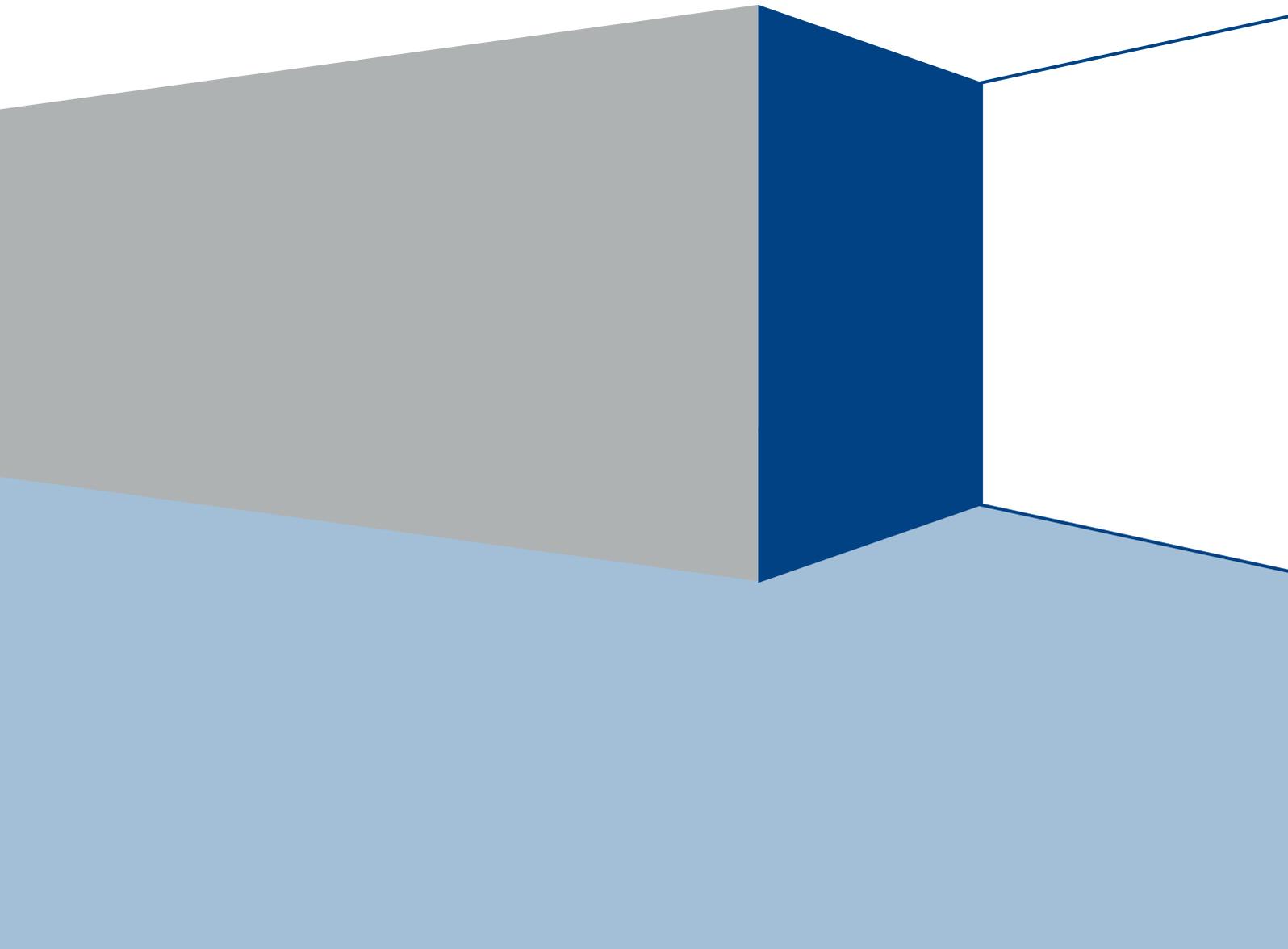




London
Stock Exchange Group

Market Makers Performance Report Service

Issue 2.0 · May 2019



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1 Introduction

“Market Makers Performance Report” service is available to market participants who have signed a voluntary or MiFiD II market making contract on EuroTLX (market making agreement and specialist agreement on MIT Platform).

Detailed daily and monthly performance reports are produced and recorded in separated files, each with fixed-length format.

Reports can be retrieved by Customers via FTP protocol starting from 11.00 AM CET on T+1. Monthly reports will be available within 10 business days after the end of the month they refer to.

1.1 Purpose

The purpose of this document is to provide a technical description of the Market Makers Performance Report service.

1.2 Readership

This document is particularly relevant to trading desks and Compliance Officers within EuroTLX’s member firms who have signed a voluntary or MiFiD II market making contract on EuroTLX market.

1.3 Document series

This document is part of a series of documents which provide technical specifications for certain services offered by EuroTLX, that are connected to the new regulatory environment defined by MiFIR / MiFiD II. For quick reference, this series of documents include the following:

Trading

- MIT201 EUROT LX – Trading Service Manual (Guide to the new Trading System)
- MIT202 EUROT LX – Trading Gateway (FIX 5.0) Specification
- MIT203 EUROT LX – Native Trading Gateway Specification
- MIT204 EUROT LX – Post Trade Gateway (FIX 5.0) Specification
- MIT205 EUROT LX – Drop Copy Gateway (FIX 5.0) Specification

Market Data Services

- MIT301 EUROT LX – Guide to Market Data Services
- MIT303 EUROT LX – Market Data Feed (MITCH) Specification
- MIT305 EUROT LX – FTP Services Reference Data Specification
- MIT306 EUROT LX – FTP Services EuroTLX Instrument Currency Specification
- MIT308 EUROT LX – FTP Services Trading Calendars Specification
- MIT309 EUROT LX – FTP Services RFQ Market Maker Reference Data Specification

Report Reconciliation Service

- MIT601 EUOTLX – Report Reconciliation Service

Market Makers Performance Report Service

- Market Makers Performance Report service (this document)

This series principally covers non-regulatory information and does not override or supersede the Rules of EuroTLX.

The latest version of this document series can be found at the following links:

Italian Version:

<https://www.eurotlx.com/it/manualiedocumentazionetecnica>

English Version:

<https://www.eurotlx.com/en/manualsandtechnicaldocumentation>

1.4 Document history

This document has been through the following iterations:

Version	Date	Section	Description
1.0	February 2018		First issue of this document published via the EuroTLX's website and distributed to Customers.
2.0	May 2019		Added the following paragraph: "Market Making Monitoring Methodology". The paragraph includes new configurations effective from 6 May 2019. Minor changes to message formats description, effective from 6 May 2019.

In subsequent issues, where amendments have been made to the previous version, these changes will be identified using a series of red side bars as illustrated opposite.

1.5 Enquiries

Please contact Client Technology Services Italy if you have any technical questions about the service outlined in this document. Client Technology Services Italy can be contacted at:

- **Service-Desk**
- Toll Free: 0080026772000
- From Mobile: +39 02 45411399
- Email: service-desk@borsaitaliana.it
- **Market-Access**
- Telephone: +39 0272426 668
- Email: market-access@borsaitaliana.it
- **Technical Account management**
- Group: +39 02 72 42 6 512
- Email: clients-services@borsaitaliana.it

For any functional or compliance questions about the content of the reports please contact Market Supervision at :

- Telephone: +39 023030 1429
- Email: supervision@eurotlx.com

2 Service description

2.1 Market Makers Performance Report service

“Market makers performance Report“ service offers to Market Participants who have signed a voluntary or MiFiD II market making contract on EuroTLX market the ability to retrieve information related to the compliance of their trading behaviour to the obligations required under the relevant agreement, during one trading day and during one month.

Data are saved as text files, that customer can retrieve via FTP protocol.

In order to ensure the usual information security standards, an authentication mechanism, based on username/password, is in place. Username and password will be provided to customers, together with the enabled IP addresses, as they join the service.

Furthermore, we specify that each client can have exclusive access to files with market maker performance report of its company.

Files will be available with the following name:

MMSTATS_ETLX_[TYPE]_[MEMBER]_[DATE]

where:

- DATE field will have the following format YYYYMMDD.
- TYPE field could be DAILY or MONTHLY.
- MEMBER is the Member Code for which the report is produced.

The output files will be ASCII-encoded CSV files with a semicolon (;) as a delimiter. All semicolon and carriage-return/end-of-line symbols in free-text fields will be removed.

The files are available to customers for

- 3 months for DAILY reports
- 6 months for MONTHLY reports

It should be highlighted that:

- In the Market Makers Performance Report the information are provided at instrument level
- Market Maker performance on a specific instrument could be not available where not relevant (i.e. when the daily required time to quote is consider not relevant)
- MONTHLY report will be available within 10 business days after the end of the month it refers to.

2.2 Market Making Monitoring Methodology

Market Making Obligations during normal or stressed market conditions are defined in terms of Presence, Maximum Spread, Minimum Size and Comparable Size.

The values of Maximum Spread and Minimum Size are defined in the EuroTLX Guide to the Parameters.

Maximum Spread Check

The verification of the Maximum Spread obligation is based on the volume weighted average bid and ask taking into account market maker's visible quotes, according to the configurations.

Minimum Size Check

The verification of the Minimum Size obligation is based on the sum of market maker's visible quote quantities, according to the configurations.

Comparable Size Check

The verification of the Comparable Size obligation is based on the sum of market maker's visible quote quantities, according to the configurations. The following Comparable Size test is performed:

$\text{Max (Total Buy Quantity, Total Sell Quantity)} = \text{Max}$

$\text{Min (Total Buy Quantity, Total Sell Quantity)} = \text{Min}$

If $(\text{Min} < (\text{Max} / 2))$ then test has failed, i.e. the Comparable Size obligation is not fulfilled.

Configurations

In order to perform the above checks, the following monitoring configurations are possible:

Monitoring Configuration	Description
Option 2: Quotes	Market maker's quotes are considered
Option 3: Minimum Obligation	Market maker's quotes are considered up to the quantity corresponding to the Minimum Size obligation

On EuroTLX Market the "Option 2" monitoring configuration is applied until 3 May 2019, while the "Option 3" monitoring configuration is applied starting from 6 May 2019.

3 Connectivity

3.1 Production IP addresses and ports

Market Makers Performance Report files are available in PRODUCTION environment for all customers who submit the service upon ftp connection to the server

- PDC:

- 81.174.64.64

- 81.174.64.66

- SDC:

- 81.174.64.192

Dedicated Username and password (per member code) to connect to the servers will be provided to customers as they join the service.

4 Message formats

This section provides details on the Market Makers Performance Report files.
All fields are encoded using printable ASCII.

4.1 MMSTATS_ETLX_TYPE_MEMBER_DATE

Report field name	Description		Max Length (ASCII chars)	Format
REPORT_DATE	Date to which the report refers to		8	TIMESTAMP (YYYYMMDD)
REPORT_TYPE	Value	Meaning	10	CHAR
	DAILY	Daily performance		
	MONTHLY	Monthly performance		
VENUE_CODE	Value	Meaning	4	CHAR
	ETLX	Venue code for ETLX market		
MARKET_CODE	Value	Meaning	11	CHAR
	ETLX	ETLX market code		
INSTRUMENTCODE	Product code identifier: - ISIN code will be provided for ETLX venue		12	CHAR
PRODUCT_NAME	Product description : - Instrument description will be provided for ETLX venue		40	CHAR
MEMBER_CODE	Member firm identifier (CED code)		4	CHAR
MM_TYPE	Value	Meaning	10	CHAR
	LP_ASK	LP enable to quote sell side only		
	LP_BID	LP enable to quote buy side only		
	AGREEM	Agreement (MIFID II)		
OBLIGATION_SIDE	Value	Meaning	5	CHAR
	BOTH	Obligation to display quotes on buy and sell side		
	BUY	Obligation to display quotes on buy side		

Report field name	Description	Max Length (ASCII chars)	Format
	SELL Obligation to display quotes on sell side		
PERF_RATIO	Market Maker performance ratio	5	Number (3Int 2dec)
PERF_RATIO_REQUIRED	Market Maker minimum required performance ratio: - 80% whether sell only or buy only - 50% whether double sided	5	Number (3Int 2dec)
PERF_RATIO_MTD	Market Maker month to date performance ratio	5	Number (3Int 2dec)
DAYS_MTD	Number of days of the relevant month in which the market maker is required to quote	2	Number (2Int 0dec)
DAYS_MTD_COMPLIANT	Number of days of the month during which the Market Maker has fulfilled its obligations respecting the required compliance rate (PERF_RATIO_REQUIRED)	2	Number (2Int 0dec)
COMPLIANCE_RATE_MTD	Compliance level from the beginning of the month (DAYS_MTD_COMPLIANT/ DAYS_MTD)	5	Number (3Int 2dec)
PERF_RATIO_PRICE	Compliance ratio with reference to the obligation to display quotes on the book. The field is valued only if the PERF_RATIO and PERF_RATIO_PRICE are lower than PERF_RATIO_REQUIRED. Please note that the compliance ratio will be provided according to predefined ranges (example "value in range [0%,10%]").	30	CHAR
PERF_RATIO_MSIZ	Compliance ratio with reference to the obligation to display quotes on the book for a minimum quantity. The field is valued only if PERF_RATIO and PERF_RATIO_MSIZ are lower than PERF_RATIO_REQUIRED. Please note that the compliance ratio will be provided according to predefined ranges (example "value in range [0%,10%]").	30	CHAR
PERF_RATIO_SPREAD	Compliance ratio with reference to the obligation to display quotes on the book with spreads within the maximum limits. The field is valued only if the PERF_RATIO and PERF_RATIO_SPREAD are lower than PERF_RATIO_REQUIRED. Please note that the compliance ratio will be provided according to predefined ranges (example "value in range [0%,10%]").	30	CHAR

Report field name	Description	Max Length (ASCII chars)	Format
PERF_RATIO_COMP_SIZE	<p>Compliance ratio with reference to the obligation to display quotes on the book with comparable quantities. The total buy/sell quantity considered is up to minimum size obligation. The field is valued only if the PERF_RATIO and PERF_RATIO_COMP_SIZE are lower than PERF_RATIO_REQUIRED.</p> <p>Please note that the compliance ratio will be provided according to predefined ranges (example "value in range [0%,10%]").</p>	30	CHAR

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