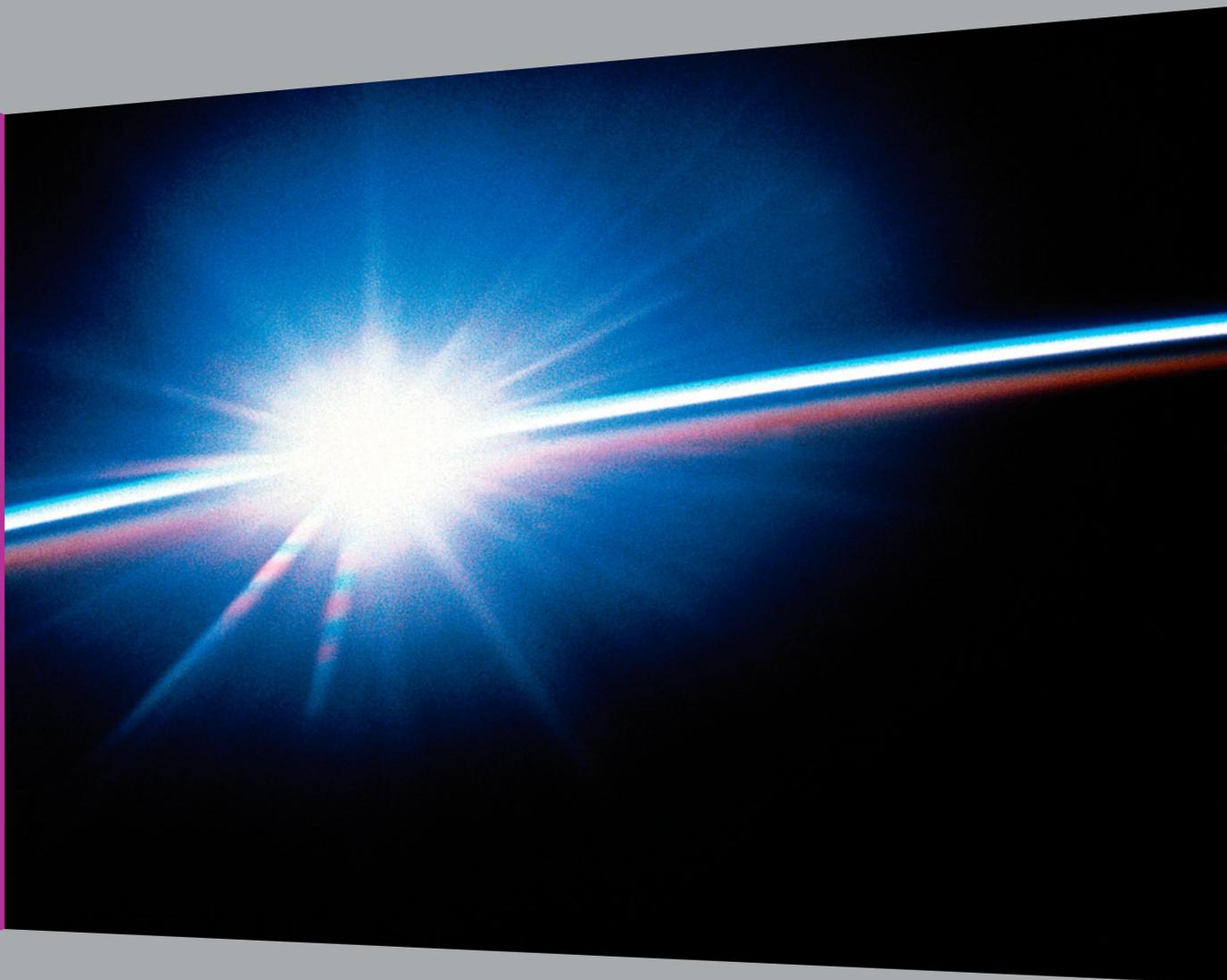




*London*  
**STOCK EXCHANGE**

## Post-trade services under MiFID

LEADING SOLUTIONS FOR A PAN-EUROPEAN MARKET



Working together with the market,  
we have developed a range of services  
to deliver simple-to-use solutions for  
your MiFID obligations.

## European Trade Reporting (ETR) service to meet your post-trade reporting obligations

The London Stock Exchange already operates a post-trade reporting service across all its UK and international markets. MiFID additionally requires all shares admitted to trading on an EU Regulated Market (EURM) to be reported in a similar manner. Therefore we will launch a new expanded and enhanced high quality reporting service to deliver pan-European coverage at a competitive cost.

### ETR's key features

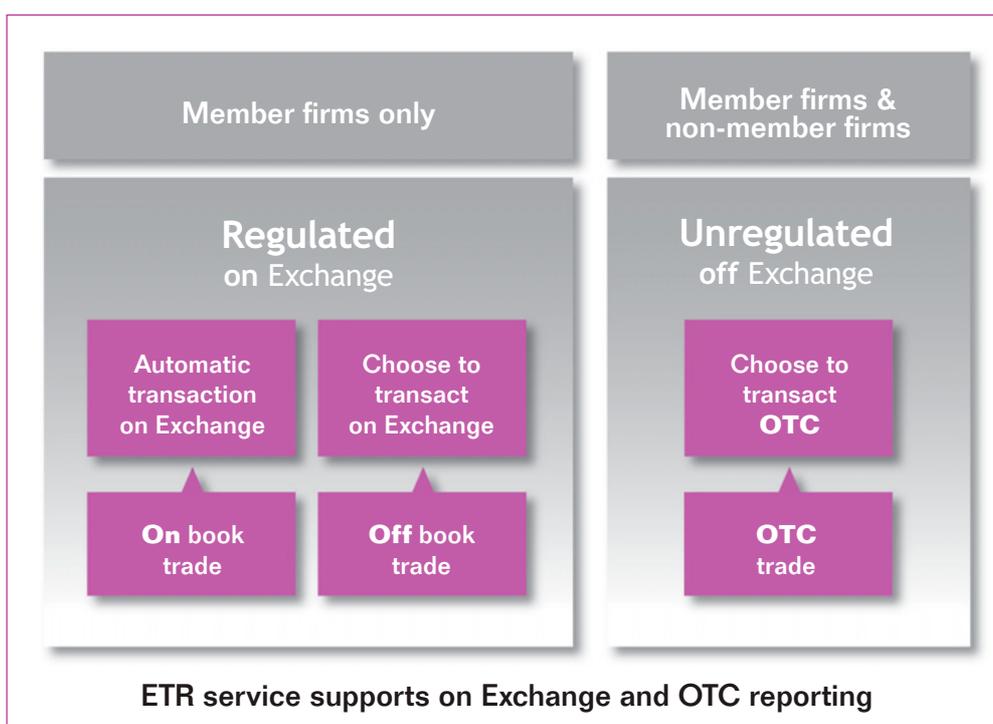
- 'One-stop-shop' pan-European service available 08:15 to 18:15 CET
- Open on all EU business days for the European market
- Fully automated management of MiFID publication delays
- Real-time price monitoring to uphold data integrity
- Venue ID displayed for each trade
- Publication to over 117,000 terminals, displayed in over 100 countries, and to over 200 vendors
- Covers all EURM stocks, approximately 13,000

- Delivered on the Exchange's next generation trading technology, TradElect™, with its world-beating performance and highest levels of availability
- Global publication via our website showing free delayed data
- 6p per trade report
- No incremental data charge for existing data subscribers and £3.50 per terminal for new subscribers to off book trade reports only

### Trading on or off Exchange?

MiFID allows trades executed on Exchange to be either within our automated system ie on book **OR** purely under our rules-based system ie off book. As shown below, our on and off Exchange trades fall into three categories:

- Trades executed on SETS®, our order book, will be automatically reported<sup>1</sup>
- Trades executed off book can be reported as on Exchange benefiting from our rule book and regulatory safeguards
- Trades executed off Exchange OTC



<sup>1</sup> the Exchange's rule book also applies to on book trades as well as benefiting from the most efficient automated platform for execution.

ETR will also support unregulated reporting for OTC (ie off Exchange) trades where firms will need to ensure prior client consent has been given to trade OTC. The OTC reporting service will be operated as a Trade Data Monitor (TDM) available to both member and non-member firms.

Whether a trade is reported on Exchange or OTC, it benefits from these advantages:

- Monitored in real-time using our sophisticated surveillance system to ensure confidence and maximise data integrity
- Team of supervisors to monitor alerts, take appropriate action and respond to queries and provide advice in real-time

## What are the benefits of trading 'on Exchange' via ETR?

The Exchange acts as more than just a centralised and reliable publication venue. The fact a participant's trades are transacted under the Exchange's Rules provides a number of significant benefits:

- **Neutral, regulated environment** provided by the Exchange promotes **efficient trading practices**
- **Prior express consent from clients is NOT required** (whereas MiFID requires a two-way agreement to trade OTC)
- **Default**, in the event of the failure of a firm the Exchange's Rules ensure that agency trades can be completed by putting the principals in touch with each other and requiring that principal trades are netted off
- **Settlement enforcement**, where a member firm may request the enforced purchase (ie buying-in) of securities on behalf of another Exchange member in order to facilitate the settlement of a transaction executed on Exchange



## Exchange Reporting Service (ERS) to meet your transaction reporting obligations

MiFID requires that a competent authority receives transaction reports for all transactions undertaken by an authorised investment firm.

The ERS will be available to member and non-member firms wishing to have a straightforward and cost-effective way of submitting transaction reports **in any asset class** to the Financial Services Authority (FSA).

### ERS key features

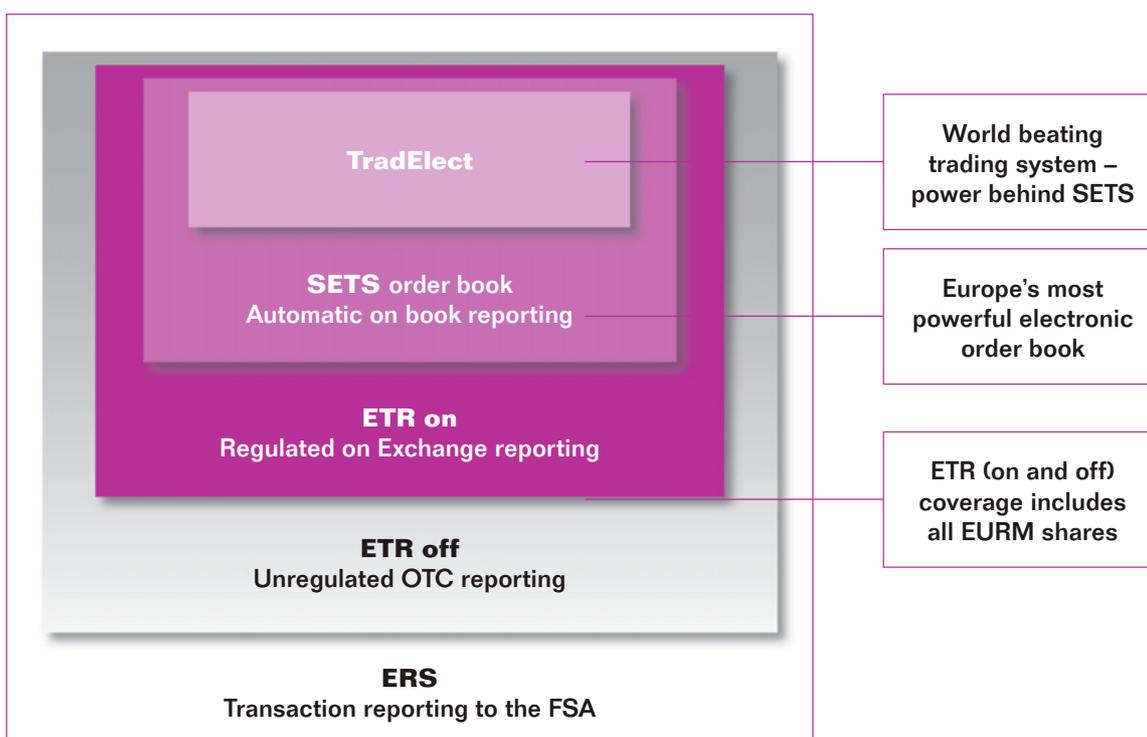
- ERS has received full conditional approval from the FSA as an Approved Reporting Mechanism (ARM)
- Proven and reliable service to significantly reduce implementation risk
- Stand-alone browser-based or automated interface options available
- 2p per transaction report

## Making additional ETR market data available

The ETR service enables us to capture and disseminate additional post-trade information:

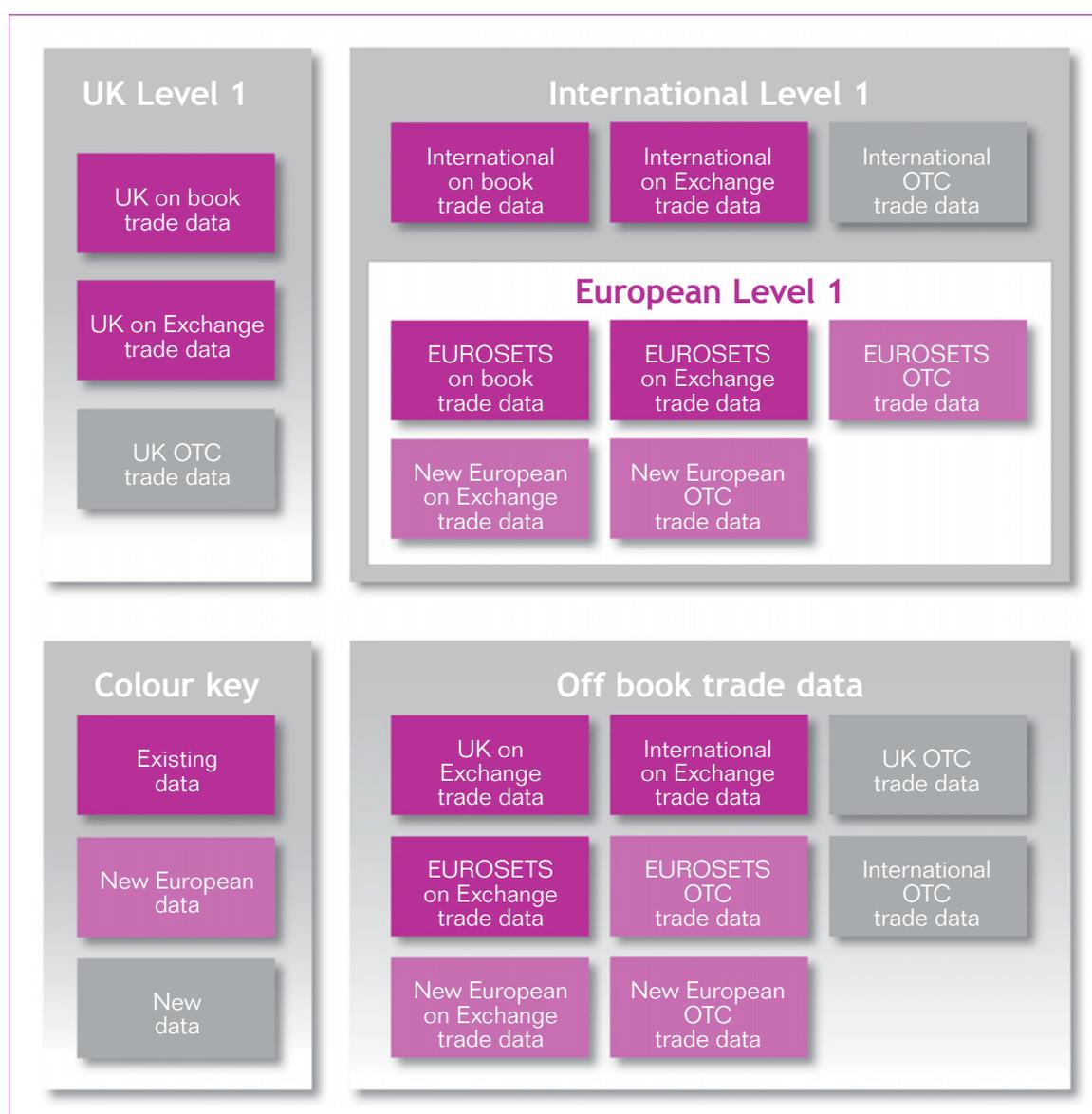
- We will continue disseminating market data as we do today with the addition of new European data including both on Exchange and OTC trades
- In addition, we will offer a new service package that is purely for off book trades (both on Exchange and OTC) in all securities
- The new service will be disseminated via the Exchange's highly reliable and resilient market data system, Infolect™, and will be fully integrated within our feed to minimise the impact on customers wishing to take this additional data set

### Our complementary range of MiFID reporting services are underpinned by TradElect

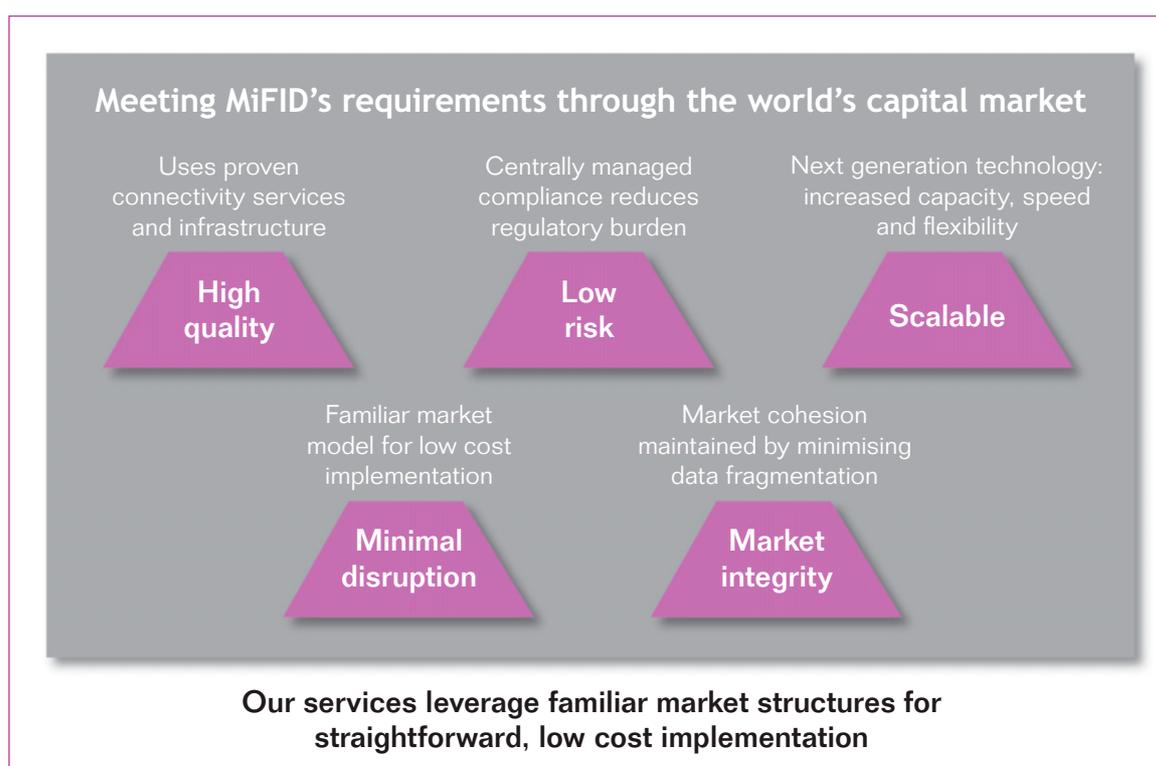


## ETR market data

- New OTC trade reporting data available as part of existing Level 1 services for **no additional fee**
- For clients who are not existing Level 1 subscribers, a new complete off book data service is available for **£3.50** per terminal per month
- Simple-to-use and with the same message format irrespective of on Exchange or OTC trade reports
- Data quality standards expected of an Exchange, maintained through real-time price monitoring
- Approximately 13,000 EURM stocks available
- All European Liquid stocks covered (approximately 600)



In summary our range of MiFID compliant reporting and market data services are built on the Exchange's unique strengths.



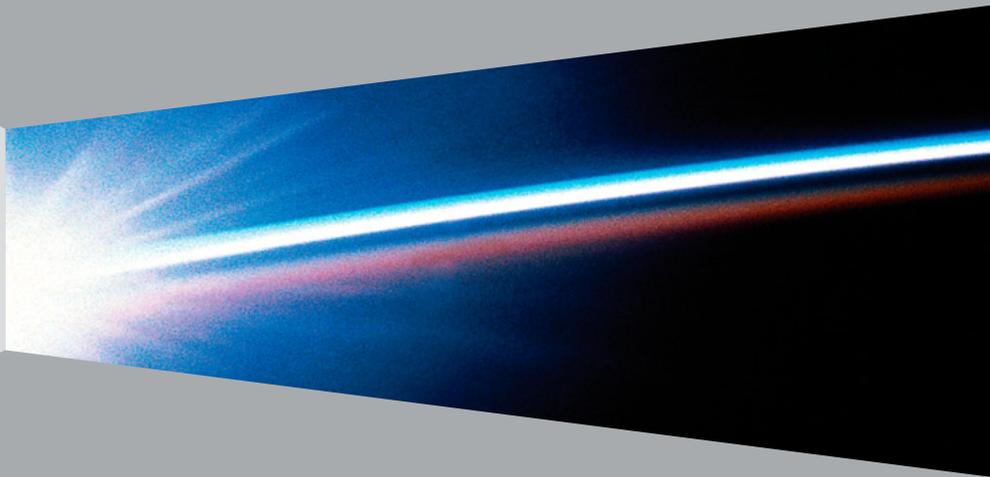
Please contact your primary account manager to find out more and sign up for any of these MiFID solutions.

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Telephone: +44 (0)20 7797 4093

Or visit our website at  
[www.londonstockexchange.com/mifid](http://www.londonstockexchange.com/mifid)



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