

SIGMA X MTFTM & SIGMA X Europe MTFTM Order to Trade Ratio Policy

1. Definitions

1.1. Unless defined herein, terms defined in the Rules shall have the same meaning in this Policy.

2. Background

2.1. In accordance with MiFID II RTS 9¹, SIGMA X MTF & SIGMA X Europe MTF must have systems, procedures and arrangements in place to ensure that algorithmic trading systems cannot create or contribute to disorderly trading conditions. This includes limiting the ratio of unexecuted Orders to Transactions.

2.2. During each daily trading session on SIGMA X MTF & SIGMA X Europe MTF respectively, Participants are required not to exceed the maximum Number Ratio and Volume Ratio of unexecuted Orders to Transactions as set by the Operator.

2.3. The Operator will calculate the Number Ratio and the Volume Ratio on a per Participant and per Security basis.

2.4. The Operator will monitor Participants in order to detect when either Ratio is breached.

3. Number Ratio

3.1. The “**Number Ratio**” is calculated as follows: (total number of Orders / total number of Transactions) -1.

3.2. The maximum Number Ratio is 20,000.

3.3. In the case of no Transactions the ratio will be considered equal to the numerator.

3.4. The Number Ratio shall only be applied by the Operator where the number of orders sent per participant on each Security is greater than 100,000.

¹ Commission Delegated Regulation (EU) of 18.5.2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards for the ratio of unexecuted orders to transactions in order to prevent disorderly trading conditions.



4. Volume Ratio

- 4.1. The “**Volume Ratio**” is calculated as follows: (total Volume of Orders / total Volume of Transactions) -1.
- 4.2. The maximum Volume Ratio is 1,000,000.
- 4.3. The Volume Ratio will be applied by the Operator where there are greater than 5 Transactions in scope.

5. General

- 5.1. The Operator will monitor compliance with the Number Ratio and the Volume Ratio and will take such action as it deems necessary where such Ratios are breached in order to prevent disorderly trading conditions.
- 5.2. Such actions may include requests for information from the relevant Participant in relation to the circumstances of the breach of the Ratio, or such disciplinary action as is deemed appropriate in accordance with Rule 17 of the Rules.
- 5.3. The Operator will monitor market conditions and may adjust the maximum Number Ratio or Volume Ratio if it deems this necessary. The Operator will communicate the new maximum Number Ratio and Volume Ratio to Participants by a Notice.