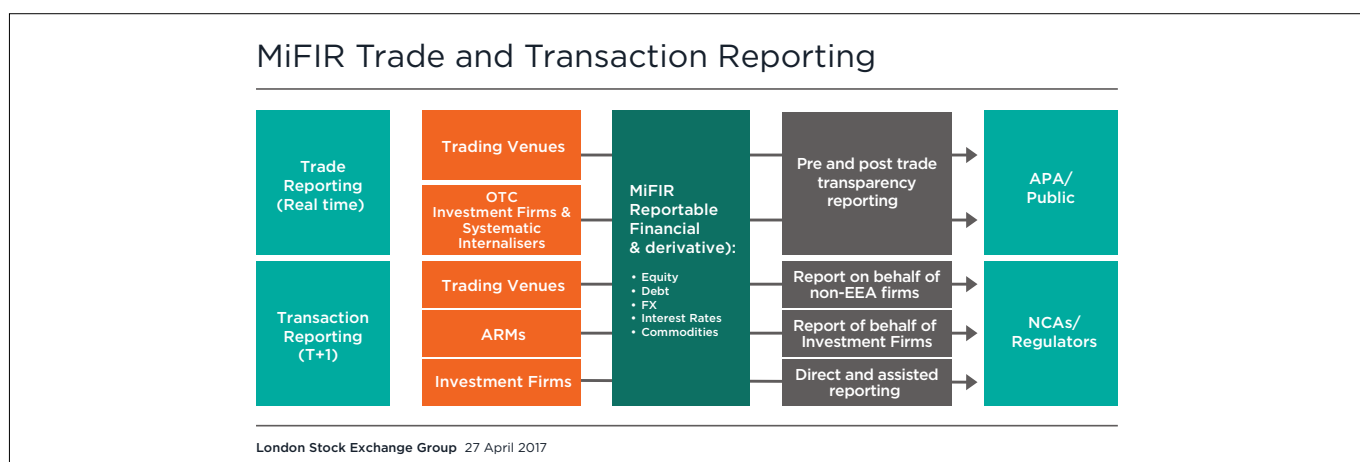


MiFID II and MiFIR trade and transaction reporting

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How Colt PrizmNet can help you meet the new requirements

In January 2018 MiFID evolves to MiFID II, placing new obligations on capital markets participants, and modifying trade and transaction reporting rules. The aim is to increase the quality and quantity of data available to regulators, to help them prevent market abuse and maintain orderly markets.



Trade reporting (near real time)

Near-real-time trade reporting enables price formation and operation of best execution obligations. Under trade transparency rules investment firms and SIs must report basic details of their trades to the APAs of their choice in near real time, for dissemination to the market.

Transaction reporting (T+1)

Trade details must be reported in T+1 to an ARM, which validates the data before sending the reports on to the regulatory bodies. Transaction reports are used primarily by those bodies to detect market abuse; the data isn't made available to other market participants.

Key MiFID II changes: transaction reporting

- Transaction reports must be made to an ARM, rather than a TDM.
- There are many more reportable fields than before, and increased focus on data quality.
- More asset classes are covered: in addition to equities and bonds (already covered under MiFID), commodities, currencies, and credit products and their derivatives are all in scope.
- Buy-side firms are no longer exempt from transaction reporting.

Key MiFID II changes: systematic internalisers (SIs)

MiFID II retains the SI regime from MiFID I, augmenting it as follows:

- Expansion of the list of in-scope instruments from equities alone to include equity-like instruments (such as depositary receipts, certificates and exchange traded funds) and non-equity instruments (such as bonds, derivatives, emissions allowances and structured finance products) are in scope.
- Introduction of pre-trade transparency requirements for the trading of bonds and derivatives.

Why Colt PrizmNet?

The Colt PrizmNet financial extranet provides easy, efficient access to a cloud-based ecosystem of regulatory solutions designed to help accelerate your compliance in time for MiFID II. You'll have secure, high-speed connectivity to APAs and ARMs, banks and buy-side participants; as well as to analytics providers who can help you prepare the reports you need.

In addition, you have access to SIs' liquidity through proximity and colocation as well as via network connectivity.

Single point of integration

With Colt PrizmNet as your single point of integration for multiple regulatory regimes, you'll be able to:

- Remove the complexity of setting up individual connections
- Cut the cost of compliance with MiFID II and other directives and regulations
- Benefit from our relationships with APAs and ARMs

In support of pre-trade transparency obligations, Colt PrizmNet also provides connectivity to the platforms that help firms determine if they qualify as SIs, as well as the ability for SIs to publish quotes.

Colt PrizmNet features supporting MiFID II reporting

Deterministic low latency. You can be confident of reporting on trades and transactions within the required timeframes.

Global reach. Even if you're based outside Europe, you can use Colt PrizmNet connectivity to help you comply with MiFID II reporting obligations.

Self-service portal. Choose which APAs, ARMs and other providers you wish to connect to, and easily revise those choices later if you need to.

Advanced network reporting. Monitor network performance against SLAs and identify any issues.

Glossary	
<p>APA = Approved Publication Arrangement APAs are responsible for making trade report data available to the public.</p> <p>ARM = Approved Reporting Mechanism ARMs collect transaction reports from financial firms.</p> <p>ESMA = European Securities and Markets Authority</p> <p>MiFID = Markets in Financial Instruments Directive</p> <p>MiFIR = Markets in Financial Instruments Regulation</p>	<p>SI = systematic internaliser An investment firm which, on an organised, frequent, systematic and substantial basis, executes client orders against proprietary capital outside a regulated market, MTF or OTF, without operating a multilateral system.</p> <p>T+1 = settlement date The settlement or transfer of money and security ownership takes place one day after the transaction date.</p> <p>TDM = Trade Data Monitoring Under MiFID II, TDM services are replaced by ARMs.</p>

More information

To find out more about Colt PrizmNet and how it can help you meet your MiFID II trade and transaction reporting obligations, contact us:

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