

Transparency Obligation for Market Data under MiFIR

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1. Regulatory Requirements for Market Data Provision

Based on the Regulation (EU) No. 600/2014 (“**MiFIR**”), supplemented by Commission Delegated Regulation (EU) 2017/567 (“**CDR**”), Commission Delegated Regulation (EU) 2017/565 as well as Commission Delegated Regulation (EU) 2017/572 (“**RTS 14**”), obligations for trading venues, investment firms operating a trading venue, approved publication arrangements, consolidated tape providers and systematic internalisers for the publication of market data have become effective on 3 January 2018.

These regulatory requirements have been supplemented by the final guidelines on the MiFID II/MiFIR obligations on market data (“**ESMA Guidelines**”) applicable as of 1 January 2022. Market data refers to the data trading venues, systematic internalisers, approved publication arrangements and consolidated tape providers have to make public for the purpose of the pre-trade and post-trade transparency regime. Therefore, market data refers to the information set out in Annex I of Commission Delegated Regulation (EU) 2017/587 (“**RTS 1**”) and Annex I and Annex II of Commission Delegated Regulation (EU) 2017/583 (“**RTS 2**”). This document refers solely to the requirements applicable to trading venues and their operators, if any.

Provision of Real-Time Market Data

With MiFIR, data publication by trading venues, investment firms operating a trading venue and systematic internalisers is subject to the requirement to provide market data on a reasonable commercial basis, Art. 13 MiFIR in conjunction with Chapter II of CDR (“**RCB Requirements**”).

Furthermore, market data shall be made available in a disaggregated form and ‘unbundled’ from other services (cp. Art. 12 MiFIR, Art. 10 CDR and Art. 1 RTS 14).

2. Scope of Market Data Products for this document

Deutsche Börse AG (“**DBAG**”) provides real-time transparency and dissemination services for Deutsche Börse Group’s own trading venues as well as third party trading venues (i.e., partner exchanges) or other data providers.

For the venues listed below Deutsche Börse has been tasked to publish respective market data in line with the RCB Requirements.

Originating trading venue	Operating MIC
Frankfurter Wertpapierbörse (Frankfurt Stock Exchange)	XETR XFRA
Eurex Deutschland	XEUR

In accordance with Art. 11(2)(e) Commission Delegated Regulation (EU) 2017/567 and the ESMA Guidelines, this document provides general information on how the fees of market data were set.

3. Market Data Price Setting Principles

Fees for market data products are generally defined based upon costs and include a reasonable margin. The specific fee is being determined based on the scope, scale and use of the market data product for the Customer Category (as defined in the relevant license agreement) the licensee can be attributed to. For further information on the license model and the application of Customer Categories, please see the links provided below. This document at hand focuses on the general price setting principles

When referencing costs and margin, it shall be stressed that these corresponding principles are based on the RCB requirements of MiFIR while being in line with general pricing methodologies of digital products. Fee differentiations across the data products aim for distribution to a broad variety of customer groups, especially to the benefit of smaller data users, while ensuring funding of the respective trading venue at the same time.

Comprehensive information on real-time market data products and the respective licensing agreements including a fully transparent overview on pricing is available on Deutsche Börse’s website www.mds.deutsche-boerse.com/mds-en/real-time-data/agreements respectively.

For further information on the license model and the application of Customer Categories, please see <https://www.mds.deutsche-boerse.com/mds-en/real-time-data/quidelines-and-policies>.

3.1 Determination of Costs

3.1.1 Cost Determination Based Upon IFRS standards

Costs are determined based upon the figures evaluated in light of DBAG's financial statements which are prepared in compliance with International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Financial Reporting Standards Interpretation Committee (IFRSIC), as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards.

3.1.2 Cost Accounting Methodology Applied for Market Data

Secondly, cost accounting and cost allocation is done per each originating trading venue separately, while the general cost accounting principles of DBAG apply. Fees charged for the market data of the Frankfurt Stock Exchange (Börse Frankfurt (XFRA), Xetra (XETR)) and Eurex Deutschland (XEUR) are based on the total operating costs incurred by the market data business while including a reasonable margin.

The following cost types are applied by DBAG:

- (i) **Joint Costs** are defined as costs for operation of the trading systems which are responsible for exchange trading, price formation and data generation of the Frankfurt Stock Exchange and Eurex Deutschland each, which consists of costs including, but not limited to, personnel costs for development, testing of electronic trading systems, consultancy costs related to writing technical specifications, quality control of the electronic trading systems, maintenance of electronic trading systems, costs involved in building up infrastructure of electronic trading systems and peripheral systems to support secure, transparent market operations amongst others;
- (ii) **Direct costs** are defined as costs for distribution and administration of MiFID/MiFIR relevant market data products, Non-MiFID/MiFIR relevant market data and analytics products to DBAG's clients and other market participants, which consists of costs including, but not limited to, personnel costs for development, testing of data distribution system, data ordering and licensing system, sales marketing and customer care functions, consultancy costs related to writing technical specifications, quality control, regulatory and legal advice from time to time, and management functions amongst others;
- (iii) **Common costs** are defined as all group central functions costs, and all other residual costs which do not form part of Joint or Direct costs, which consists of costs including, but not limited to, costs incurred in group support functions such as rent for office premises, rent for usage of various IT softwares such as device operating systems and office software on company devices, video conferencing tools on

company devices etc, group executive management, group financial accounting and controlling function, group compliance functions, group HR function, group legal functions, group security functions, group internal corporate IT function amongst others.

3.2 Cost Allocation Principles and Allocation Keys

The following cost allocation principles apply to the abovementioned cost types:

- i) **Joint costs:** Market data being the joint product of trading activity, joint costs are equally shared (50 % / 50 %) between market data business and trade execution business of Deutsche Börse Group.
- ii) **Direct costs:** Majority of the direct costs (approximately 90 %) are attributed to the MiFID/MiFIR relevant market data products while remaining (approximately 10 %) are attributed to the Non-MiFID/MiFIR relevant market data and analytics products. As the costs are partially based on projects undertaken, the split between market data and analytics business may vary from time to time.
- iii) **Common costs:** These costs are allocated within all business lines of Deutsche Börse Group. For allocation of these costs, various underlying keys such as workspace area, head count, amongst others are used (% not fix, changing periodically). For IT-related common costs a further set of refined allocation keys is applied (as example, dedicated IT distribution keys based on consumption of centrally managed services such as service API's, bandwidth usage, cloud storage capacity usage etc are used). The actual allocation percentage varies based on estimated annual consumption of these services.

3.3 Margin Used in setting Market Data Fees

Applying margins over cost in the context of market data is necessary in order to guarantee highly reliable exchange services and scalable capacities for exchange participants and the public at all times (in line with Art. 8(3) CDR). Therefore, DBAG applies a margin on top of the cost base for market data fees per each trading venue when setting the respective venue's market data fees.

Exchange business is characterized by high fix cost as well as stepped fix cost. As market data is a digital product and primarily fix cost based, while the revenues of the specific licenses depend on customer usage, margins cannot be applied to single licenses or customer's individual data license fees. Instead, the price setting process for market data per

each trading venue is based on anticipated overall cost as lined out above and the expected demand across different customer groups for the data licenses (e.g. resulting revenues) including a margin.

During the annual review respective cost, revenues and margins are being analyzed and adapted if necessary. Overall margins on market data per trading venues are considered to be reasonable when they pass an internal validation scheme, which may be complemented by an external legal check. This scheme takes into account inter alia necessary due investments (e.g. cyber security requirements, capacity increases, compliance), risk provision, R+D, as well margins within similar and/or connected industries.

4. Treatment of Increments (Guideline 5(2) ESMA Guidelines)

With respect to the Non-Display Information Usage, licensees may fall in different Customer Categories (cp. Section D. of the Price List to the Market Data Dissemination Agreement or Section B. to the Non-Display Agreement). Within Trading Based Activities, the higher tier includes the usage of the prior tier(s) (e.g. tier 3 (Operation of a Trading Platform) includes the usages of tiers 2 and 1 (Trading as Principal and Brokerage). Separate fees are charged for the Customer Categories Index Calculation and Other Application Usage. The aforementioned Customer Categories constitute multiple and significant different uses made by the customer.

The increments are based upon (i) the principles applied in the price setting process outlined in Sec. 3 above, (ii) the specific usage of the licensee which allows to determine which usage exactly can be considered as primary focus of the business activity of the licensee and, thus, allows to put the increment in a relation to this activity, (iii) a market analysis which considers whether the increment is appropriate in relation to the amount charged.