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INDUSTRY-DRIVEN MESSAGING STANDARD™



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MiFID Forum

Cross Jurisdiction and
Transaction Reporting Subject Group

3rd meeting, 07.11.11
at Goldman Sachs
- Alan Hacking, Host

Alan Jenkins, Chair

MiFID Forum TRSG

Round Table

Suggested topics:

- New MiFID FAQ
- FSA Market Watch 41
- AOB
(- anything Cross Jurisdiction ?)

MiFID FAQ 20/10/11 (1/4)

16. What purpose does transaction reporting serve and what measures are being proposed?

Investment firms have to report to competent authorities all their trades in all financial instruments that are admitted to trading on a regulated market. This obligation applies regardless of where the trade takes place. This system of transaction reporting enables supervisors to monitor the activities of investment firms, which helps them to ensure compliance with MiFID, and to monitor for abuses under the Market Abuse Directive (MAD). The proposals contain the following changes:

MiFID FAQ 20/10/11 (2/4)

First, because market supervision is the main reason for transaction reporting, the requirements under MiFID need to mirror the scope of the MAD. This is not fully the case at the moment and the ongoing review of the MAD makes further changes necessary. The Commission proposes to **extend the scope of transaction reporting to all financial instruments**, with the exception of instruments which are not susceptible to or cannot be used for market abuse.

MiFID FAQ 20/10/11 (3/4)

Second, reporting requirements today diverge between Member States, which adds costs for firms and limits the use of trade reports for competent authorities. **By including the reporting requirements in the regulation, the requirements will be further harmonised, notably the information that identifies who is trading and for whom a trade is being executed. Also, the Commission will be empowered to propose technical standards on a common European transaction reporting format and content.**

MiFID FAQ 20/10/11 (4/4)

Finally, for cost and efficiency purposes, double reporting of trades under MiFID and the reporting requirements to trade repositories should be avoided. The Commission proposes that **a trade already reported to a repository would not need to be reported again under MiFID**, provided all the necessary information is thereby available to competent authorities.

(Note: 'trade repositories' as in EMIR)

Not in MiFID FAQ 20/10/11

Market Operators to store 'order data' for five years
(cf. Investment firms)

Market Operators to report transactions by
non-MiFID firms

All transaction reporting to be done through an ARM
- but Article 23.6 is inconsistent with this

Potential 'central system' deferred by two years
- Article 43.2 confirms this

Source: Regulation 3.4.7 (p.10-11)

*Note: 'Regulation' eliminates national discretions,
e.g. reporting from branches
– Directive recital 45.*



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