

UBS MTF Rulebook Update

Order to Trade Ratio Requirement

Summary

MiFID II RTS 9 requires all trading venues to implement a methodology to calculate an order-to-trade ratio (OTR) for each Member and for each financial instrument traded on the trading venue. RTS 9 Article 1 includes the following definitions:

(a) 'order' includes all input messages, including messages on submission, modification and cancellation sent to the trading system of a trading venue, relating to an order or a quote, but excluding cancellation messages sent subsequent to:

- (i) uncrossing in an auction;
- (ii) a loss of venue connectivity;
- (iii) the use of a kill functionality;

(b) 'transaction' means a totally or partially executed order;

The UBS MTF Rulebook was updated accordingly and section 6.11 requires Members to ensure that their ratio of orders to executed trades remains at all times at or below the parameters published on the UBS MTF website under <https://www.ubs.com/global/en/investment-bank/multilateral-trading-facility/member-information.html>.

UBS MTF initial parameters are set below. These will apply until new parameters are published on the UBS MTF website.

The methodology used in number terms is:

$$(\text{total number of orders} / \text{total number of transactions}) - 1.$$

Schedule

UBS MTF calculation of the order to trade ratio is based on the total number of orders by a Member divided by its total number of executions on UBS MTF. It is set at 499.

If the order to trade ratio rises above the threshold above, UBS MTF will contact the Member.

Monitoring

UBS MTF Supervisors will continuously monitor all Members' order-to-trade ratio at various levels: UBS MTF overall, Markets and Instruments. Members will be informed via Trading Notice of any amendments.