UBS MTF Periodic Auction

Additional liquidity at competitive fees

Introduction

The new Periodic Auction order book will be segregated from existing books and will operate under a new segment Market Identifier Code, XUMP, registered under the UBS MTF operating MIC XUBS.

The UBS MTF Periodic Auction order book meets MiFID II publication requirements for this type of trading system as defined in MiFID Annex I Table I Description of the type of trading systems and the related information to be made public in accordance with Article 3.

Highlights

- Separate from the existing dark order book that currently uses two pre-trade transparency waivers (Large in Scale and Reference Price)
- Ease of access: no connectivity change required and a single additional tag required to target the Periodic Auction order book (tag 9303)
- Periodic Auction triggered as soon as two orders can match at or within EBBO
- Auction lasts 50ms to 75ms for liquid instruments and ETFs and 100ms to 150ms for non-liquid instruments
- No minimum order size
- Locked and unlocked orders supported
- All instruments admitted for trading on UBS MTF will be eligible for execution on the Periodic Auction order book
- Extended market hours: Periodic Auction will close at 16:45 GMT
- Execution fees set at 0.1 bps

Functionality features

- Only Limit orders accepted
- Time in Force supported: Day orders and Good For Auction orders (GFA orders cannot be cancelled or amended during an auction)
- Price formation using most aggressive buy and sell limit orders
- Pre-trade transparency: the auction price and auction volume are published
- Market data (auction price and auction volume) published at the start of the auction call. All updates to the auction volume will also be disseminated to the market
- Post-trade transparency: all trades are published immediately under the UBS MTF MIC XUMP
- Price determination priority: Price, size and time
- Allocation Priority: Broker, size and time
- Aggressive orders sent to the Periodic Auction with a limit price outside the EBBO will participate in the auction but for price determination, the limit price will be constrained to the EBBO far touch
- Tick size rules apply at order entry level but executions at half tick allowed
- Fills and partial fills returned from the Periodic Auction segment will indicate the Auction segment MIC (XUMP) in the execution report LastMkt field, and the appropriate last liquidity code (i.e. 'Auction')

Safety features

- Open to all yet minimal information leakage as individual orders (pre-auctions) are not published
- The auction price is locked at the start of the auction
- Use of Minimum Acceptable Quantity (MAQ) supported
- Auction duration is randomized
- EBBO collar protection: auction will not uncross if the price is outside the UBS MTF EBBO

Get in touch

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