



Skytra MTF Request for Quote Service Description

April 2020

Document Status: Draft

Document Version: 0.1

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Contents

1. Introduction	3
1.1. About Skytra	3
2. The RFQS	3
3. Miscellaneous	5
3.1 Transparency	5
3.2 Risk Management	6
3.3 Skytra Monitoring	6
3.4 Reported Price	6
3.5 Limitations	6
3.6 RFQS Operating Hours	6
3.7 Trading Calendar	6
3.8 Symbol Information	7
3.9 Connectivity	7
3.10 Record Keeping	7
3.11 Enquiries	7
Version History	8



1. Introduction

1.1. About Skytra

Skytra MTF provides a Request for Quote Service (**RFQS**) which runs alongside the Skytra MTF central limit order book (**CLOB**) and the Process Trades (**PTS**) service, but does not interact with either. The RFQS is available via an API and via a browser and uses the same FIX interface as the CLOB but with separate messages to support its specific functionality.

The RFQS is designed to support the needs of Participants and their customers in seeking transactional counterparties in a manner that solicits competitive responses from the market in an efficient and timely manner.

The RFQS is available to all Participants authorised to trade in the underlying instruments. Participants only wishing to use the RFQS can configure their access accordingly.

Participants' rights are configured at a contract level within Skytra MTF's reference database.

The RFQS's scope covers all futures and options contracts that are admitted to trading on Skytra MTF. The RFQS supports single leg requests but not multi-legged combination or strategy trades. All trades executed via the RFQS will be cleared at Skytra's CCP.

Skytra's trade publication flags reflect MiFID II requirements as set out in RTS 2 and contained within the Market Model Typology. These details are included in the ITCH Technical Specification.

2. The RFQS

Participants can operate within the RFQS as either an **Initiator**, the party that submits a Request for Quote (**RFQ**) to the RFQS or, as a **Respondent**, the party that responds to the RFQ. The RFQS operates as described below and as summarised in Figure 1.

Step 1 - Initiating an RFQ

The Initiator submits an RFQ to the RFQS, via the Skytra API or GUI.

The RFQ must contain the following information:

- Contract Identifier
- Quantity* – the number of lots they wish to trade
- Trade Direction - Buy or Sell or Both
- Deferred Publication (DP) – All trades will be deferred until the end of the day
- Time Period in seconds (**Response Time**) over which the RFQ is available to Participants to respond to. The default time period set by Skytra MTF is 60 (sixty) seconds.

The RFQ can, at the option of the Initiator, also include the following information:

- Initiator ID - the identity of the Initiator



- Price – the price at which the Initiator is prepared to trade at (or better)

All Participants authorised to trade the instrument will automatically receive the RFQ.

Once submitted, the RFQ is validated against the following criteria:

- the contract is available for trading on Skytra,
- the Initiator is eligible to trade the contract, and
- the quantity meets any minimum size threshold.

Upon validation, the Initiator receives an acknowledgement message containing a unique RFQ id. The RFQ id is used in subsequent messages to identify the RFQ.

The Initiator can only submit one RFQ per Contract during the Response Time.

* Skytra MTF sets a minimum size criteria of 1000 lots, for using the RFQS in any particular contract. Such parameters can be configured at an instrument level, any changes to the minimum lot sizes will be published to the market via a Notice.

Step 2 - Responding to an RFQ

A Respondent, within the Response Time, selects within the system the RFQ id and responds with an Indication of Interest (**IOI**) to the RFQS.

The IOI needs to contain the following information:

- Contract Identifier (automatic when selecting the RFQ id)
- Trade Direction - Buyer or Seller where Both has been selected by the Initiator
- Quantity – the number of lots they are prepared to trade must equal the number of lots requested by the Initiator
- Price (whether or not specified in the RFQ)

If the Initiator has selected Both in the RFQ then the Respondent can respond with both a buy and a sell response, otherwise the Respondent can submit only one response to an IOI at any one time per RFQ during the Response Time. The Respondent can cancel their IOI and replace their IOI within the Response Time.

Step 3 - Matching an RFQ

Either during the Response Time or during the “**Accept Time**” which immediately follows the Response Time, the Initiator selects one Respondent’s IOI. The default period for the Accept Time is set by Skytra to 90 (ninety) seconds.

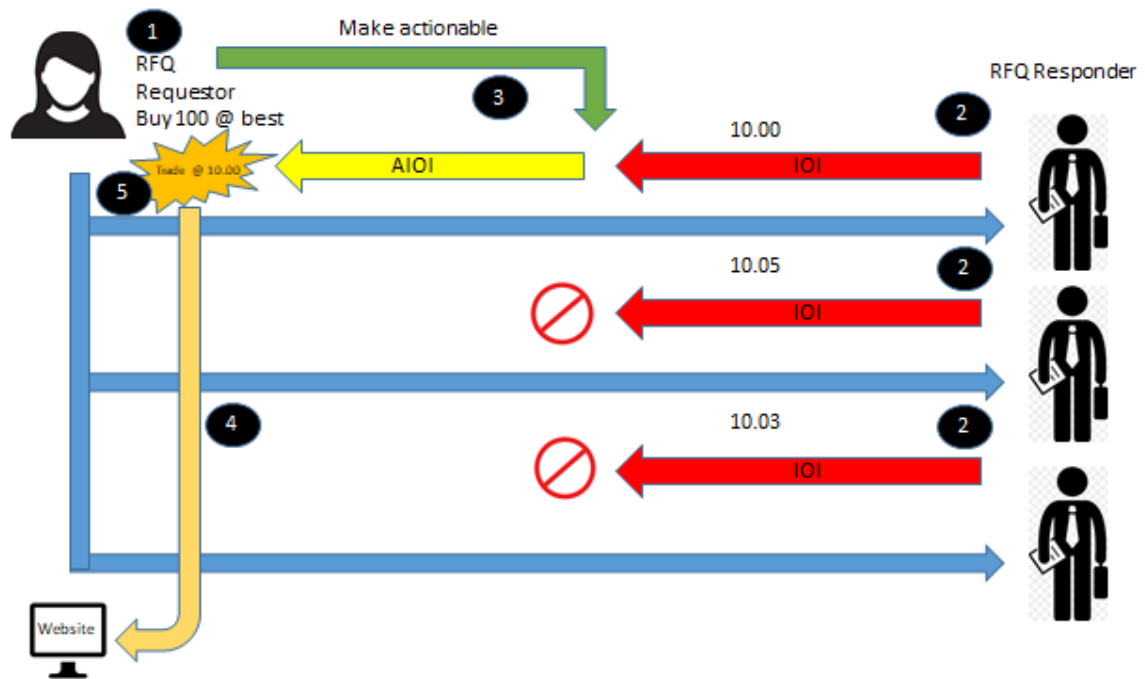
The Initiator cannot submit another RFQ in the same Contract during the Accept Time. A Respondent can cancel their IOI during the Accept Time but cannot re-enter an IOI.

A selected IOI immediately and automatically becomes an Actionable IOI (**A-IOI**). With the illiquid market pre-trade transparency waiver granted to Skytra there will be no requirement to publish an A-IOI to the market.

Once the Initiator has accepted an A-IOI, any remaining IOIs are removed.

If the RFQ has not been executed by the end of the Accept Time, the RFQ is deleted and a status message disseminated to all involved Participants.

Figure 1



3. Miscellaneous

3.1 Transparency

- Step 1 All Participants in that Skytra contract are able to view and respond to the RFQ.
- Step 2 All IOIs made by Respondents are immediately published to the Initiator.
- Step 3 When the Initiator accepts an IOI, an A-IOI is automatically created. The A-IOI will not be published due to the illiquid market pre-trade transparency waivers that Skytra will be operating under
- Step 4 When the RFQ is executed, and under ESMA's Illiquid DP Arrangement, the RFQ service, as its default, supports the DP of trade details in the ITCH market data feed as per the MiFIR / MiFID II post-trade transparency regime. All DP trades will be published at 17:00 London time on T+0. Skytra's trade publication flags reflect



MiFID II requirements as set out in RTS 2 and contained within the Market Model Typology. These details are included in the ITCH Technical Specification.

3.2 Risk Management

Pre-trade risk limits can be set by Participants and Clearing Members in Skytra's Pre-Trade Risk (PTR) service. The PTR enables such limits to be set in different ways and at different levels, including specific limits related to the RFQS.

3.3 Skytra Monitoring

Skytra will monitor the trade price of all RFQs to ensure Participants are trading at fair and reasonable levels, taking into consideration the prevailing market and the size of the trade.

Skytra will also monitor Participants' behaviour in their use of the RFQS to ensure that the service is being used by firms with a genuine interest in trading.

3.4 Reported Price

The RFQ's trade price can be at a fractional tick level, up to three (3) decimal places and in increments of 0.001.

3.5 Limitations

The RFQS cannot at this time perform the following:

- Support the trading of multi-legged requests
- Offer trading in any non-listed Skytra contracts

3.6 RFQS Operating Hours

The RFQS will operate between the following times:

Request For Quote Service	Time (UK Time)
Start	08:30
End	16:20

Any RFQs submitted outside of these times will be rejected and receive an error code (Please refer to the Skytra FIX Technical Specification for error code details).

3.7 Trading Calendar

The Skytra MTF trading calendar can be found here <[Insert Link](#)>



3.8 Symbol Information

Details for all Skytra MTF tradable instruments including Symbol, ISIN and currency can be found on the Skytra website here <[Insert Link](#)>.

This information is also disseminated via the Skytra MTF ITCH Market Data feed at 06:00 each day as part of the Skytra MTF reference data download.

RFQs in symbols that are not included in the Skytra reference database will be rejected.

3.9 Connectivity

RFQs are submitted by a Participant via:

- direct entry to the Skytra MTF using the FIX FIX 5.0 SP2 Protocol, or
- direct entry to the Skytra MTF using the Skytra Trading Workstation

3.10 Record Keeping

Skytra will retain records of all RFQ trades for five years in line with MiFID II requirements.

3.11 Enquiries

Any enquiries related to the market operations or trading functionality of the Skytra MTF can be addressed to tradingoperations@skytra.com.

Any enquiries related to Skytra's contractual arrangements e.g. Rules, Participant Agreements etc. can be addressed to compliance@skytra.com.

Any general, data licensing, membership and fee related enquiries can be addressed to information@skytra.com.

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Version History

Version	Date	Summary of changes
0.1	April 2020	Draft document issued.

Draft