
Turquoise Global Holdings Limited (Turquoise) Market Data Transparency Obligation Disclosures 2019

1. Introduction

The transparency obligation set out in Article 11 of Commission Delegated Regulation (EU) 2017/567 of 18 May 2016, as published in the Official Journal of the European Union on 31 March 2017 ("the Delegated Act"), requires that "Market operators and investment firms operating a trading venue and systemic internalisers shall disclose the price and other terms and conditions for the provision of the market data in a manner which is easily accessible to the public" and makes certain specifications with regard to the contents of this disclosure.

This document incorporates the relevant disclosures as set out in the Delegated Act, with the exception of current price lists and the terms and conditions which, as detailed below, can be separately accessed on the Turquoise website.

The market data, which forms the subject of the following disclosures, is generated from order books operated by Turquoise, pooled and packaged before distribution via vendors or directly to end-users in accordance with the "Market Data" documents held in the Turquoise Document Library ("Turquoise Market Data Documents"). Billing and administration is undertaken by the London Stock Exchange Real Time Data Team.

In line with Article 6(2) of Commission Delegated Regulation (EU) 2017/567, **Turquoise NYLON™** services are not included in the scope of these disclosures, as market data resulting from these services is not charged for by Turquoise.

2. Disclosures

a. Current Price lists

Current price lists for Turquoise market data are contained within the Turquoise Tariff Schedule, publicly accessible in the Document Library of the Turquoise website (<http://www.tradeturquoise.com>) and at <https://www.lseg.com/markets-products-and-services/our-markets/turquoise/fees>.

Contractual terms and conditions regarding the current price list can be found within the Turquoise Market Data Documents within the Turquoise Document Library, specifically the Turquoise Information License Agreement.

b. Advance disclosure of future price changes

Information on notice of future price changes is contained within the Turquoise Market Data Documents, as outlined above.



c. Information on the content of the market data distributed

Number of instruments covered	4, 600 ¹	<i>Instruments admitted to trading on Turquoise as of 17/10/2018</i>
Total turnover of instruments covered	€992,821.6mn	<i>2017 value traded on Turquoise</i>
Pre-trade and post-trade market data ratio	98% pre-trade; 2% post-trade	<p><i>With 2017 data:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Pre-trade: number of orders (new orders, amendments, cancellations, fills and expires) in Turquoise LitTM, excluding Market orders and IOC/FOK orders</i> <input type="checkbox"/> <i>Post trade: number of trades in Turquoise LitTM, Turquoise Plato Lit AuctionsTM and the Turquoise PlatoTM non—displayed order book</i>
Data provided in addition to market data	<p>Turquoise provides 5 market reference data files:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Instrument Data <input type="checkbox"/> Calendar Data <input type="checkbox"/> Price Tick Data <input type="checkbox"/> Turquoise Plato Block DiscoveryTM Min Indication Value Data <input type="checkbox"/> Turquoise TrackInsightTM A-list Data 	<p><i>Turquoise Reference Data files can be downloaded via either FTP or SFTP, with access to Turquoise FTP/SFTP servers via Extranex, Hosting, CMC as well as via the Internet.</i></p> <p><i>This is outlined in “TQ501 - Guide to Reference Data Services” in the Document Library of the Turquoise website ².</i></p>
Date of last licence fee adaptation for market data provided	1 st January 2019	<i>Effective date for most recent changes (announced via Market Notice 28/09/2018)³.</i>

¹Rounded to the nearest hundred

²https://www.lseg.com/sites/default/files/content/documents/TQ501%20Guide%20to%20the%20Reference%20Data%20Services%20Customer%20-%20Issue%204.1_0.pdf

³ <https://www.lseg.com/documents/turquoise-notice-revision-turquoise-market-data-charges-pdf-0>

d. Revenue obtained from making market data available

Per audited 2017 accounts:

Revenue obtained from making market data available	£2.5m (gross revenue)
Proportion of that revenue compared to total revenue	7% (of total gross revenue)

Information on how the price was set including the cost accounting methodologies

Costs are apportioned in line with the methodology described in this document.

Background

Turquoise is majority owned by, and outsources a number of functions to, the London Stock Exchange Group ("LSEG" or the "Group"). Those functions outsourced include the billing, business development and administration of Turquoise's Market Data business which are performed by the London Stock Exchange plc ("LSE") Real Time Data team, which forms part of the LSEG Information Services division.

Methodology

Costs are grouped in three categories: direct costs, indirect costs and joint costs.

Direct costs are specifically incurred to run Turquoise's Market Data business. These costs are allocated in total to the Market Data business and are not shared with other business areas.

The indirect costs represent the internal services that are necessary to support Turquoise's Market Data business. These are aggregated in cost pools and assigned allocation drivers which in turn allow their costs to be shared by revenue generating areas of the business.

Joint costs are those incurred in running the Market Data and Trading businesses concurrently given that, due to their nature, it is not possible to offer either of these services in isolation.

Indirect and joint operating costs are allocated on a pro rata basis based on the contribution of the market data business line to total revenue.

Direct costs:

As Turquoise outsources the Market Data business to LSE, the only direct cost allocated to the Market Data business is the cost of sales relating to that outsourcing arrangement.

- **Cost of sales to LSE plc**

Indirect costs:

The following are the key indirect costs for the Market Data business:

- **Property costs**
- **IT infrastructure costs**
- **Divisional support function costs**
- **Group support function costs**

Joint costs:

Turquoise's Trading and Market Data businesses are jointly produced services: a single technology platform facilitates both trading activity and data production and it is not possible to offer one service without the other.

LSEG, including Turquoise, allocates platform costs between the Trading and Market Data businesses. Accordingly, key joint costs are the following:

- **Technology platform costs**
- **Third party information services fees and subscription fees**
- **Staff costs for certain Turquoise employees**
- **TGHL Depreciation and amortisation**