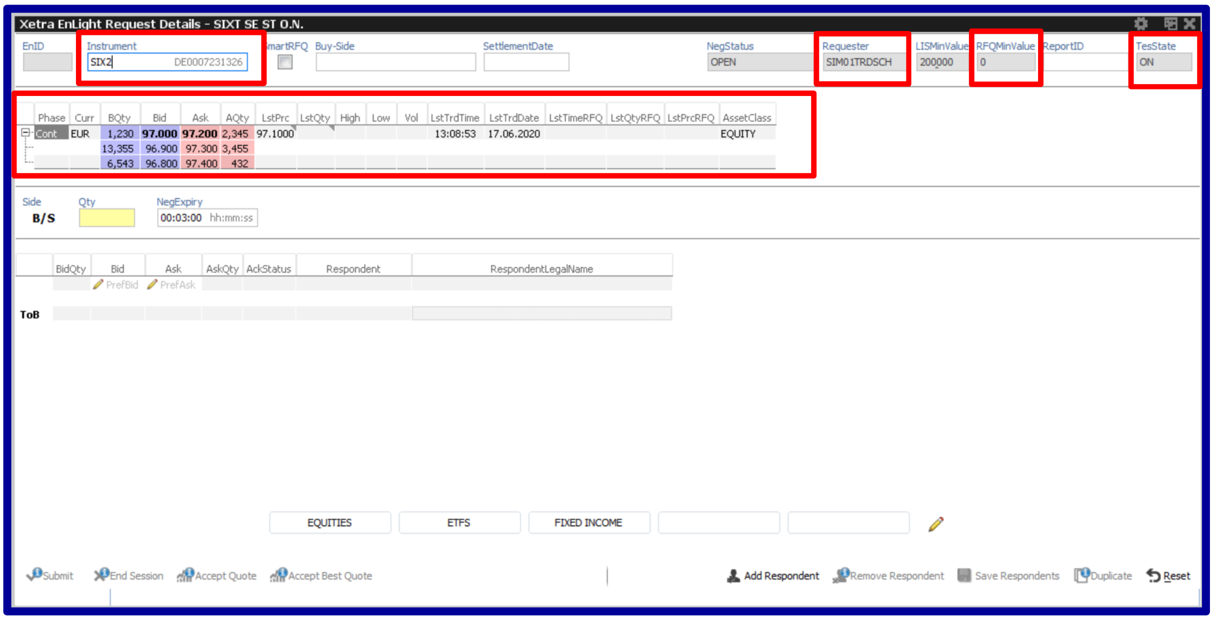


The “Xetra EnLight Request Details” window opens with all mandatory entry fields highlighted in yellow. In the upper right corner of the window the field “Status” indicates that the RFQ event is “Open” and that the status of the T7 Entry Service (TesState) is “On”. TES is required to automatically route trades resulting from Xetra EnLight into clearing and settlement.

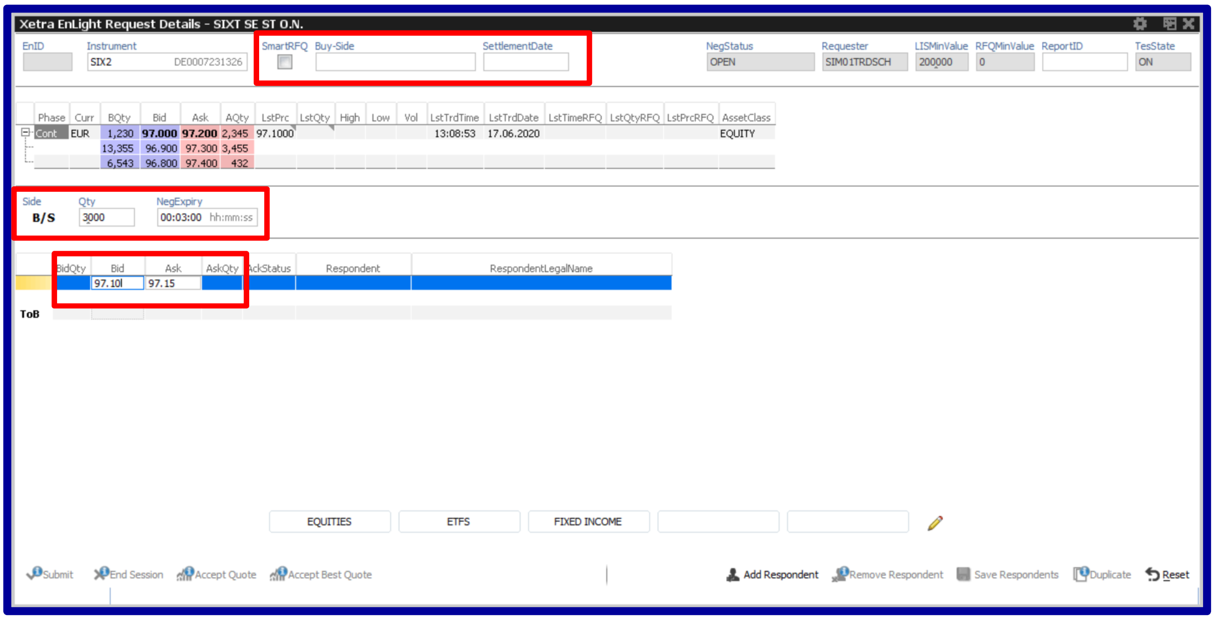
A new RFQ event can be initiated by the requester using the following steps:

1. The first step is to select an instrument. The instrument can be selected by entering an ISIN, a mnemonic or the name of the instrument into the highlighted field “Instrument”. Another possibility is to right-click into the instrument field. In the context menu an instrument can be selected.
   Once the instrument is confirmed, the window displays the real-time Xetra (XETR) order book as well as several on-book and Xetra EnLight trade statistics below the instrument field.

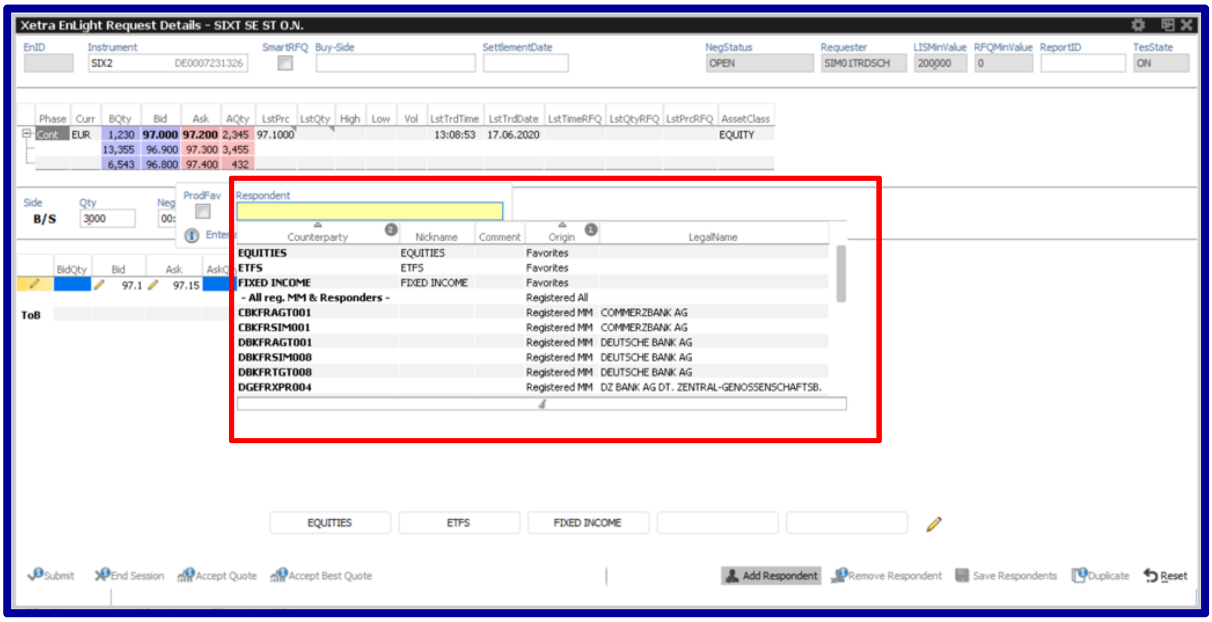
On the upper right corner of the window the minimum size for the RFQ event is displayed (“RFQMinValue”). Only RFQs equal to or above the “RFQMinValue” can be initiated.



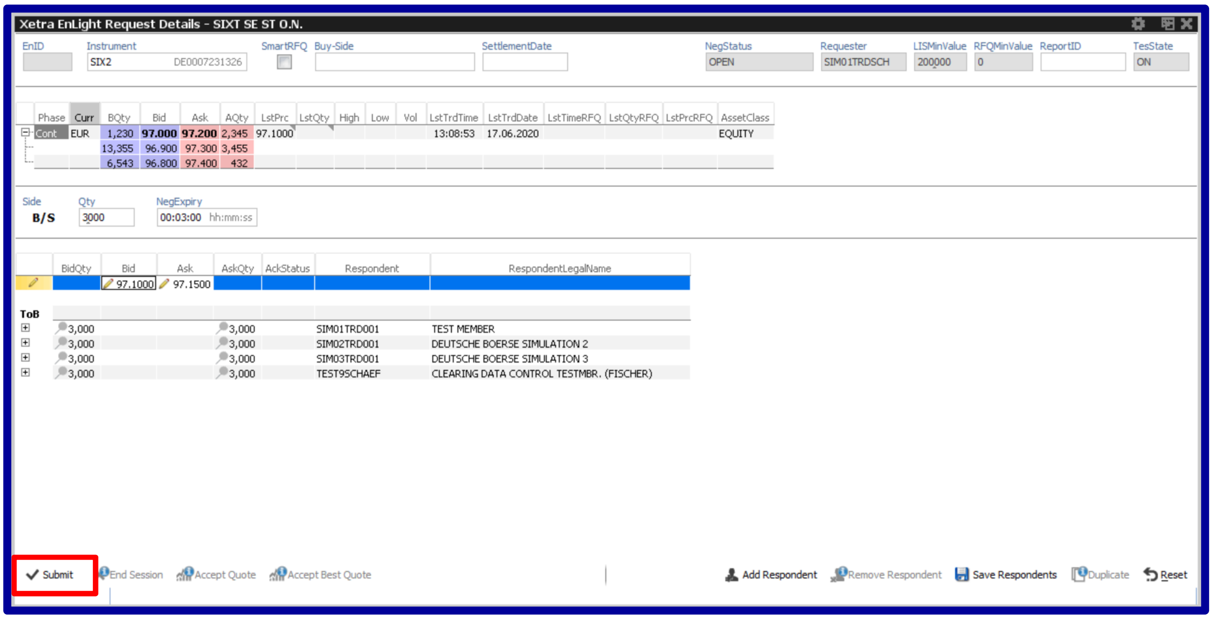
2. The second step is to enter mandatory and optional conditions for the RFQ event:
    a. To improve the probability of receiving a quote, the box “SmartRFQ” can be ticked. If this box is ticked, additional responders selected by the exchange based on pre- and post-trade data in the respective instrument may receive the RFQ and send quotes. In this case requester and responder are anonymous.
    b. Users can optionally provide information on their client in the field “Buy-Side Client”. The information is sent to the selected responders. The exchange does not validate information entered into this field.
    c. In the field “SettlementDate” requesters may optionally request quotes for settlement dates other than the default settlement period of t+2. Possible settlement dates range from t+1 to t+89.
    d. The toggle button “Side” indicates the direction of the request. If not set to either “Buy” or “Sell”, responders are not informed about the direction of the request.
    e. “ExpireTime” is the maximum permissible time frame for execution of a trade after the initiation of the RFQ event. The requester can decrease the default time frame. If the RFQ event does not result in a trade during the specified time frame, the “Status” of the RFQ event changes to “Expired”.
    f. The requester is required to enter a quantity (“Qty”) for the RFQ. The quantity is transparent to responders. The value of the RFQ (“Qty” multiplied by “LstPrc”) has to be equal to or larger than “RFQMinValue”.
    g. “PrefBid” and “PrefAsk” enable requesters to optionally provide responders with the preferred price range of the request. Importantly, “PrefBid” and “PrefAsk” are not designed to function as price limits, but are available for information purposes only. Consequently, responders are able to send quotes outside the range of “PrefBid” and “PrefAsk”, and requesters are able to accept such quotes irrespective of the previously submitted price range information.



h. Requesters can add responders for the RFQ through “Add Respondent”. It is possible to specifically select a group of responders, add a list of responders predefined by the user, or to send the request to all responders registered for the specific ISIN. There is no minimum or maximum number of responders defined in the system.



3. If all mandatory values are correctly filled, the RFQ can be initiated by pressing “Submit”.

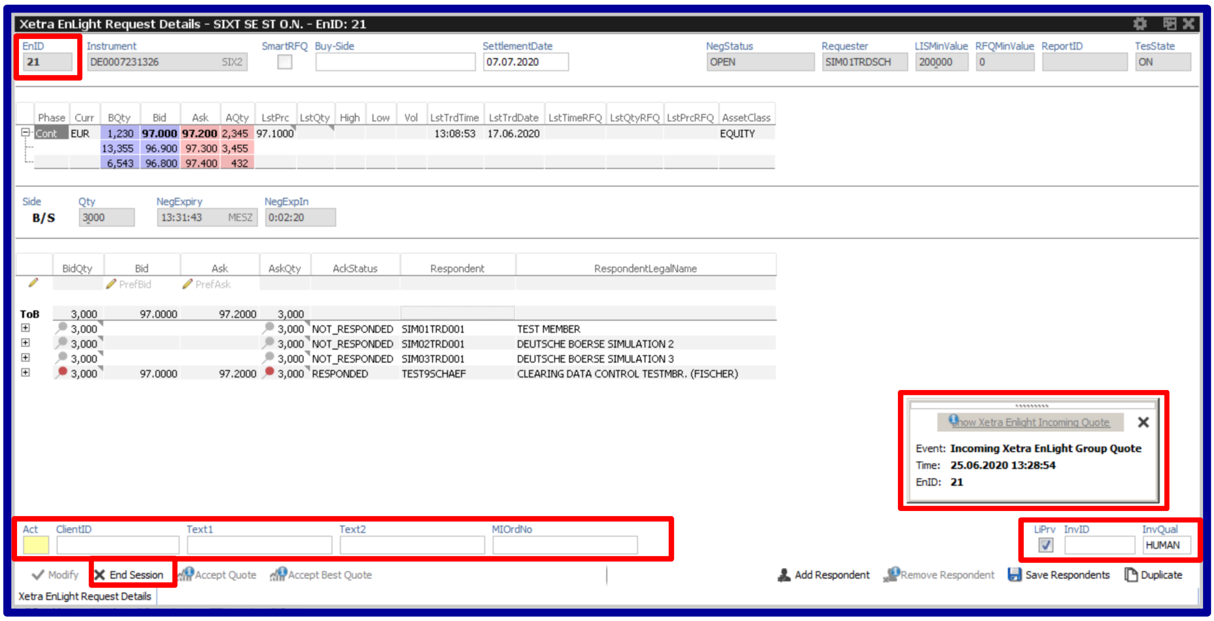


After the RFQ event was successfully accepted by the market, the RFQ event receives a Xetra EnLight ID (“EnID”) displayed in the upper left corner of the window. The “EnID” is unique for the day and is printed on all associated messages and report entries.

The “Text1”, “Text2” and member-internal order number (“MIOrdNo”) fields can be filled with data for the requester’s own back-office purposes. Account and MiFID II client information as well as investment decision (“InvID” and “InvQual”) and regulatory liquidity provision (“LiPrv”) information can be entered as required.

The request can be cancelled any time during the RFQ event by clicking on the “End Session” button. The “Status” of the RFQ event would then change to “Closed”.

The GUI can be configured to trigger a pop-up and / or sound in case of an incoming quote.

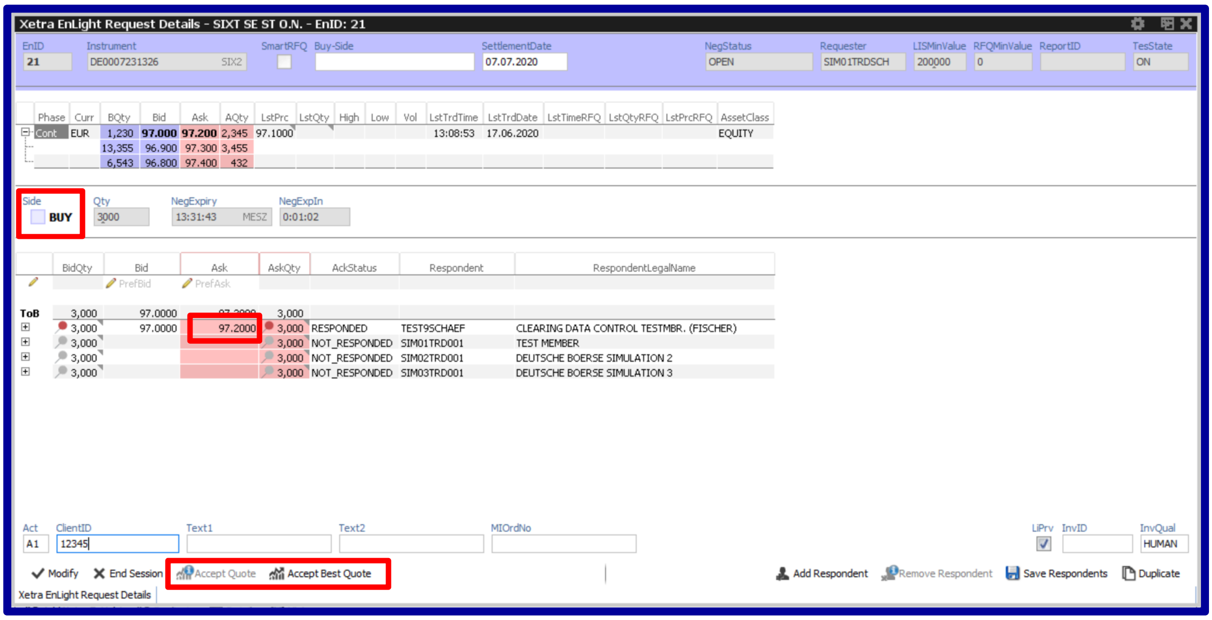


4.2 Accepting an RFQ Quote

Incoming quotes are displayed in a dedicated table. Once the direction of the RFQ is selected by the requester, quote responses in the table are sorted according to the best price received. The first row of the table (“ToB”) displays the respective top of book quotes. For quotes matching the “PrefBid” or “PrefAsk” price range, a red pin is displayed next to the respective limits and quantities.

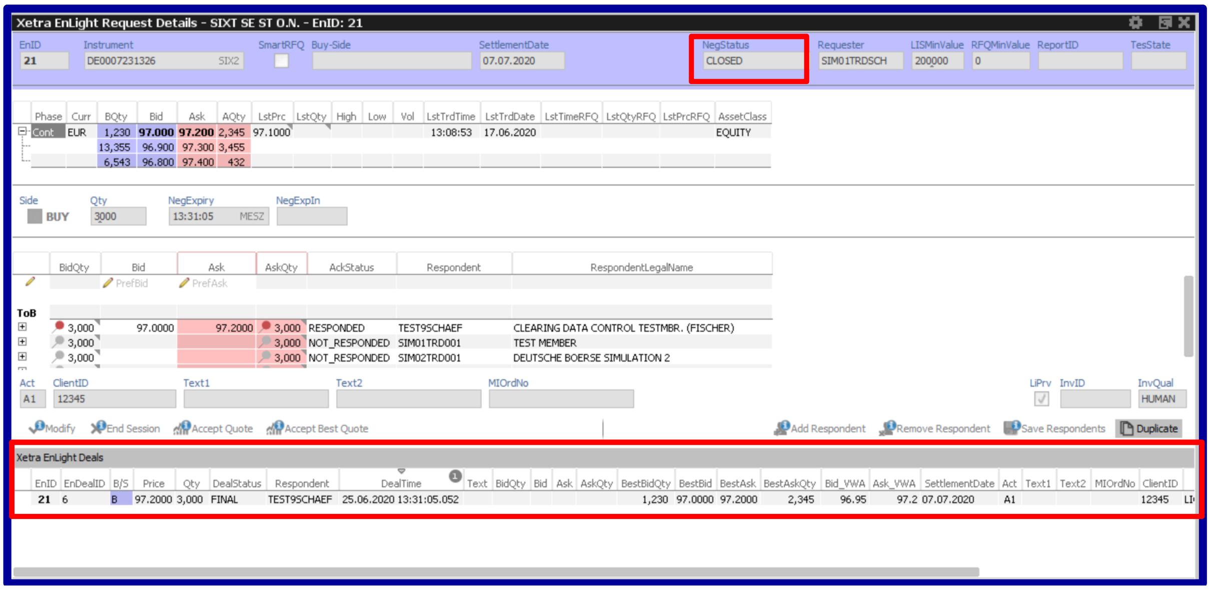
The requester is able to accept a quote using the following steps:

1. In case the requester did not specify the side of the RFQ, he is required to select “Buy” or “Sell”. The side can be chosen by
   a. Clicking on the “Side” toggle button.
   b. Click on a side in the table where the incoming quotes are listed.
2. The requester can accept quotes using two methods:
   a. Manually accept a quote by selecting the respective quote and clicking “Accept Quote”.
   b. Automatically accepting the best quote by clicking on “Accept Best Quote”. In case two or more quotes have the best limit, the system selects the quote to be matched on a random basis. Partial executions of an RFQ are not possible.



4.3 Deal Information

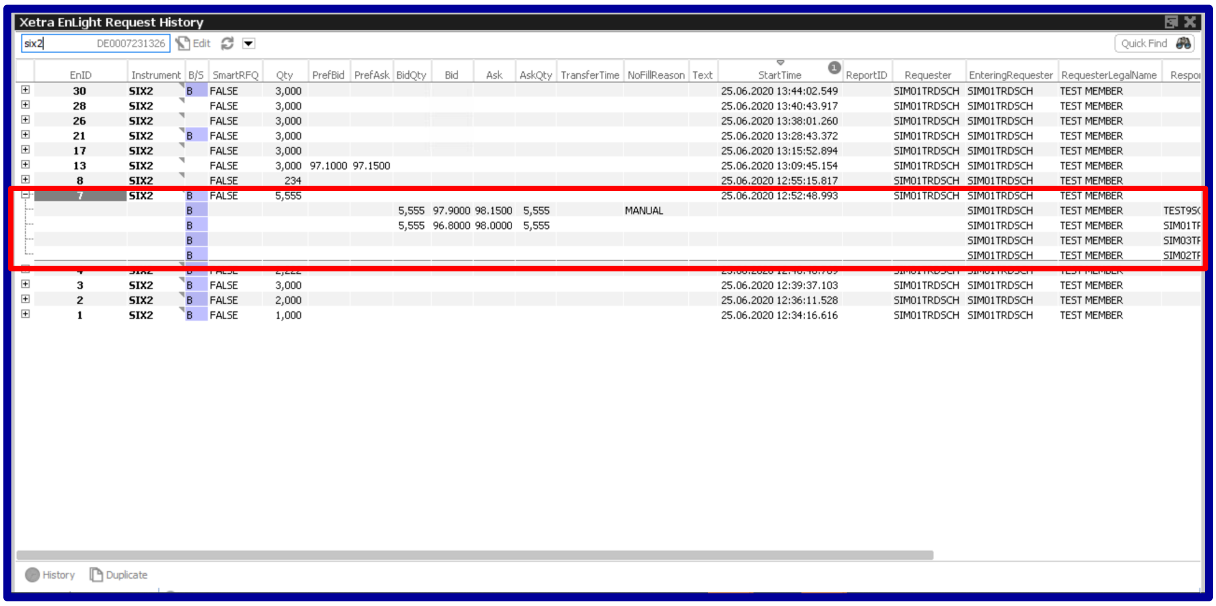
After the quote is accepted, the respective Deal information is displayed at the bottom of the “Xetra EnLight Request Details” window. The “Status” of the RFQ event changes to “Closed”.



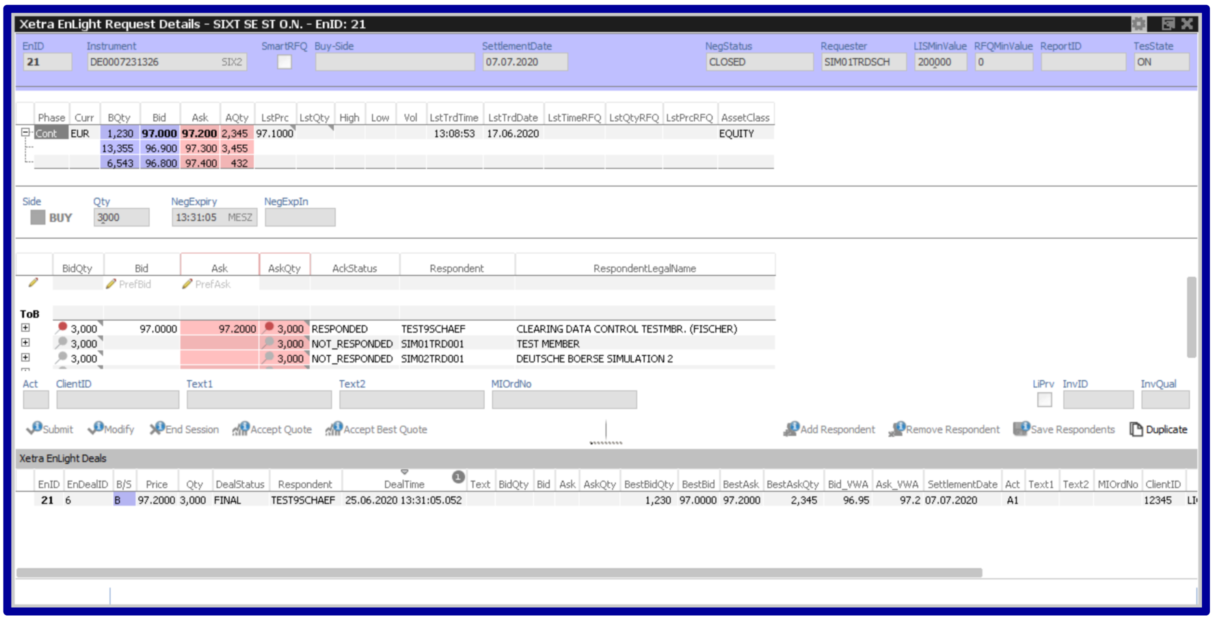
The deal information window provides information about the side, price and quantity of the deal as well as the price quality. To support users in demonstrating best execution, the best bid-offer (BBO) price limits of the Xetra orderbook and the number of shares available at those price limits at the time of the match are displayed. Furthermore, the volume weighted average order book execution price for the requested quantity is displayed. This price corresponds to the price that a requester would have received if he had entered a market order with the quantity of the RFQ into the Xetra order book at the time of the match.

4.4 History of RFQ Events

By clicking on the “History” button of the “Xetra EnLight Requester” window, requesters are able to review the details of all RFQ events initiated on the current trading day. The “Xetra EnLight Request History” window displays an overview of all RFQs sent as well as all quotes received for a specific RFQ event.



After clicking on an RFQ event in the “Xetra EnLight Request History” window, detailed information about the RFQ and the quotes available at the time of execution are displayed.



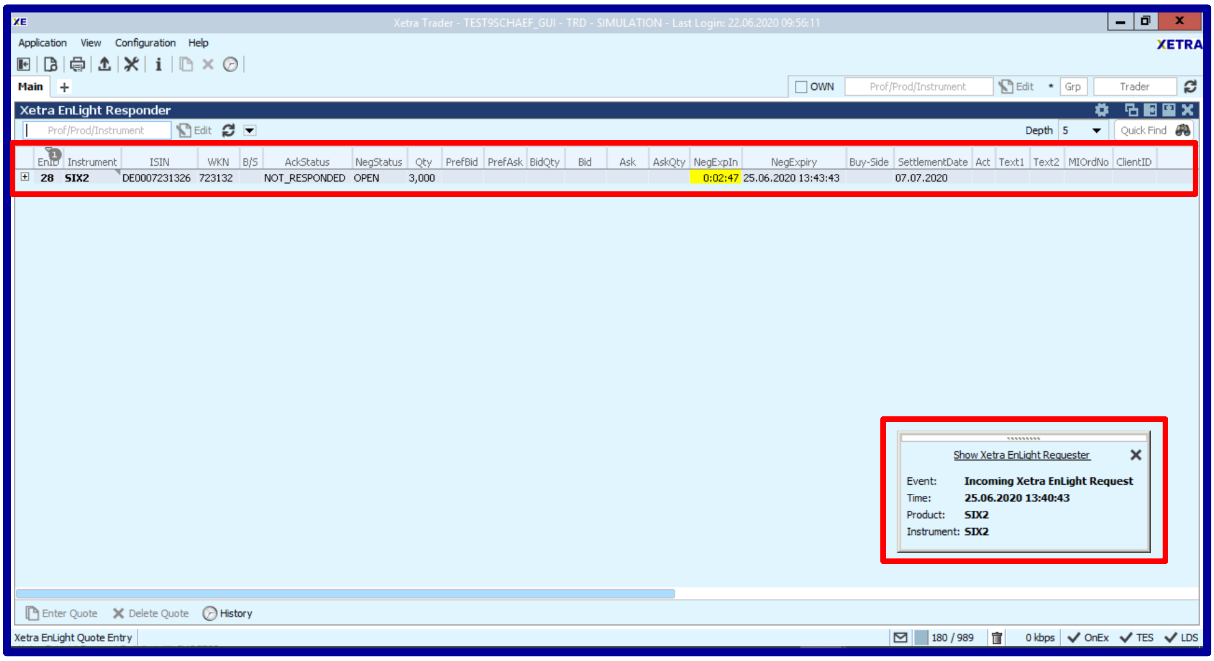
5 Xetra EnLight Responder

The responder view is the core component of the RFQ functionality for responders. It displays all currently available requests relevant for the user and provides the following functions:

1. Sending a quote
2. Deleting a quote
3. Displaying the history of RFQ events

5.1 Responding to an RFQ

The GUI can be configured to trigger a pop-up and / or sound in case of an incoming quote. Clicking on the pop-up opens the “Xetra EnLight Responder” window.



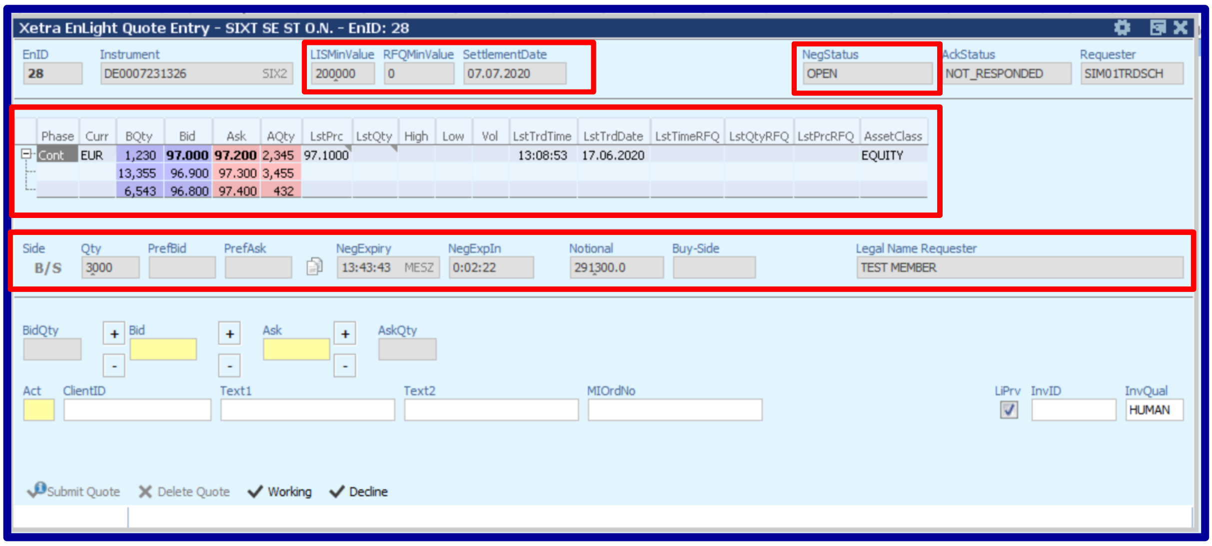
A specific RFQ can be selected by double clicking on the respective RFQ. This triggers the “Xetra EnLight Quote Entry” window to open with all mandatory fields highlighted in yellow. In the upper right corner of the window the field “Status” indicates that the RFQ event is “Open”.

The “Xetra EnLight Quote Entry” window displays the real-time Xetra order book and several on-book and Xetra EnLight trade statistics below the instrument field.

At the top of the window, the minimum size for the RFQ event (“RFQMinValue”) as well as the settlement date for the respective RFQ event are displayed. . Only quotes with a size equal to or above the “RFQMinValue” can be entered. Additionally, the field “LISMinValue” is displayed. The “LISMinValue” reflects the Pre-Trade LIS value in EUR defined and published by ESMA for every instrument. Quotes with a value equal to or larger than the “LISMinValue” (“Qty” multiplied with “Bid”) are not published.

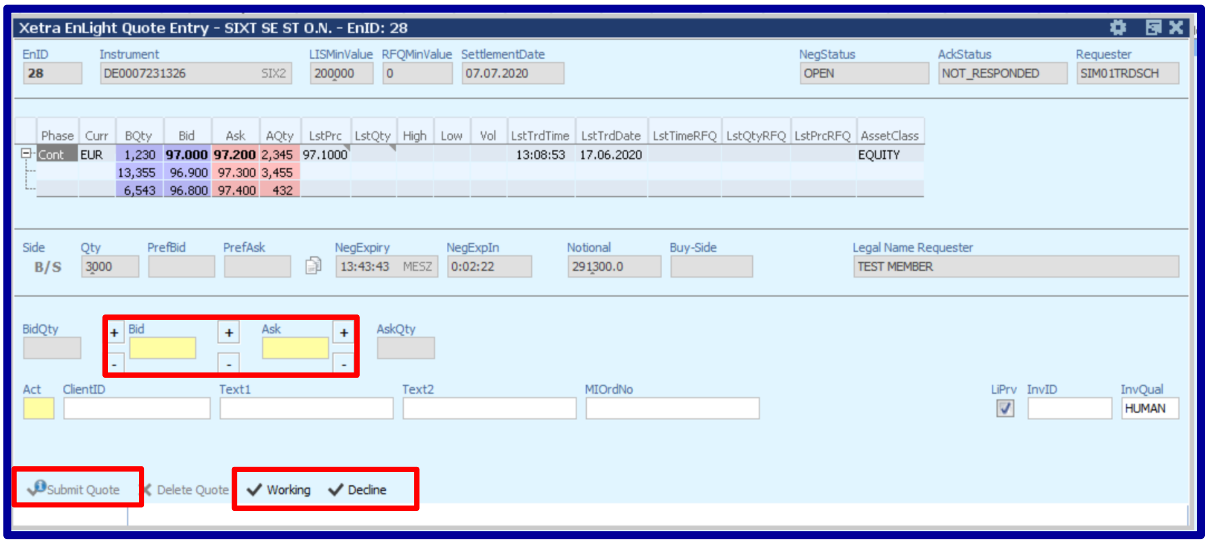
Below the market data fields, the side of the RFQ (“Side”), the requested quantity (“Qty”) and the preferred quote price range (“PrefBid” and “PrefAsk”) are displayed. The fields “ExpiryTime” and “ExpiresIn” display the time at which the RFQ event expires as well as the remaining time until the RFQ event expires. “Notional” represents the requested value of the trade (“Qty” multiplied with “LStPrc”).

The field “LegalNameRequester” shows the name of the requesting member. Additionally, the “Buy-Side Client” is displayed if submitted by the requesting member.



A responder can respond to an RFQ by

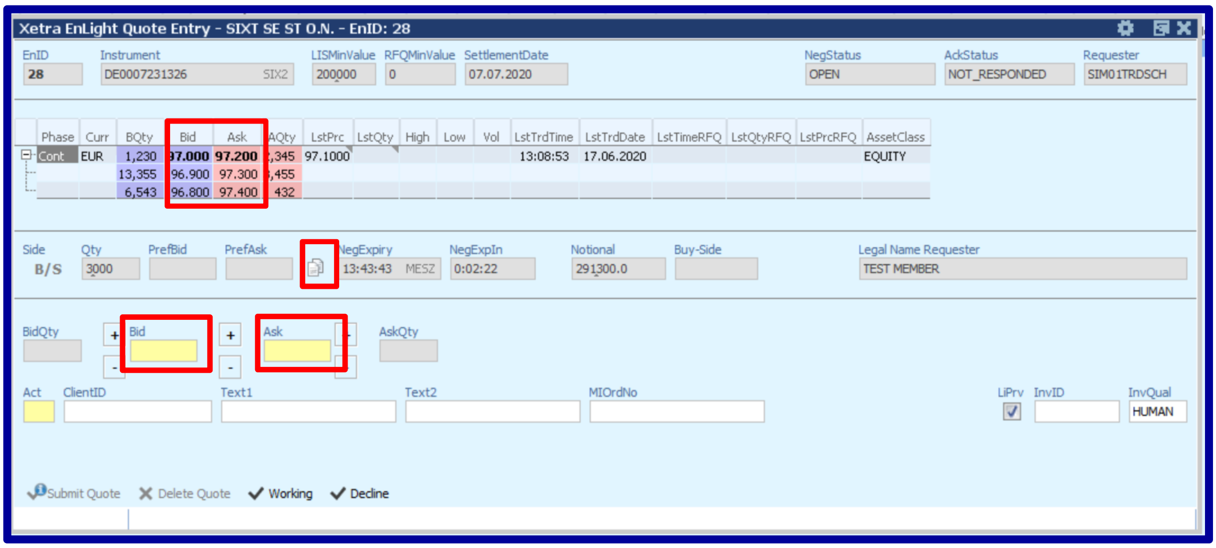
1. entering a quote and clicking „Submit“,
2. declining the RFQ (after declining an RFQ, the responder will no longer receive updates on the event) or
3. signaling that he is working on a quote submission by sending a “Working” message to the requester.



Responders can respond to a selected RFQ event through the following steps:

1. In order to respond to an RFQ, responders will first have to enter the quote limits and the quote size. It is only possible to enter a quote size that matches the volume requested. Accordingly, the fields “BidQty” and “AskQty” are pre-filled by the system with the requested quantity. Quote limits can be entered through one of the following three methods:

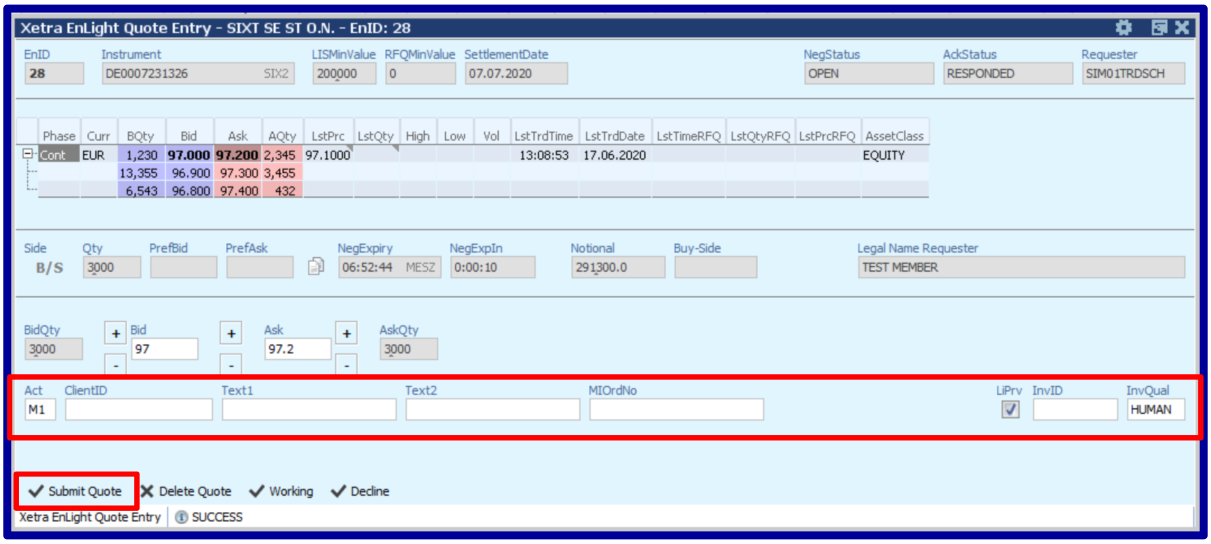
    a. By double-clicking on the displayed “Bid” / “Ask” limits of the Xetra order book, the respective limits are copied into the “Bid” / “Ask” quote limit fields.
    b. By clicking on the copy symbol next to the “PrefBid” and “PrefAsk” limits, the respective limits are copied into the “Bid” / “Ask” quote limit fields.
    c. Quote limits can also be entered manually into the “Bid” / “Ask” quote limit fields.



2. The second step is to enter Account and ClientID information (if required). The “Text1”, “Text2” and member-internal order number (“MIOrdNo”) fields can be filled with data for the responder’s own back-

office purposes. Furthermore, the MiFID II fields “LiPrv”, “InvID” and “InvQual” can be entered as required. Please refer to chapter 8.2.2 for guidance on how to prefill these fields as well as further details.

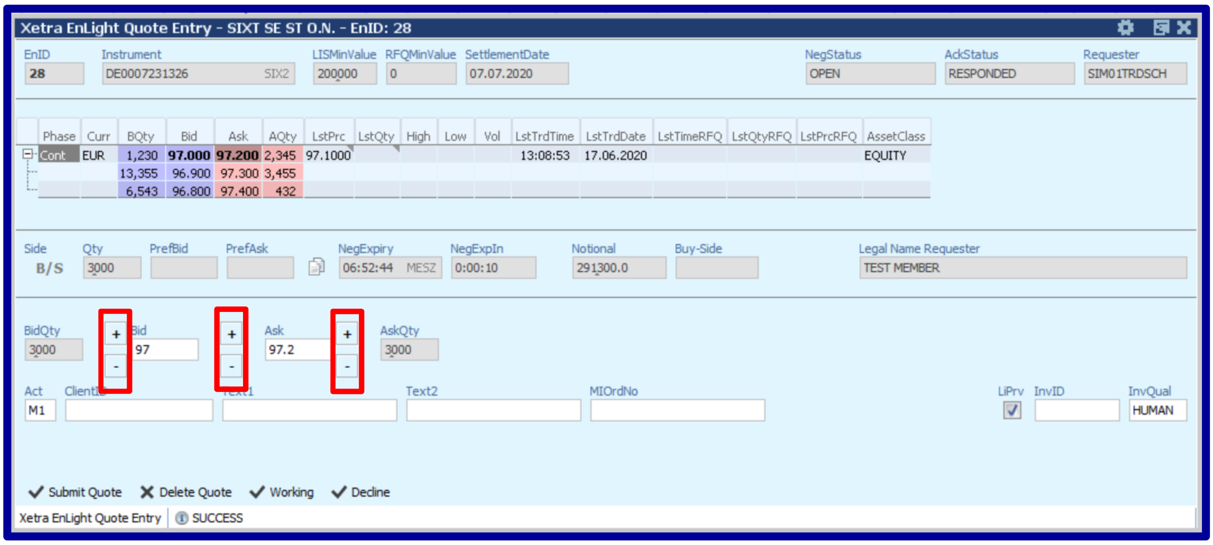
3. After all required fields are filled, the responder can submit the quote by clicking the “Submit” button.



5.2 Modifying an RFQ Quote

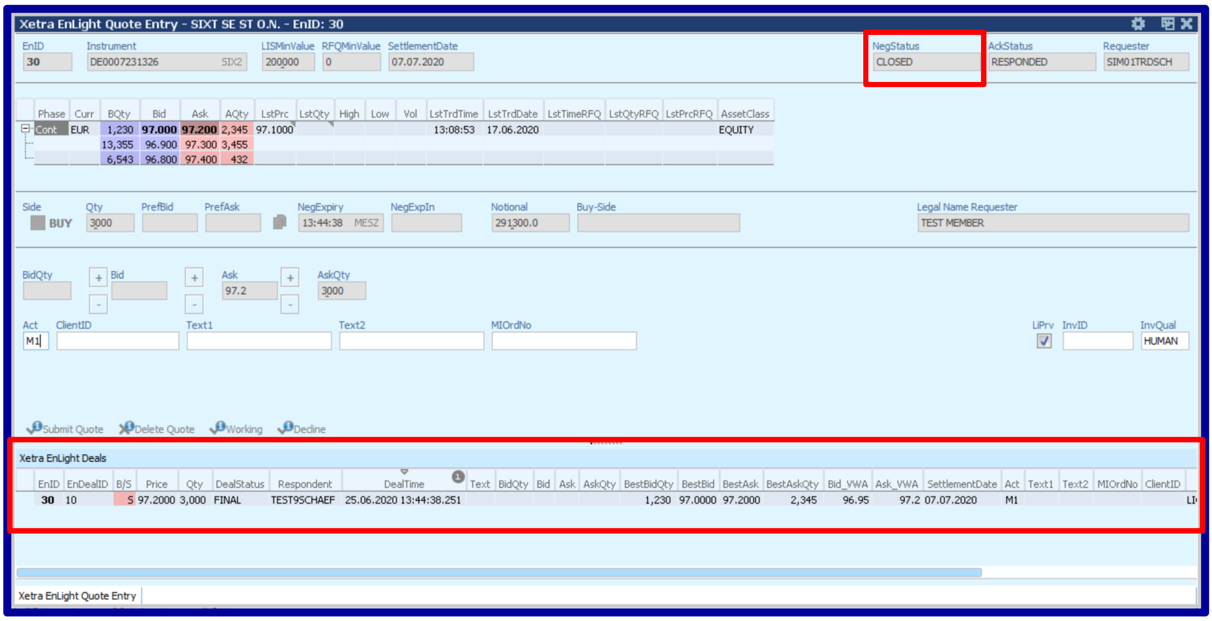
The quote limits can be updated at any time during the RFQ event using three methods:

1. Manually entering the adapted limits and clicking the “Submit Quote” button.
2. Clicking on the “+” / “-“ buttons next to the “Bid” / “Ask” fields. The “+” / “-“ buttons left to the “Bid” field and right to the “Ask“ field increase / decrease the “Bid” or “Ask” limit of the quote by one tick with immediate effect, i.e. it is not required to additionally click the “Submit Quote” button in order to submit the quote. Clicking the “+” / “-“ button between the “Bid” and “Ask” fields updates and submits both the “Bid” and the “Ask” limit with immediate effect.
3. Right-clicking on one of the quote limit fields opens a context menu displaying limit steps. Limits can be adapted by clicking with the right (increase) or the left (decrease) mouse button on the chosen limit steps. When using this method, the “Submit” button has to be clicked additionally in order to submit the quote update.



5.3 Deal Information

After the quote is accepted by the requester, the respective “Deal” information is displayed at the bottom of the “Xetra EnLight Quote Entry” window. The “Status” changes to “Closed”.

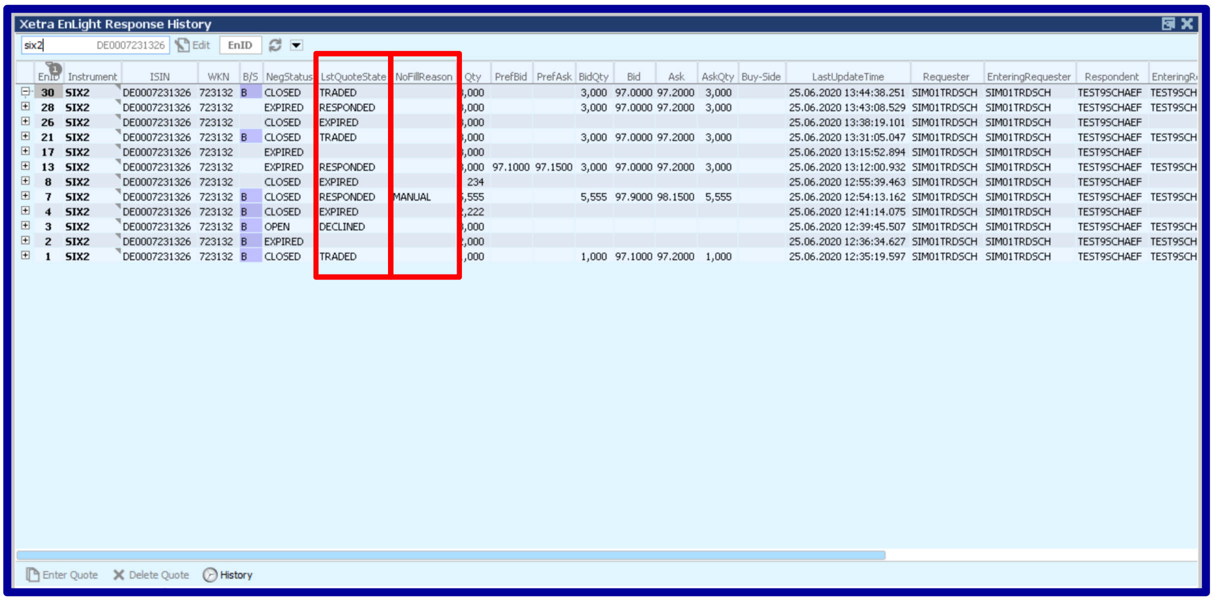


5.4 History of RFQ Events

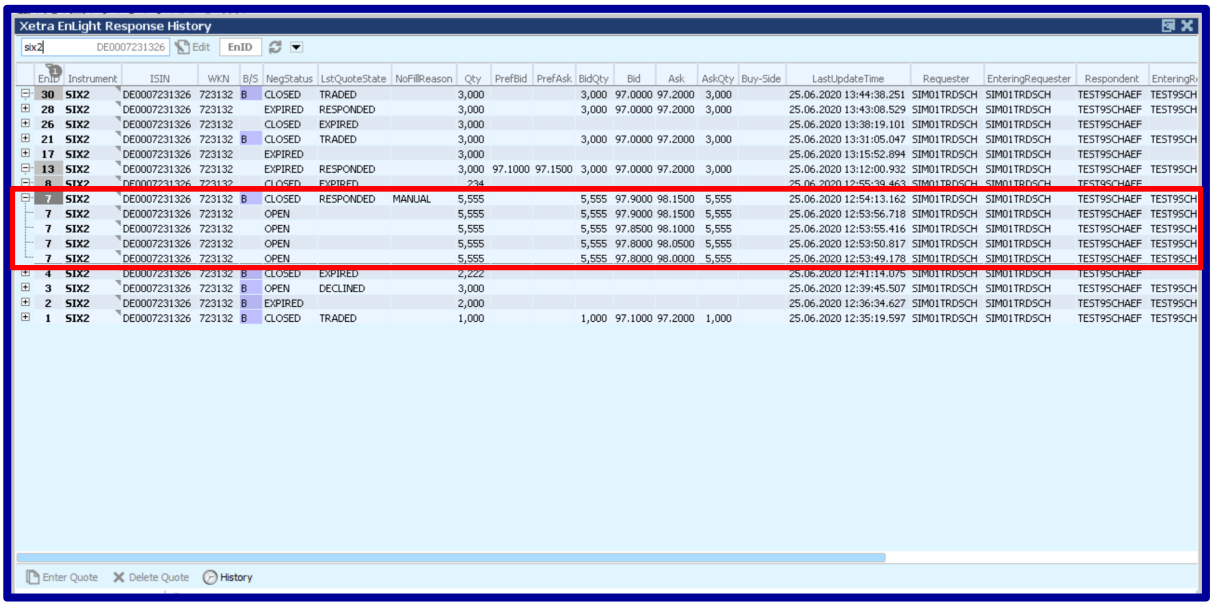
The “Xetra EnLight Quote History” window provides an overview of all RFQ events of the current trading day. The field “LstQuoteState” displays on event level if the RFQ has been declined by the responder, a quote was entered by the responder, the quote was traded or was not traded.

If the responder submitted quotes for an RFQ event, but was not executed, the reason for the missed execution (“NoFillReason”) is displayed. Possible “NoFillReasons” are:

1. “Price” if the submitted quote limit was not the best quote limit.
2. “Random” if the submitted quote limit was the best quote limit, but another quote was selected due to Xetra EnLight’s random quote selection functionality.
3. “Manual” if the requester manually selected another quote.



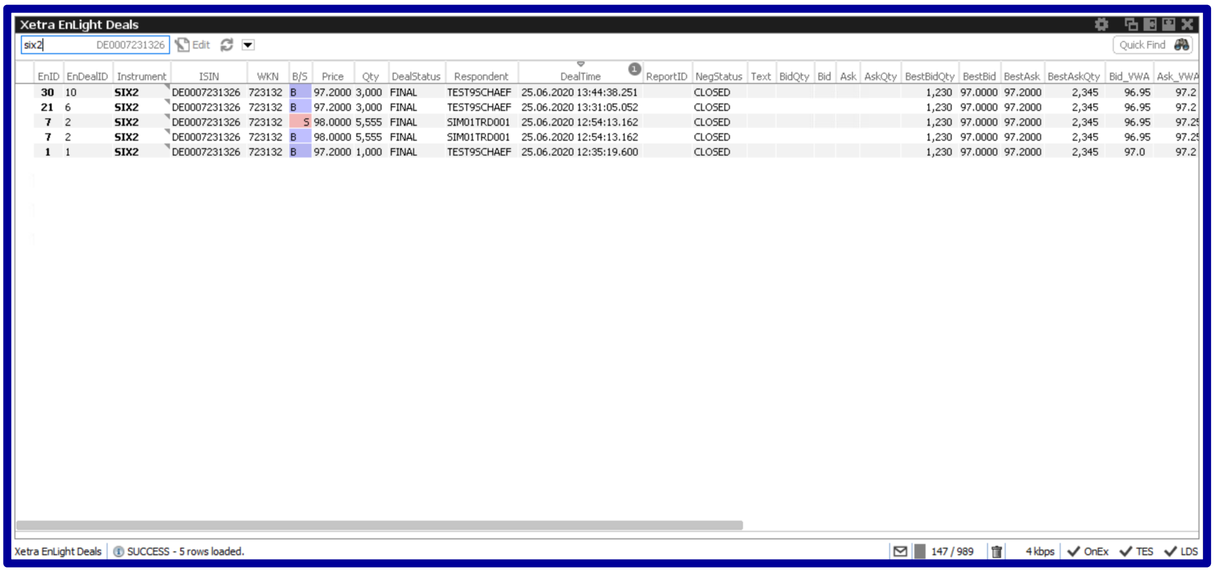
By clicking on the “+”button on the left of the “EnID” all quotes of the responder entered during the event are displayed.



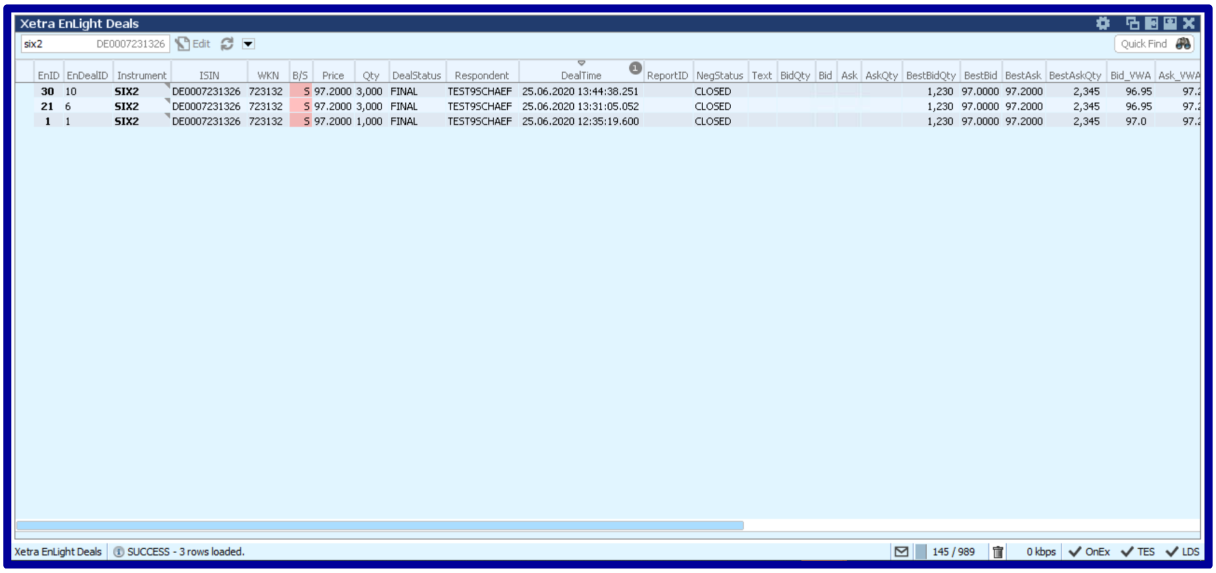
6 Xetra EnLight Deals Information

The “Xetra EnLight Deal” window displays all deals resulting from RFQ events.

Requester:



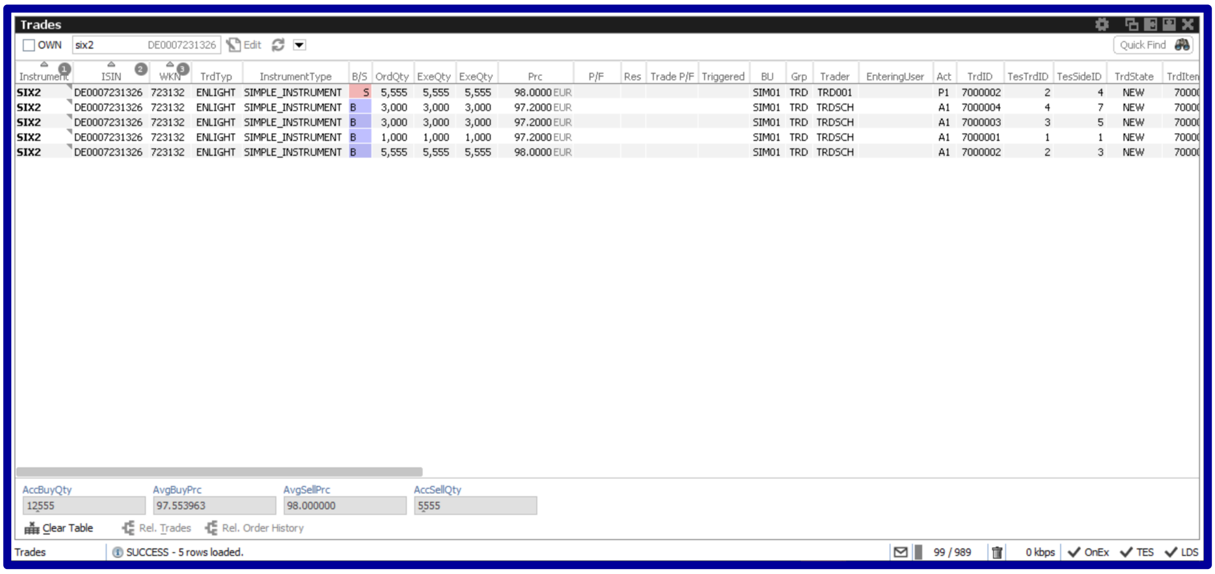
Responder:



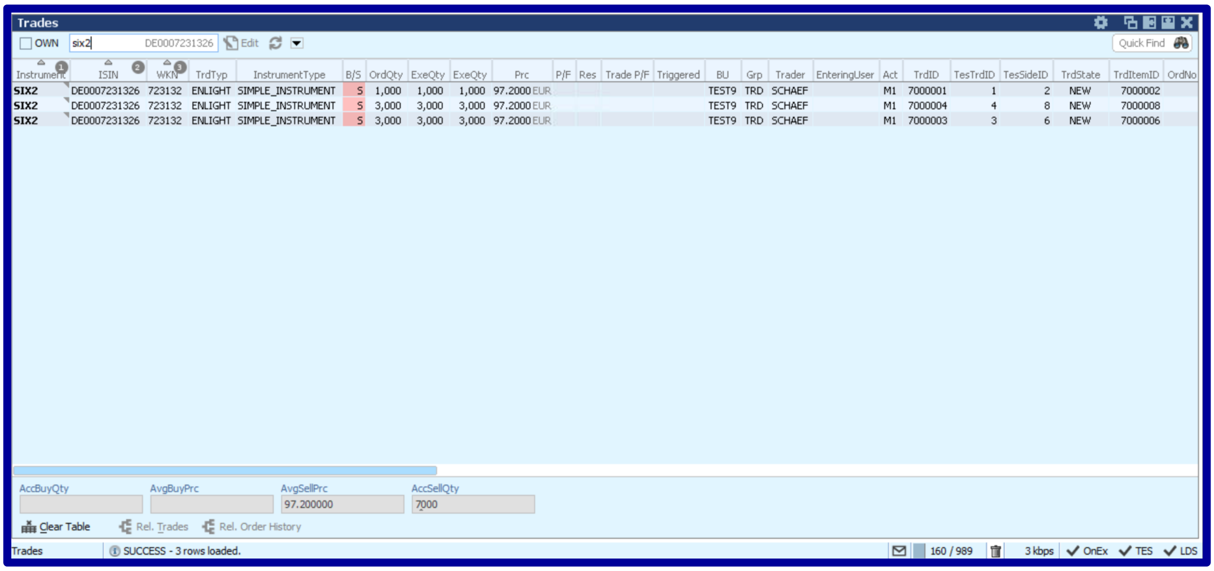
7 Trade Information

The “Trades” window provides an overview of all trades executed. Xetra EnLight trades can be identified by the “TrdTyp” “ENLIGHT”.

Requester:



Responder:



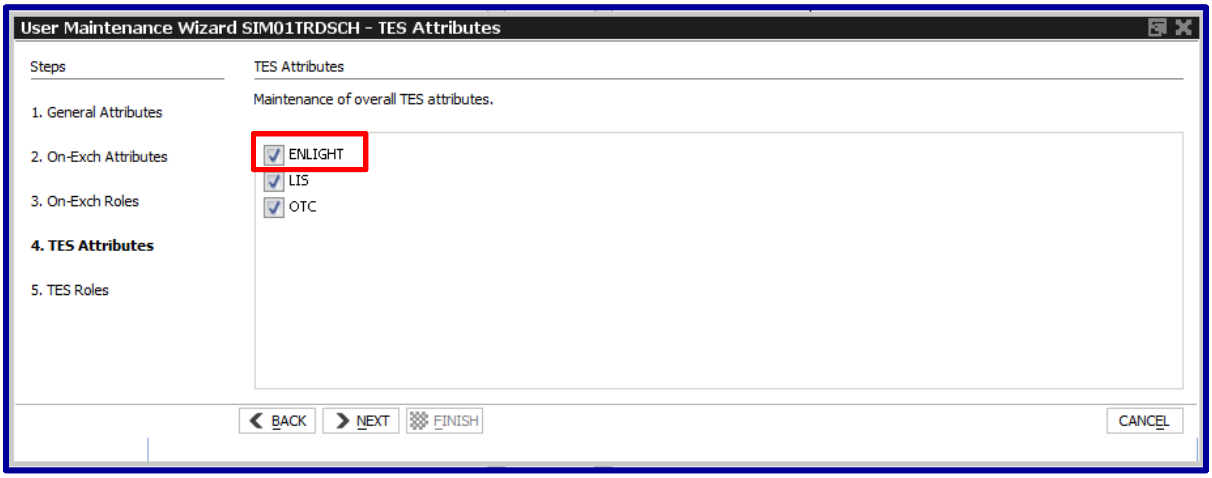
8 User Settings

8.1 TES Settings

Before users can start using Xetra EnLight "TES" attributes need to be enabled in the "User Maintenance Wizard" window of the "Xetra Admin GUI".

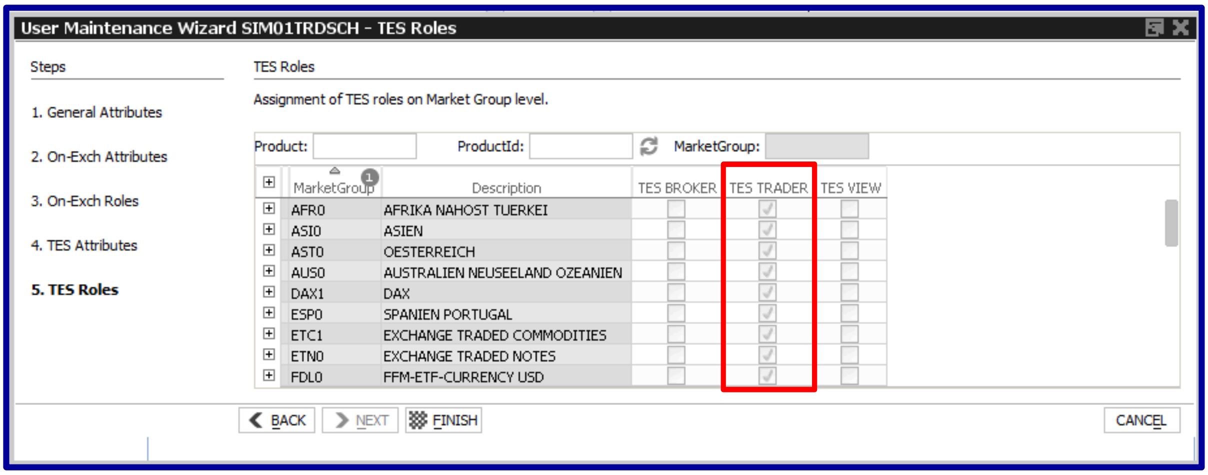
8.1.1 TES Attributes

To participate in Xetra EnLight, both requesting and the responding users must have assigned the TES overall attribute "ENLIGHT".



8.1.2 TES Roles

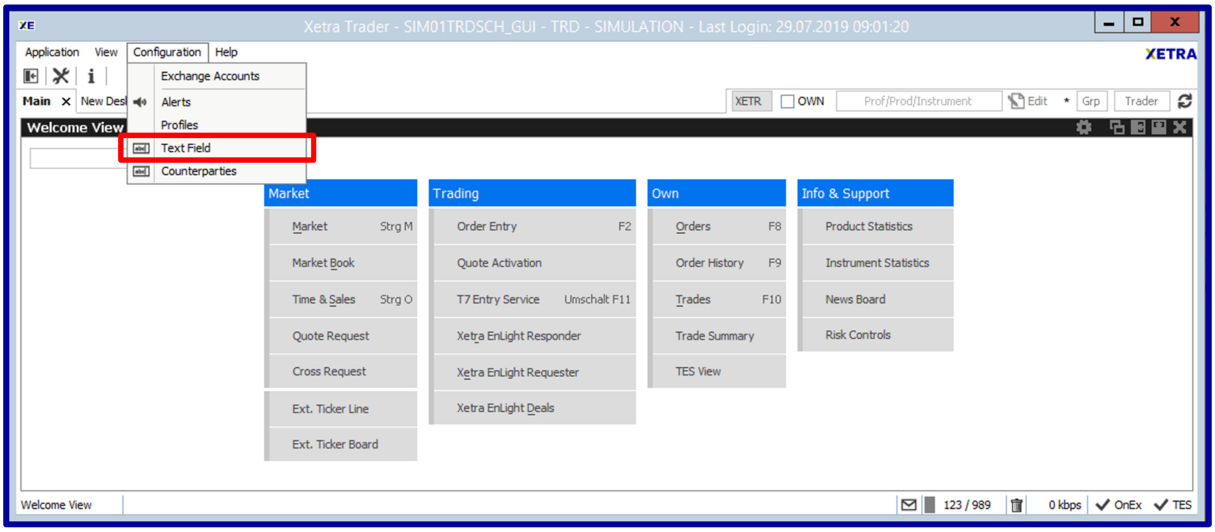
The TES Role "TES Trader" needs to be assigned to both requesting and responding users on Market Group level for every product assignment group.



8.2 Configuration

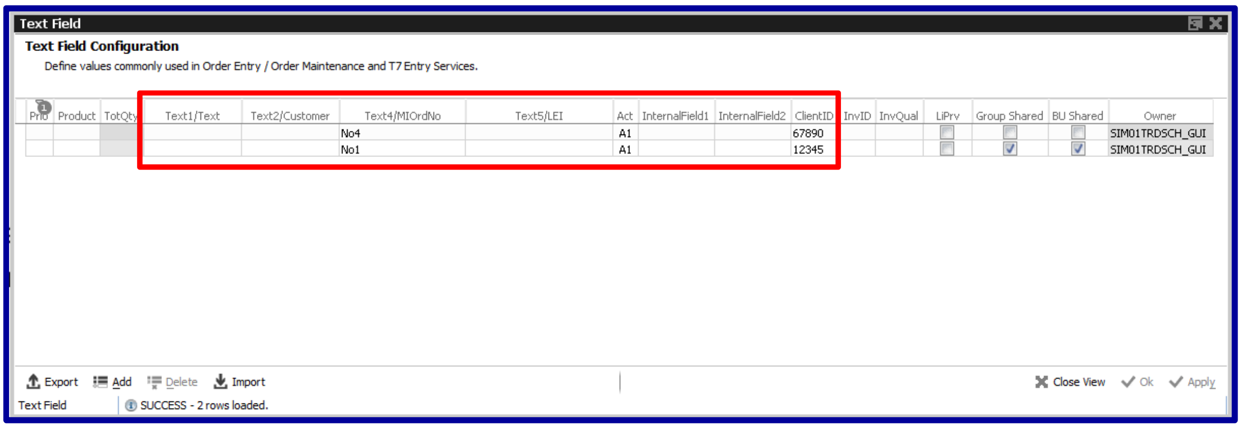
8.2.1 Requester Configuration

Users (on trader, trader group or business unit level) are able to store text fields and MiFID II client information in the GUI to increase efficiency when processing RFQ events.

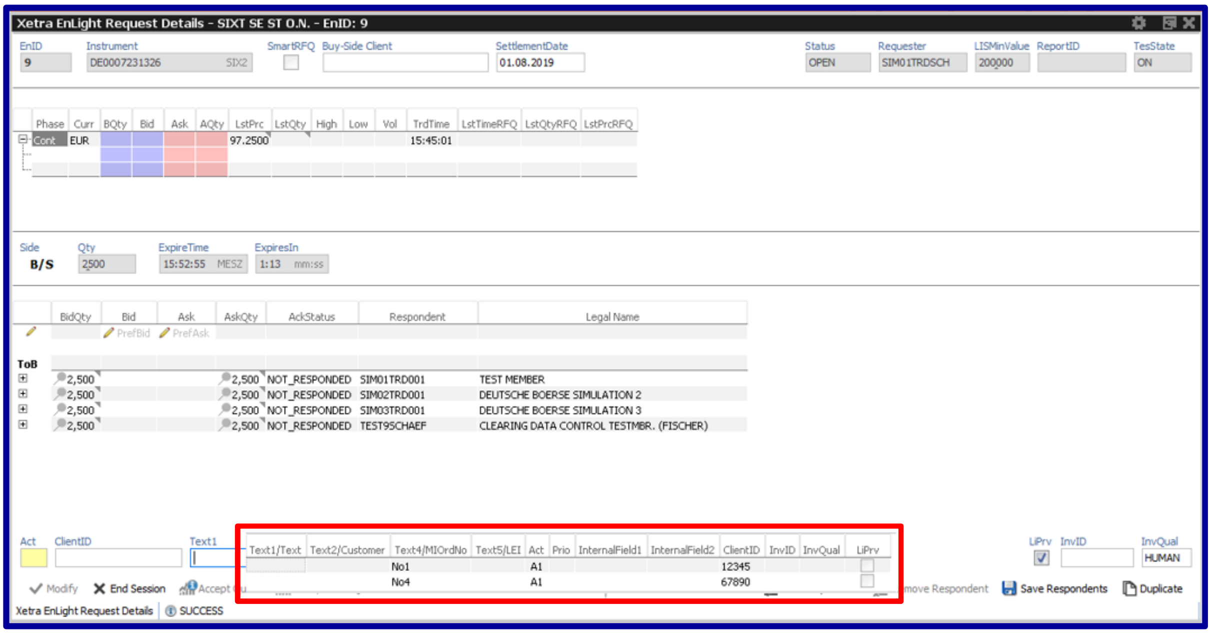


Requesters can select “Text Field” to define values for text fields and MiFID II client information for their clients. The information can be manually entered or uploaded via a csv file (“Import”). The fields are in particular:

- “Text1”, “Text2”, “Text4” and “Text5/LEI”
- “Account”
- “ClientID”

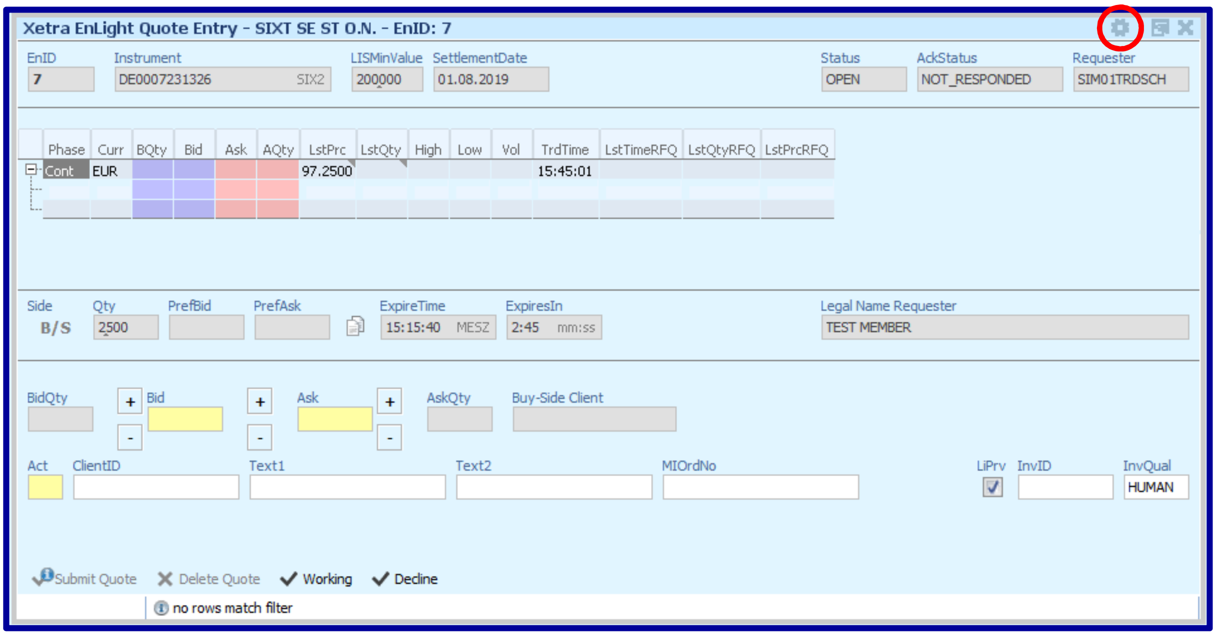


After initiating an RFQ the stored values can be activated by right-clicking on one of the text fields. A client can be selected by clicking on the respective row.



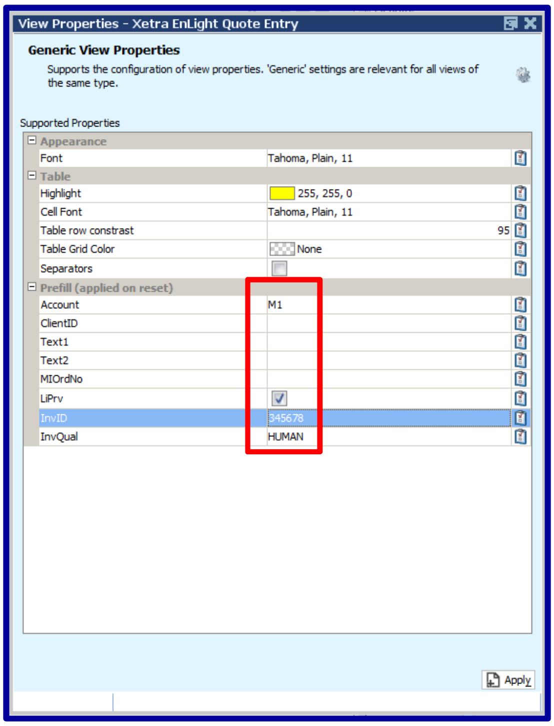
8.2.2 Responder Configuration

By clicking on the settings symbol on the top of the "Xetra EnLight Quote Entry" window responding users are able to increase efficiency while entering quotes.



In the “View Properties” window the following fields can be filled with default values for the “Xetra EnLight Quote Entry” window:

- “Account”
- “Text1”, “Text2” and “MIOrdNo” as free text field for members own back-office purposes
- MiFID II fields:
    - “LiPrv”: Regulatory liquidity provision
    - “InvID”: Investment Decision ID
    - “InvQual”: Investment Decision Qualifier



The field “Execution Decision ID” is automatically filled by the system with the entering user. “Execution Qualifier” is always “HUMAN”.