

Voluntary OTC Trade Reporting Service for ETF & ETPs



London
Stock Exchange Group

Contents

1.0	Introduction	4
2.0	Background	4
3.0	Service Description	4
4.0	Access to the OTC Trade Reporting Service	5
5.0	Pricing	5
6.0	Trade Reporting Responsibilities	5
7.0	Further Information	5

29 November 20136

1.0 Introduction

This document details the operation of the voluntary OTC Trade Reporting service for executions in European listed Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs, such as Exchange Traded Commodities and Exchange Traded Notes) that are not subject to London Stock Exchange Rules. This optional service has been provided to allow issuers to increase the pan-European transparency of their products.

The new service does not change existing obligations of Member Firms under London Stock Exchange Rules. There is no obligation on any firm to either register for the service or use it once they have registered.

2.0 Background

Unlike equities, there is no requirement under the Markets in Financial Instruments Directive to trade report executions in ETFs and ETPs, even where admitted to an EU Regulated Market. However, London Stock Exchange Rules (under paragraph 3000.3) imposes transparency requirements in ETF and ETP executions admitted to trading in London, so that at least one Exchange Member Firm is required to report trades to a venue of at least equivalent transparency to London Stock Exchange.

In order to improve transparency, issuers and market participants have requested a voluntary service to allow executions in European listed ETFs and ETPs, not subject to London Stock Exchange Rules, to be published where the participants choose to do so.

3.0 Service Description

The service requires the use of the OTC trade types with venue ID XOFF in all ETF and ETP trading segments.

Where the ETF/ETP is also a London listed security the reporting party will indicate that it has traded in the non-London line by using the relevant OTC trade types. An OTC trade report in a London admitted ETF/ETP indicates that the trade was done off Exchange (not subject to Exchange Rules) and relates to an ETF/ETP listed in another European market. On Exchange trade report types would continue to indicate that the trade was executed subject to London Stock Exchange Rules. Published time and sales will clearly differentiate between the two.

Where an issuer wishes to allow voluntary OTC trade reporting in a European listed ETF/ETP that is not London listed, it may apply to have the relevant ISIN and TIDMs added to Millennium sector EOTC within trading segment ETFS by contacting the Listed Products team on +44 (0) 20 7797 3921. All such security additions, deletions and amendments will be communicated via the reference data service, Datasync, in the normal way. Only OTC trade types should be used in trading sector EOTC as it is not possible to bring trades in non-London listed ETFs/ETCs on Exchange under paragraph 3000 of the Rules.

Full details of the ETF and ETP trading segments and sectors, along with the relevant OTC trade type information can be found in the Millennium Business Parameters document which can be found as a download at:

www.londonstockexchange.com/products-and-services/trading-services/millennium-exchange-business-parameters.xls

29 November 20136

4.0 Access to the OTC Trade Reporting Service

The service is open to Member Firms and non-members with trade reporting capabilities.

- Member Firms that already have access to the existing OTC trade reporting service will automatically be able to access the ETF/ETP service.

- Other Member Firms wishing to access the MiFID OTC service will need to complete the relevant section of the Trading Services Agreement and should contact the Client Implementation team on +44 (0) 20 7797 3232.

- Non-member firms who are not currently signed up to the existing MiFID OTC trade reporting should consult the Service & Technical Description for Non-Member OTC Trade Reporting Service via FIX, which can be found as a download at:

www.londonstockexchange.com/products-and-services/trading-services/european-trade-reporting-service/otc-trade.pdf

Alternatively please contact the Listed Products team on +44 (0) 20 7797 3921.

5.0 Pricing

For both member firms and non-member firms, it is complementary to use the voluntary OTC Trade Reporting service.

For issuers, it is complementary to apply to add the relevant ISIN and TIDMs to Millennium sector EOTC within trading segment ETFS in order to allow voluntary OTC trade reporting in a European listed ETF/ETP that is not London listed.

For further information, please refer to the Trading Services Price List available here:

http://www.lseg.com/sites/default/files/content/documents/Trading%20Services%20Price%20List_effectiveAug2016_final.pdf

6.0 Trade Reporting Responsibilities

Whilst neither counterparty is under obligation to use the OTC service, participants should agree which party will report the trade to avoid duplication.

7.0 Further Information

For further information about this service, please contact the Listed Products team on +44 (0)20 7797 3921 or at etfs@lseg.com.

This document has been produced by the Exchange to assist users of the Exchange's systems. While it has been prepared on the basis of the best information available, the Exchange accepts no liability for decisions taken, or systems work carried out between any parties, based on this document. This document does not form part of the contractual documentation between the Exchange and its customers.

© December 2016 London Stock Exchange plc. London EC4M 7LS. Telephone +44 20 7797 1000
www.londonstockexchange.com

Registered in England and Wales No 2075721 The London Stock Exchange crest and logo are trademarks of London Stock Exchange plc.



London

Stock Exchange Group