

# Order to Transaction Ratios

## *Requirements and Rules*

### Summary

MiFID II RTS 9 requires UBS MTF to calculate the ratio of unexecuted orders to transactions (“OTR”) submitted into the system by its Members for every financial instrument available for trading on UBS MTF. Members are required not to exceed the maximum ratio of unexecuted Orders to Transactions<sup>1</sup> calculated and published by UBS MTF.

This document details the methodology used for both ratios and determines the maximum ratios that UBS MTF Members must refer to when trading on UBS MTF. Amendments to the maximum ratios will be published on the UBS MTF website and communicated to Members via Market Notice.

### Definitions and methodology

The following definitions are used in the methodology.

- **Order** includes each input message, including all messages on submission, modification and cancellation, sent to UBS MTF’s trading system relating to an order or a quote, but excluding cancellation messages sent subsequent to:
  - (i) a loss of venue connectivity;
  - (ii) the use of a kill functionality by the Member;
- **Transaction** means a fully or partially executed order;
- **Volume** means the quantity of financial instruments traded expressed as the number of instruments for shares, depositary receipts, ETFs and other similar financial instruments available for trading on UBS MTF.

Methodology for the two ratios:

The MiFID II methodology used in number terms is:

$$(\text{total number of Orders} / \text{total number of Transactions}) - 1.$$

The MiFID II methodology used in volume terms is:

$$(\text{total volume of Orders} / \text{total volume of Transactions}) - 1.$$

### Schedule & Ratio Limits

The following ratios apply to all members from 3 January 2018 and Members will be notified of any changes via Market Notice:

- Order to Transaction Ratio is set to set to **750**; and
- Order volume to transaction volume ratio is set to **15,000** shares.

### Monitoring

Where appropriate, and in accordance with the UBS MTF Rulebook, MTF Supervisors may limit the ratio of unexecuted Orders to Transactions for a Member.

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<sup>1</sup> Section 6.11 MTF Rulebook  
Public