



# CROSS REQUEST AUF XETRA

Carrying out cross and pre-arranged trades at exchange prices with Cross Request on Xetra®

According to the rules of regulated securities markets the price discovery process is strictly anonymous – price-fixing agreements are not permitted. This includes pre-arranged trades as well as crossings. However, there is a certain – and legitimate – demand for carrying out crossings on Xetra, e.g. for fund or asset managers or family offices who wish to rearrange their portfolios, or to shift positions between client accounts.

Since crossings usually involve high volumes of securities, market participants are keen to carry out these trades in a secure and transparent environment, offering on-exchange price discovery and all the other advantages Xetra members benefit from: a central counterparty (CCP) guaranteeing fulfilment for all trades, as well as significant cost benefits due to netting and highly efficient straight-through processing.

## Crossings now legalised

The Cross Request functionality enables to announce an intended pre-arranged trade or a cross. As a result, the planned crossing becomes transparent and, therefore, is in compliance with the prerequisites defined in the rules and regulations of the Frankfurter Wertpapierbörse (FWB®) §3, as well as the directive 2003/6/EC of the EU on insider dealing and market manipulation, and the corresponding implementing directives. Thus, you are now able to intentionally enter crosses into the Xetra order book, including matching prop orders with client orders, and allowing for A-account against P-account transactions respectively P-account vs.

P-account transactions – in perfect compliance with rules and regulations.

## How the Cross Request works

The new Cross Request functionality is available to all Xetra members via the Xetra T7 Trader GUI or respective vendor applications, without additional authorisation or activation needed. In order to announce a Cross Request you simply enter the respective instrument code as well as the quantity you wish to cross. At least 5 seconds later you can enter the corresponding buy or sell order. No later than 35 seconds after entering the Cross Request, both legs of your intended cross must be submitted to the Xetra order book. During this time span, all other Xetra members will be able to respond to your initial order and enter respective orders as well. As a result, a successful crossing is not guaranteed, but this is a crucial precondition to get an exchange price for your crossing.

## All advantages at a glance:

- The new functionality allows the execution of prearranged trades and crossing at exchange prices
- These crossings and pre/arranged trades are considered on-exchange transactions with full compliance to EU directives on market abuse
- The transparency and security a regulated market offers, including a central counterparty and improved cost efficiency due to netting
- No more separate OTC-reporting or manually entered settlement processing
- No activation or authorisation needed

**Example: How to conduct a Cross Request on Xetra**

The screenshot shows the 'Add Order' window with the following fields filled: Instrument (SIE), Act (A1), TotQty (1000), Limit (EUR), and ClientID (1234). The 'CR' button is highlighted in red.

Enter your Cross Request into the yellow fields “Instrument”, “Act” and “TotQty” by using the window “Add Order”

The screenshot shows the 'Add Order' window with the 'CR' button highlighted in red.

By clicking on the field “CR” at the bottom of the window or in the “Action” sub-menue the market is informed about the intention of a crossing in the respective instrument.

The screenshot shows the 'Cross Request' window with a table containing one row: Instrument: SIE, XRQty: 1,000, Time: 23.05.2018 12:17:26. Below it is the 'Market' window showing a table with columns: MC, Phase, Instrument, Curr, BidCnt, BQty, Bid, Ask, AQty, AskCnt, XRI. The table contains one row: MC: Cont, Phase: SIE, Instrument: EUR, BidCnt: 6, BQty: 600, Bid: 122.000, Ask: 122.020, AQty: 200, AskCnt: 2, XRI: X.

Current Cross Requests are displayed in an own as well as in the column “XRI” of the market overview. You will have to wait 5 seconds at least before you can submit your order (or several orders) in the published instrument and quantity. Within 35 seconds, both orders of your intended crossing must be submitted to the Xetra order book to validate the crossing.

**Any questions? We are happy to advise you.**

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