

High priority!

To all Xetra® Members and Vendors

Recipients: Traders, Technical Contacts, Nominated Persons, General

April 19, 2013

Information on the German High Frequency Trading Bill

Dear Sir or Madam,

Shortly, the German High Frequency Trading Bill (“Hochfrequenzhandels-gesetz”) that addresses measures and procedures to regulate algorithmic trading and high frequency trading (HFT) will come into force.

Deutsche Börse is in very close contact with the German Federal Financial Supervisory Authority (“Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)”) and the Exchange Supervisory Office of the State of Hesse (“Hessische Börsenaufsichtsbehörde”) on various topics associated with the Bill.

Members who have not been granted a licence for dealing on own account by BaFin and who engage in HFT will be required to obtain a licence from BaFin. Alternatively, they can passport their licence to BaFin via their competent supervisory authority. For the licencing/passporting process, a transitional period of six, respectively nine months applies. During this period, admitted Trading Members are allowed to continue trading and act compliant with the HFT Bill if they do have the intention to apply for the licence in case they need to fulfil BaFin’s licence requirement.

We would like to point out that the High Frequency Trading Bill also envisages an HFT licencing requirement for indirect trading participants, i.e. the Bill is also relevant for our Members’ clients who perform HFT.

Deutsche Börse AG
Xetra

Mergenthalerallee 61
65760 Eschborn

Mailing address
60485 Frankfurt/Main

Phone
+ 49-(0) 69-2 11-1 34 41

Fax
+ 49-(0) 69-2 11-61 34 41

Internet
xetra.com

E-mail
HFT_LAW@deutsche-boerse.com

Chairman of the
Supervisory Board
Joachim Faber

Executive Board
Reto Francioni
(Chief Executive Officer)
Andreas Preuss
(Deputy Chief Executive Officer)
Gregor Pottmeyer
Hauke Stars
Jeffrey Tessler

Aktiengesellschaft
mit Sitz in
Frankfurt/Main
HRB Nr. 32232
Amtsgericht
Frankfurt/Main

Any new information relating to the German High Frequency Trading Bill will be published on the Xetra website www.xetra.com under the path:

[Trading & clearing > Trading > Xetra > High-frequency trading](#)

BaFin will also continuously update their FAQ list which can be found under the link:

www.bafin.de/EN/DataDocuments/FAQ/HFT-Gesetz/hft-gesetz_node.html

We will further provide regular updates via circulars, webinars or workshops on the implementation of the Bill as soon as more details on the different aspects have been made available to us.

Members who are not yet receiving any information and/or updates from Deutsche Börse should inform us via e-mail to HFT_LAW@deutsche-boerse.com and include details of the main point of contact (e.g. Legal Counsel, Compliance Officer) within their firm or group on this topic.

Yours faithfully,


Miroslav Budimir


Michael Krogmann