

2017-12-14

IT – Genium INET – Order-to-Trade Ratio Calculation for Equity Derivatives (MiFID II)

In response to legislation implementing MiFID II, Nasdaq Stockholm will introduce order-to-trade ratio (OTR) calculations on the equity derivatives market. This notice contains information on the calculation methodology and the maximum ratios that will be applied effective 2 January, 2018.

Under the new procedure the exchange will calculate and monitor the order-to-trade ratio of each member and participant category (non-MM and MM) and every sub-class of derivatives, in number and volume terms respectively. As set out in the exchange rules of Nasdaq Derivatives Markets, members may not exceed the relevant maximum ratios that apply per sub-class as determined by the exchange and made available in the Genium INET Market Model document from time to time. The maximum OTR for a particular sub-class (e.g. OMXS30 index futures, VOLVB stock options) will be deemed to have been exceeded by a member during a trading day if the trading activity of that member and participant category, during opening hours, exceeds either or both of the two ratios. Specific higher maximum ratios will be applied for market making activity.

Daily OTR levels will be made available to members via a new report in the Nasdaq Member Portal. The report will for every sub-class include information on the total number of orders, the total volume of orders, the total number of trades as well as the total volume of trades in the non-market making and the market making category respectively. The report will also include the applicable maximum ratios. For more information on the OTR report and how to access the data please see the connectivity and access section of the Genium INET trading platform [website](#).

Please see the attached document for details on the counting methodology and applicable max ratios.

Document References:

- 2A.3.6 of the Exchange Rules of Nasdaq Derivatives Markets
- Section 4.8 and Appendix P in Genium INET Market Model document for Nasdaq Derivatives Markets

Questions and feedback

For further information concerning this IT notice please contact your Nasdaq account manager or product manager Joakim Fernlund, telephone +46 8 405 60 00.