Fidelity International Response to CESR

Part 2: Execution quality data (Art 44(5) of the MiFID Level 2 Directive)

13. Do you agree that to enable firms to make effective decisions about venue selection it is necessary, as a minimum, to have available data about prices, costs, volumes, likelihood of execution and speed across all trading venues?

- We agree. However, the quality of post-trade data needs to improve significantly.
- We would also have a concerned that the data envisaged by a periodic publication of execution quality may be too high level or infrequent for institutional investors.

14. How frequently do investment firms need data on execution quality: monthly, quarterly, annually?

- Monthly for the most liquid shares. Perhaps quarterly for less liquid shares.

15. Do you believe that investment firms have adequate information on the basis of which to make decisions about venue selection for shares?

- Yes, but we still have concerns around the quality of post-trade data.
- Standardisation could improve the quality of information provided by execution venues.

16. Do you believe investment firms have adequate information on the basis of which to make decisions about venue selection for classes of financial instruments other than shares?

- No. Some markets such as fixed income and derivative markets are still opaque and lack basic pre or post trade transparency.
- It can be difficult to demonstrate best execution in these markets due to the lack of benchmarking data.

17. Do you agree with CESR's proposal that execution venues should produce regular information on their performance against definitions of various aspects of execution quality in relation to shares? If not, then why not?

- Yes. However, execution venues should also be mandated to provide the data in a standardized and consistent manner and make it readily accessible to all market participants.

18. Do you have any comments on the following specifics of CESR's proposal:

- **imposing the obligation to produce reports on regulated markets, MTFs and systematic internalisers;**
- **restricting the coverage of the obligation to liquid shares;**
- **the execution quality metrics;**

- **the requirement to produce the reports on a quarterly basis?**

- We agree that the obligation to produce reports should apply equally to all execution venues.
- We would prefer to see reports on a broader list of shares by liquidity bands.
- We believe an execution quality metrics defined by CESR would be a good idea and would provide a framework for execution venues and data vendors to use to provide comparable information to market participants. The reporting of cancelled orders would also be an important addition.
- We believe monthly reporting better matches the pace of evolution in the market.

19. Do you have any information on the likely costs of an obligation on execution venues to provide regular information on execution quality relating to shares? Where possible please provide quantitative information on one-off and ongoing costs.

- N/A. This question is aimed at market operators.

20. Do you agree with CESR that now is not the time to make a proposal for execution venues to produce data on execution quality for classes of financial instruments other than shares? If not, why not?

- We agree. We believe CESR should wait until the results of the new EEA regime for post-trade transparency is available.