

# London Stock Exchange Derivatives

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## MARKET NOTICE 2017/086

### MiFID II go-live on 3 January 2018

London Stock Exchange Derivatives Market (LSEDM) reminds Member Firms of the following deployments in SOLA 11 and Rule Book changes to facilitate compliance with MiFID II:

#### On 2 January 2018

- Updated Minimum Threshold Parameters for Bilaterally Negotiated Trades (BNTs) to disable trades below Large-in-scale parameters for liquid derivatives;
- Bilaterally Negotiated Trades (cross orders, where still available) will no longer contribute to the last trade price and other price statistics;

#### On 3 January 2018

- Introduction of 'Matched Principal' trading capacity;
- Introduction of 'Stressed Market Conditions' (SMC).

The 'Derivatives Rule Book', 'LSEDM Trading Services Description' and 'Bilaterally Negotiated Trade Guidance' have been updated to facilitate the changes required for MiFID II, all of which are available in the [LSEDM Document Library](#). In particular key changes to the Bilaterally Negotiated Trade Guidance include:

- Exchange of Future for Physical transactions have been replaced with Exchange for Security for equity derivatives and Basis Trades for interest rate derivatives (CurveGlobal products), to synchronise with the Derivatives Rule Book;
- Basis Trades, Exchange for Security and Exchange of Future for Swap transactions must be reported to the Exchange within 15 minutes, reduced from 1 hour;
- Equity Derivative Block Trades must be reported to the Exchange within 15 minutes, reduced from 1 hour; there have been no changes to time reporting times for Interest Derivatives Block Trades; and
- Minimum sizes have been introduced for Basis Trades, Exchange for Security and Exchange of Future for Swap transactions.

Members are strongly encouraged to familiarise themselves with the updated documents.

Clients wishing to receive more information should contact the LSEDM Sales Team.





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