

MiFID II Wholesale Firms Conference

19 October 2015, ExCeL

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Breakout session: Data publication: APAs, CTPs, data disaggregation

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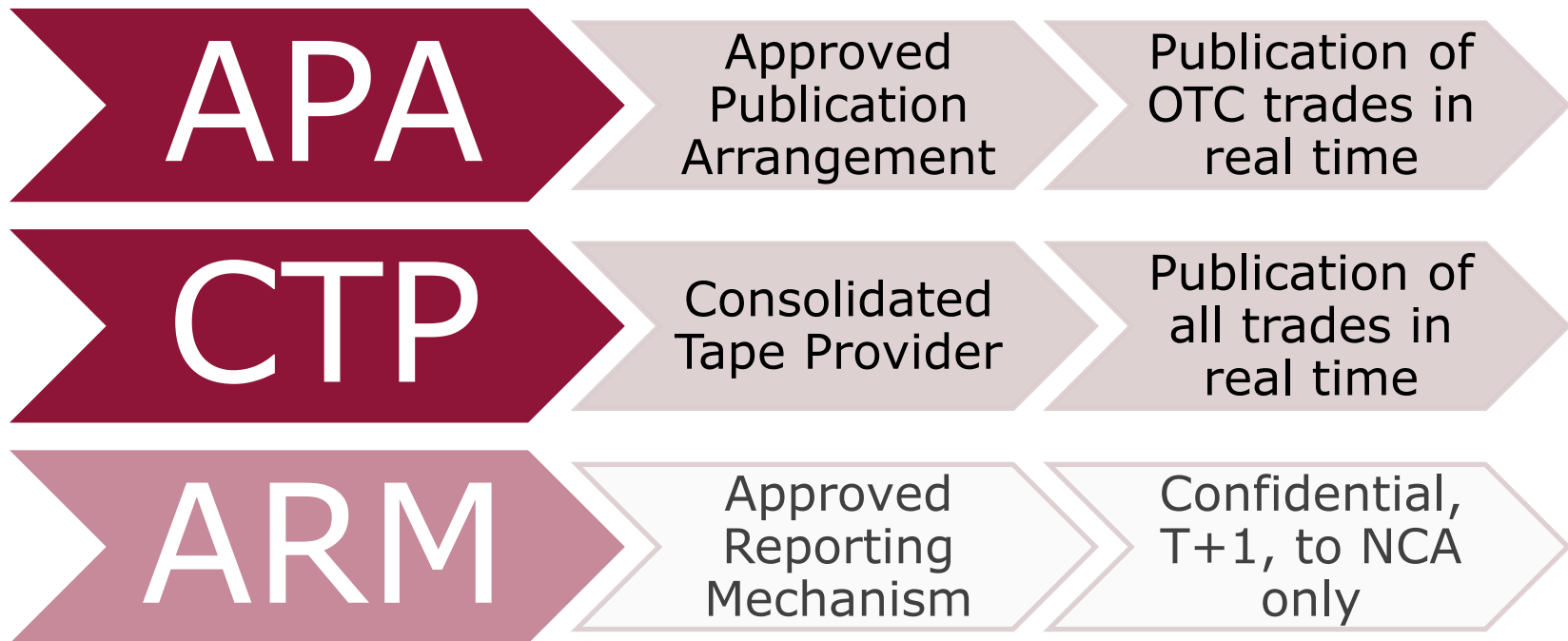
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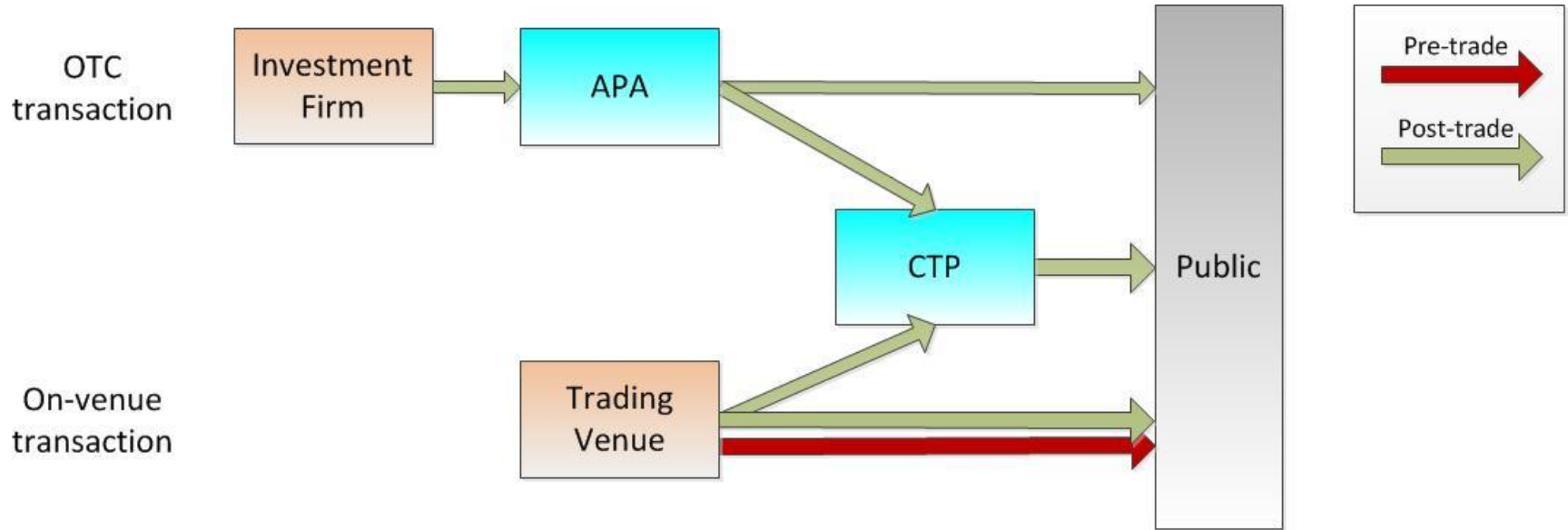
Agenda

- Data Reporting Services Providers (DRSPs)
 - Approved Publication Arrangements (APAs)
 - Consolidated Tape Providers (CTPs)
- Data disaggregation

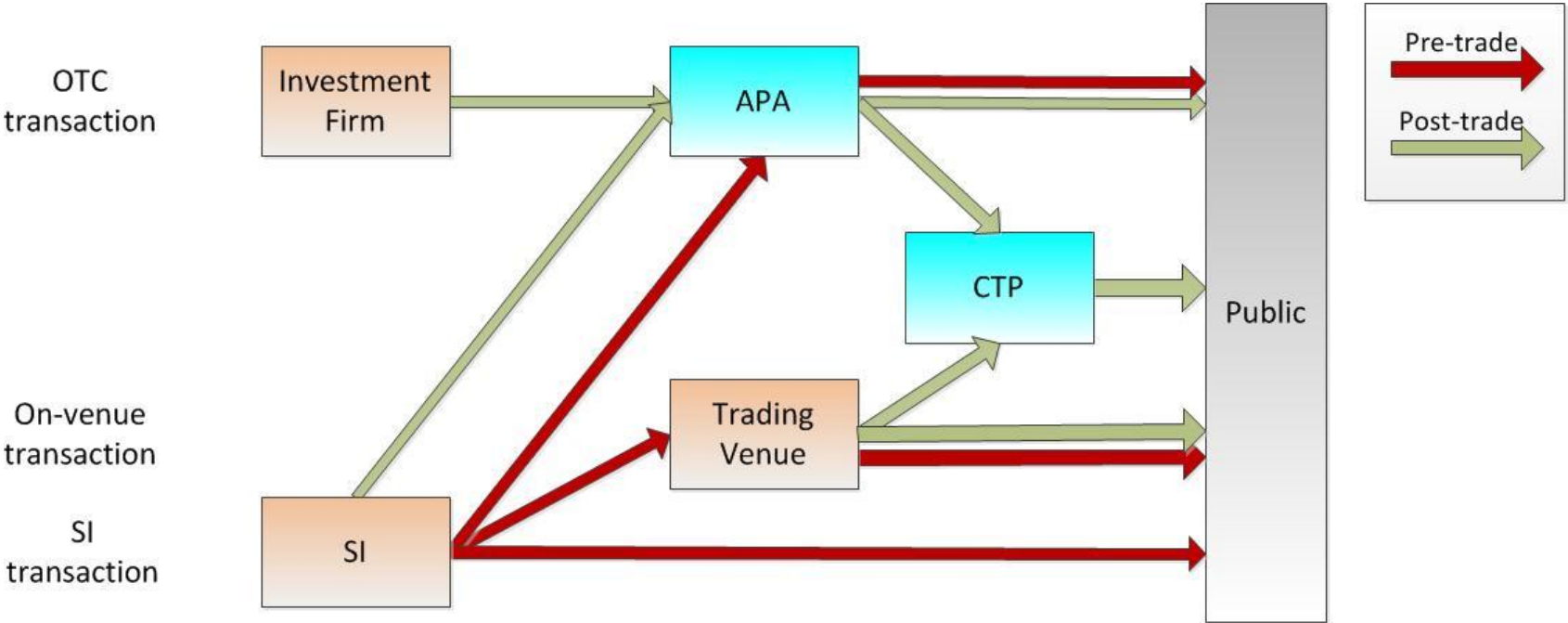
Data Reporting Services Providers



Trade report data flows



Data flows with Systematic Internalisers



Approved Publication Arrangements

- Publish trade reports on behalf of IFs
- Similar to UK's Trade Data Monitors, but:
 - Obligatory for IFs to use APAs
 - Range goes much wider than equities
 - Authorisation is EU-wide
- Trading venues can be APAs

Approved Publication Arrangements (cont.)

- Aim is to improve quality of OTC reports
- So APAs' systems must check data received for errors, taking account of:
 - Sector and segment
 - Liquidity/historic trading levels
 - Price & volume benchmarks
 - Any special factors for each instrument

Consolidated Tape Provider

- So data user can get comprehensive data from a single source at a reasonable price
- Equities tape – 3 January 2017
 - Takes data from all equity trading venues and APAs
 - Consolidates and publishes
 - Free after 15 minutes
- Non-equities tape – 3 September 2018
 - ESMA plans to consult on RTS next year

Data disaggregation

- Five criteria
 - Pre- and post-trade
 - Asset class
 - Country of issue (shares & Govt bonds)
 - Currency of trading
 - Continuous trading v auction

Data disaggregation (cont.)

- Reasonable commercial basis
- Applies only to venues (not APAs or CTPs)
- In case of ambiguity, venue decides
- Criteria are cumulative

Pricing in four dimensions

2. Country of issue

1. Asset class

3. Currency

4. Trading phase

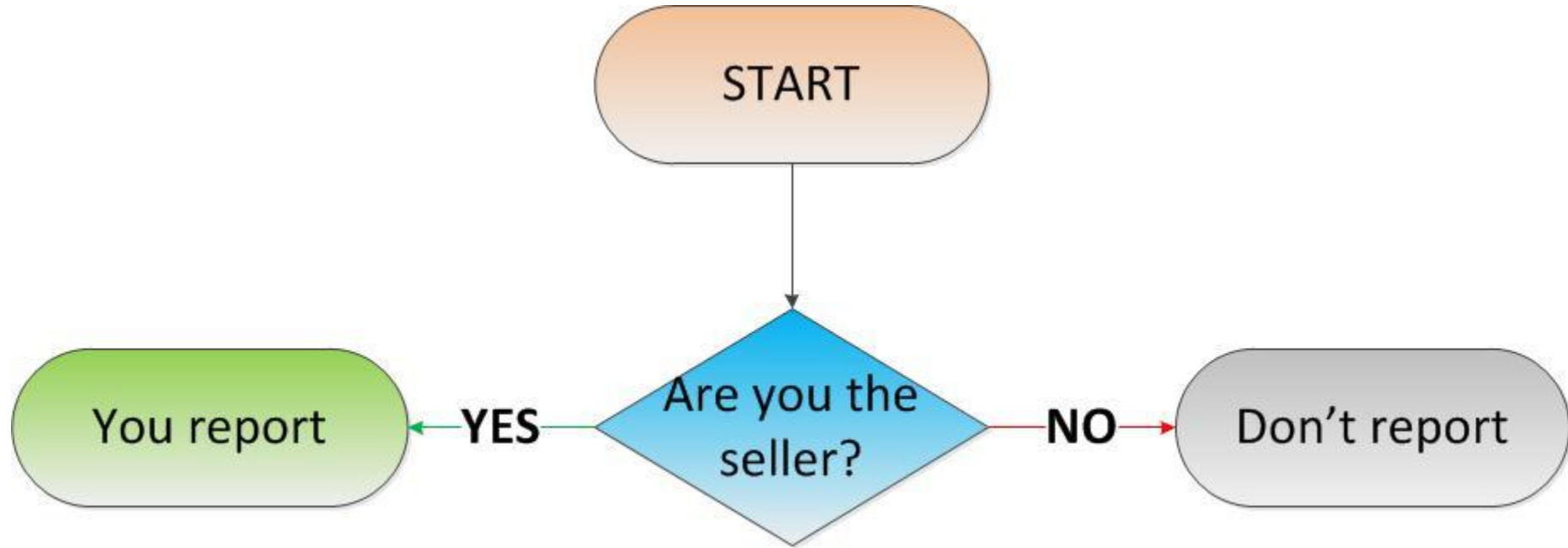
		Equities			Sovereign Bonds			Both		
		UK	US	Both	UK	US	Both	UK	US	Both
Continuous	GBP	250	250	350	250	250	350	350	350	500
	USD	250	250	350	250	250	350	350	350	500
	Both	350	350	500	350	350	500	500	500	700
Auction	GBP	250	250	350	250	250	350	350	350	500
	USD	250	250	350	250	250	350	350	350	500
	Both	350	350	500	350	350	500	500	500	700
Both	GBP	350	350	500	350	350	500	500	500	700
	USD	350	350	500	350	350	500	500	500	700
	Both	500	500	700	500	500	700	700	700	1,000

Data publication - timing

- With a few exceptions, all rules apply from 3 January 2017
- Applications to FCA to be an APA or CTP
 - Application form in ITS (current consultation)
 - Accept draft applications from April 2016
 - Formal applications in July 2016

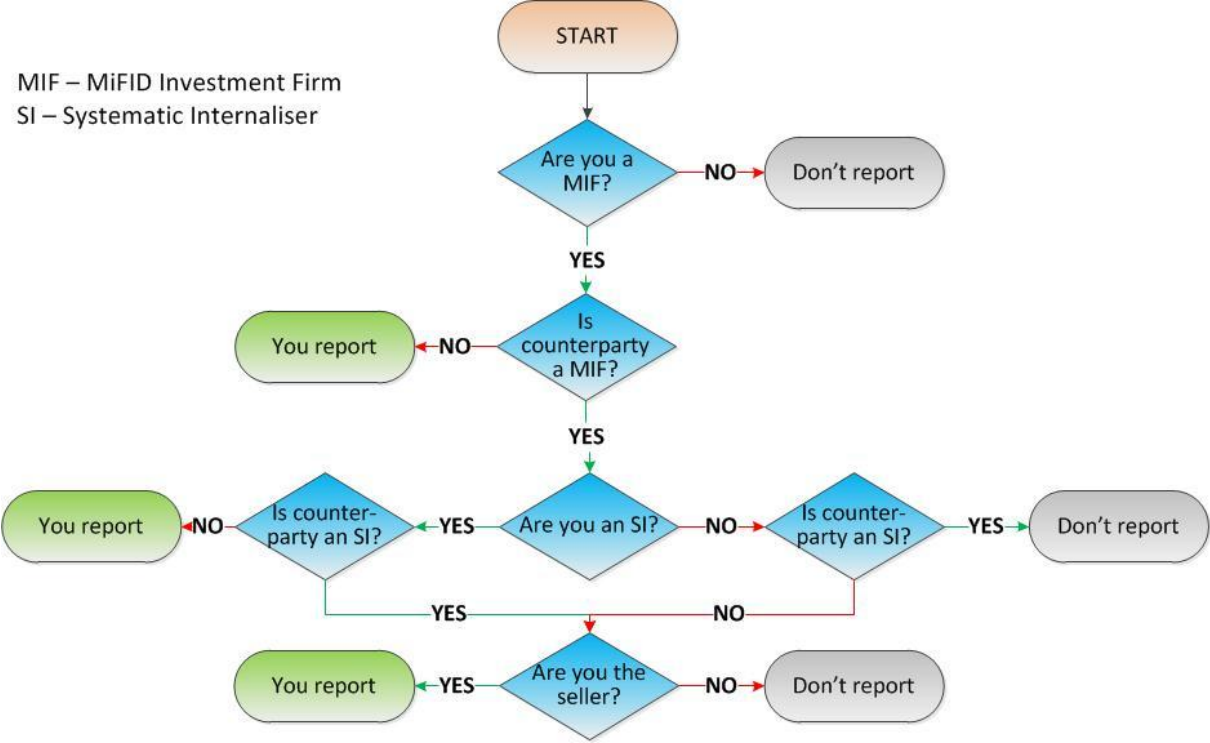
Questions?

Which investment firm reports?



Which investment firm reports?

MIF – MiFID Investment Firm
SI – Systematic Internaliser



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