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A joint response by the Association for Financial Markets in Europe and British Bankers Association to the Committee of European Bankers Supervisors (CESR) Technical Advice to the European Commission in the Context of the MiFID Review - Equity Markets.

The Association for Financial Markets in Europe and the British Bankers' Association welcome the opportunity to respond to this paper and look forward to further active engagement in the ongoing debate concerning the European Equity Markets.

AFME, the Association for Financial Markets in Europe, promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME was formed on November 1st 2009 following the merger of LIBA (the London Investment Banking Association) and the European operation of SIFMA (the Securities Industry and Financial Markets Association). AFME represents a broad array of European and global participants in the wholesale financial markets, and its 197 members comprise all pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME provides members with an effective and influential voice through which to communicate the industry standpoint on issues affecting the international, European, and UK capital markets. AFME is the European regional member of the Global Financial Markets Association (GFMA).

The British Bankers' Association is the leading association for UK banking and financial services sector, speaking for over 200 banking members from 50 countries on a full range of UK and international banking issues. All the major

institutions in the UK are members of our Association as are the large international EU banks, the US banks operating in the UK, as well as financial entities from around the world. The integrated nature of banking means that our members engage in activities ranging widely across the financial spectrum encompassing services and products as diverse as primary and secondary securities trading, insurance, investment bank and wealth management as well as conventional forms of banking.

Executive Summary

Three of the key objectives in the initial implementation of MiFID were to ensure a high standard of transparency, to increase competition and to ensure a fair marketplace that would thereby remain internationally attractive. The detailed content of this equity market consultation paper should be assessed against these objectives.

On Transparency Issues

We believe that the organised equity markets where over 90% of trading is carried with pre trade transparency should be seen as a major success and therefore significant changes to the existing waiver requirements are not warranted.
We see the post trade transparency issues as an area for significant improvement and are supportive of the proposals concerning data quality, consolidation and cost reduction. We have a preference for multiple approved publication arrangements, which if operating properly will provide the required benefits to the market most cost effectively.

On Competition Issues

We are concerned that this review is not used to drive a process that leads to a "one size fits all" outcome that would permanently damage our ability to innovate and significantly reduce our ability to compete globally. Note must be taken of the aggregate impact of the proposed changes to ensure that the advantages to one particular type of trading process do not become so great as to remove the competitive element the existing MiFID framework strove so hard to achieve.

The existing MiFID framework was designed to ensure that the many types of end users of the market had sufficient choice when deciding how to achieve their

different transactional objectives. The rationale for the RM, MTF, SI and Broker Crossing Networks remains valid and has not caused regulatory concern to date. Whilst the relative proportions of the market for each process should rightly be kept under review there is no ideal percentage at which regulatory intervention is warranted and informed customer choice should ultimately determine the relative amount of each. The theoretically attractive advantages in moving more business into the more "formal space" of RM and MTF must be balanced with the practical and commercial reality of customer demand for the "less formal" (BCN). The small percentage of business in the less formal space does not warrant regulatory intervention to change the mix.

The market's ability to embrace technological change should not be underestimated or improperly restricted.

Increased automation of public order books has allowed significant changes to trading practices to develop in a short timeframe and we believe that further empirical work, highlighting current good and bad practices, should be undertaken before some of the proposals go further. The regulatory challenge is to continue to apply consistent principles and objectives as new technical solutions are developed. This is not an easy task and must be undertaken under the "good regulation principles".

<u>On Fair Markets</u>

We are supportive of the increased product scope and general improvements in regulatory data collection

Introduction

The short timeframe allowed for responding to these, and the many other, significant policy issues being debated at present is less than satisfactory and continues to cause our members difficulties in providing the necessary feedback that we feel is required under the "good regulation principles". We have nevertheless provided comments below that are referenced to the particular questions in the consultation paper. We would of course, be happy to discuss or expand on any of the points we have made and may well write further as our thoughts on particular topics develop.

Our comments are designed to reflect the clear and consistent views of our members many of whom will also be responding directly to CESR as these are important issues to them and they are able to add specific detail and Firm experience..

Detailed Comments

Pre Trade Transparency

Question 1: Do you support the generic approach described above?
Question 2: Do you have any other general comments on the MiFID pre-trade transparency regime?

We strongly support competition between trading venues for execution services as a method of providing real investor choice. We agree that a high level of pre trade transparency assists in the price discovery process and provides a means of reducing issues caused by fragmentation.

We agree with a generic approach that retains pre trade transparency on organised markets and any process that ensures greater precision in the definition of waivers and their consistent applicability across all relevant markets is to be welcomed.

The small number of waivers from pre trade transparency obligations and limited percentage of the market volume undertaken within their remit does not provide sufficient evidence to recast the reasons for their existence.

Large in Scale Waiver

Question 3: Do you consider that the current calibration for large in scale orders is appropriate (Option 1)? Please provide reasoning for your view.
Question 4: Do you consider that the current calibration for large in scale orders should be changed? If so, please provide a specific proposal in terms of reduction of minimum order sizes and articulate the rationale for your proposal?
Question 5: Which scope of the large in scale waiver do you believe is more appropriate considering the overall rationale for its application (i.e. Option 1 or 2)? Please provide reasoning for your views.

The development of algorithmic trading and the ease with which large (parent) orders can be electronically broken into smaller (child) orders for execution has impacted on the utilisation of this waiver, but not its importance. We do not see evidence suggesting that initial order sizes are reducing significantly and this waiver therefore remains important in the circumstances where large orders cannot be immediately split and executed. We believe the waiver remains a relevant exemption and continues to enhance customer choice and flexibility. It should therefore be retained.

CESR has highlighted the trend to smaller trade sizes since 2006 and we would support a reduction in the calibration of this waiver. Our suggestion is that further empirical work is required to determine exactly how this should be achieved but possibly a multiplier applied to standard market size might be an appropriate solution. We would be happy to discuss the details of such a solution with you.

We suggest that stubs should either remain within the waiver, in line with the customer's original trading instruction/objective, or be cancelled.

Reference Price Waiver

Question 6: Should the waiver be amended to include minimum thresholds for orders submitted to reference price systems? Please provide your rationale and, if appropriate, suggestions for minimum order thresholds.
Question 7: Do you have other specific comments on the reference price waiver, or the clarifications suggested in Annex I?

We agree that the policy rationale for the reference price waiver is still relevant and given the small volume of transactions carried out under the waiver it should be retained as is. Pre trade information for passive price taking orders does not add value to the price formation process of the market and may encourage market abusive activity by others.

We do not believe there should be minimum thresholds applied to these types of orders.

Negotiated trade waiver

Question 8: Do you have any specific comments on the waiver for negotiated trades?

We agree that the existing waiver for negotiated trades should be retained as it represents a valuable tool for protecting the best interests of investors. Customer demand for such a service remains strong.

We agree that clarification by CESR on the use of this waiver may prove to be beneficial as there is a lack of consistency in the operation of this waiver within the market. Venues offer post trade transparency services in two ways:-

As a printing service – which makes the trade visible, or
As a negotiated trade – which subjects the trade to the venues rulebook.

A significant barrier to consolidation is consistency of behaviors across the market and the ambiguity that exists across venues as to how these two services apply, and the detailed rules that attach to them, represents an area that could be improved.

Order management facility waiver

Question 9: Do you have any specific comments on the waiver for order management facilities, or the clarifications provided in Annex I?

We agree that investment firms and trading platforms do not have the same business model and that the existing order management facilities remain fit for purpose, and do not have a significant effect on the level playing field requirements of the regulations.

Systematic Internaliser Regime

Question 10: Do you consider the SI definition could be made clearer by:

i) Removing the reference to non-discretionary rules and procedures in Article 21(1)(a) of the MiFID Implementing Regulation?

ii) **ii) providing quantitative thresholds of significance of the business for the market to determine what constitutes a 'material commercial role' for the firm under Article 21(1)(a) of the MiFID Implementing Regulation.**

It may well be that fundamental analysis of the existing SI regime and the regulatory objectives underpinning its existence should now be undertaken. The more minor changes suggested in this section of the consultation paper may be unnecessary should we have a clearer picture as to how this regime provides benefit to users of the market.

If a full review of the regime is not undertaken we are supportive of the recalibration, improved definition and enhanced supervision of Systematic Internalisers. We agree that removing the reference to non discretionary rules and procedures may help clarify the existing requirements and should be bolstered by CESR issuing further explanatory guidance in line with the content of the consultation paper.

We do not believe that quantitative thresholds should be set for the market but rather clearer guidance should be issued by CESR to allow consistent and informed judgments to be made.

It should be clarified that the management of the Firm has an ongoing responsibility to determine whether the Firm is required to be classified as a systematic internaliser. The test should be undertaken by management on a regular basis and should allow flexibility to be included in any assessment of actual and expected business.

Question 11: Do you agree with the proposal that SIs should be required to maintain quotes in a size that better reflects the size of business they are prepared to undertake?
Question 12: Do you agree with the proposed minimum quote size? If you have a different suggestion, please set out your reasoning.
Question 13: Do you consider that removing the SI price improvement restrictions for orders up to retail size would be beneficial/not beneficial? Please provide reasons for your views.
Question 14: Do you agree with the proposal to require SIs to identify themselves where they publish post-trade information? Should they only identify themselves when dealing in shares for which they are acting as SIs up to standard market size (where they are subject to quoting obligations) or should all trades of SIs be identified?

Question 15: Have you experienced difficulties with the application of 'Standard Market Size' as defined in Table 3 of Annex II of the MiFID Implementing Regulation? If yes, please specify.
Question 16: Do you have any comments on other aspects of the SI regime?

The rationale for the publication of quotes that are non addressable by the majority of the market is an area where we believe CESR should provide greater clarity and analysis of their regulatory objectives.

We suggest that real time publication of non addressable liquidity has no particular benefit to the market and that end of day aggregate figures for these pools of liquidity would be sufficient and proportionate in regulatory terms.

Post Trade Transparency

Question 17: Do you agree with this multi-pronged approach?

We agree that post trade transparency requires improvement in terms of standards which must be consistently applied and interpreted, and data quality which must be accurate and timely.

We favour an approach that allows flexibility in how to achieve these improvements and are keen to participate fully in any Industry Working Group.

We see the key issues to be:-

Consistency – the same facts should give rise to the same trade report
Accuracy – accuracy of information on a pan European basis is of greater importance than absolute completeness of information
Engagement – the various communities that form the European financial markets should be encouraged to collaborate to identify market wide issues, improvements and solutions.
Supervisors should be incentivised to ensure the consistency and accuracy of data is continually improved and that appropriate action is taken where expected standards are not being met.

Question 18: Do you agree with CESR's proposals outlined above to address concerns about real-time publication of post-trade transparency information? If not, please specify your reasons and include examples of situations where you may face difficulties fulfilling this proposed requirement.

Question 19: In your view, would a 1-minute deadline lead to additional costs (e.g. in terms of systems and restructuring of processes within firms)? If so, please provide quantitative estimates of one-off and ongoing costs. What would be the impact on smaller firms?

We believe that the current requirement is for trades to be published "as close to instantaneously as technically possible" – this should remain the required standard promulgated and tested by regulators.

Whilst we do not believe there are significant costs in reducing the 3 minute deadline to 1 minute for most types of transaction further work may be necessary to determine whether this is accurate for specific transaction types e.g. portfolio trades.

The data we have, which is monthly data for the last two years provided to us by MarkitBOAT, shows that the number of trades published within 1 minute of trade time is already significant – varying from 80% to 93% over the period.
Looking at the percentage of trades published within 3 minutes of trade time only increases the figure by 1% maximum, for any month in the sample. We would therefore question whether any amendment to the requirement is necessary as significant improvement could be obtained by better policing of the existing requirement.

Deferred Publication Regime

Question 20: Do you support CESR proposal to maintain the existing deferred publication framework whereby delays for large trades are set out on the basis of the liquidity of the share and the size of the transaction?
Question 21: Do you agree with the proposal to shorten delays for publication of trades that are large in scale? If not, please clarify whether you support certain proposed changes but not others, and explain why.
Question 22: Should CESR consider other changes to the deferred publication thresholds so as to bring greater consistency between transaction thresholds across categories of shares? If so, what changes should be considered and for what reasons?
Question 23: In your view, would i) a reduction of the deferred publication delays and ii) an increase in the intraday transaction size thresholds lead to additional costs (e.g. in ability to unwind large positions and systems costs)? If so, please provide quantitative estimates of one-off and ongoing costs.

Improvements to the deferred publication framework may well be required however we believe CESR should carry out an empirical analysis to determine whether the framework is currently being misused -we do not believe it is – and to ensure that any unintended consequences are fully understood and analysed.

Prior to MiFID deferrals were available beyond the current requirements and it is important that any further reductions are properly calibrated.

In our view it is vital that the ability to offset risk without having market impact is properly protected.

The position risk management process and the time taken to offset risk varies significantly with individual market circumstances and both the intra day and end of day deferral processes can be vital. We argue that although the deferral rules are not used frequently when they are needed they are extremely important to the risk management process.

Any requirement to publish whilst still on risk will likely have significant market impact - it will reduce the willingness of our Firms to provide such a service, it will increase the cost of such a service as spreads will widen to allow participants to be paid for the new risks they are taking. Market liquidity implications will also need to be assessed, for example, by shortening deferral publication time limits trading may not be possible at all where Firms believe that liquidity conditions will not allow positions to be flattened prior to trade publication. We believe overall there will be a reduction in liquidity and increased cost of trading for block size transactions. It is also worth pointing out that not withstanding the delayed publication of block trades the off-setting trades undertaken by a firm hedging its resultant risk would publish immediately to the market. It is unfortunately the case that some market participants will adjust prices simply in response to a block trade publishing.

We do not believe that the overall scale of use of these deferred publication processes demonstrates a requirement for regulatory changes at this point.

The two year monthly data that we have from MarkitBOAT shows that:-

Based on turnover – significantly more transactions qualify for delayed reporting than actually use the facility. As an average for the period only 20% of the 50% that were entitled to use the deferred publication facility actually did. Only 28% of these 20% deferred publication past the end of the business day.

Based on volume – we have similar statistics in that although 2.4% of transactions qualified for deferral only 0.6% actually used the facility. Only 41% of the 0.6% that used the facility deferred beyond the end of the business day.

The above statistic may support a view that Firms are publishing once their risks are managed rather than benefiting from the maximum deferral timeframe provided by the regulations. We suggest that supervisory review of the current practices may be a good starting point for further work and for illiquid stocks we believe there is a clear market need to retain the current deadline.

Application of Transparency Obligations for Equity –Like Instruments

Question 24: Do you agree with the CESR proposal to apply transparency requirements to each of the following (as defined above):
- DRs (whether or not the underlying financial instrument is an EEA share);
- ETFs (whether or not the underlying is an EEA share);
- ETFs where the underlying is a fixed income instrument;
- ETCs; and
- Certificates
If you do not agree with this proposal for all or some of the instruments listed above, please articulate reasons.
Question 25: If transparency requirements were applied, would it be appropriate to use the same MiFID equity transparency regime for each of the 'equity-like' financial instruments (e.g. pre- and post-trade, timing of publication, information to be published, etc.). If not, what specific aspect(s) of the MiFID equity transparency regime would need to be modified and for what reasons?

Question 26: In your view, should the MiFID transparency requirements be applied to other 'equity-like' financial instruments or to hybrid instruments (e.g. Spanish participaciones preferentes)? If so, please specify which instruments and provide a rationale for your view.

We support the extension of transparency obligations to the products listed. Any change in scope needs to be well communicated to the industry, be consistently defined and interpreted by all member states and implemented on a timescale that allows sufficient time for the required member firm system enhancements to be made.

There should be a central CESR process for ensuring that questions relating to product coverage can be easily and consistently resolved.

Regulatory framework for consolidation

Question 27: Do you support the proposed requirements/guidance (described in this section and in Annex IV) for APAs? If not, what changes would you make to the proposed approach?
Question 28: In your view, should the MiFID obligation to make transparency information public in a way that facilitates the consolidation with data from other sources be amended? If so, what changes would you make to the requirement?
Question 29: In your view, would the approach described above contribute significantly to the development of a European consolidated tape?
Question 30: In your view, what would be the benefits of multiple approved publication arrangements compared to the current situation post-MiFID and compared to an EU mandated consolidated tape (as described under 4.1.2 below)?

We are strong supporters of improvement in the quality, consistency and accessibility of trade data.

We believe that the approved publication arrangements (APA) outlined in the consultation paper, if appropriately leveraged from existing arrangements – as seems to be envisaged - consistently implemented and appropriately linked represents the most practical and efficient solution to the provision of European consolidated data. Our understanding from paragraph 94 is that the publication requirements via APA's would be applied to all trades executed on, or reported via RMs and MTFs as well as Investment Firms. The achievement of consistency across the market in this way is important and heavily influences our response to the need for a mandated consolidated tape (see response to questions 34 to 37).

User choice within such a framework will allow a healthy degree of competition that can drive the efficiency and innovation required for the long term competitiveness of the industry.

We would support a properly delineated ESMA regulatory monitoring programme for APA that has an objective of ensuring ongoing consistency of standards across the relevant Competent Authorities. ESMA should establish an industry forum to ensure that appropriate input is obtained from all relevant stakeholders.

Cost of market data

Question 31: Do you believe that MiFID provisions regarding cost of market data need to be amended?

Question 32: In your view, should publication arrangements be required to make pre- and post-trade information available separately (and not make the purchase of one conditional upon the purchase of the other)? Please provide reasons for your response.
Question 33: In your view, should publication arrangements be required to make post-trade transparency information available free of charge after a delay of 15 minutes? Please provide reasons for your response.

We agree that the cost of European data is currently expensive and needs to be reduced. We do not believe that direct comparison with the situation in the USA is appropriate as the differences in cost are driven more by economic and commercial realities rather than simply by the differences between the competitive and monopolistic models employed. As described elsewhere in this response we believe there are significant advantages in the continuation of a competitive model

We would support the proposals to make pre and post trade information available separately and to provide post trade data more than 15 minutes old free of charge –recognising that in many instances this is already the case.

Once these changes are introduced we believe that the authorities should continue to monitor European data costs.

MiFID transparency calculations

Question 34: Do you support the proposal to require RMs, MTFs and OTC reporting arrangements (i.e. APAs) to provide information to competent authorities to allow them to prepare MiFID transparency calculations?

We support the proposal to provide information to competent authorities.

EU mandatory consolidated tape

Question 34: Do you support the proposed approach to a European mandatory consolidated tape?
Question 35: If not, what changes would you suggest to the proposed approach?

Question 36: In your view, what would be the benefits of a consolidated tape compared to the current situation post-MiFID and compared to multiple approved publication arrangements?
Question 37: In your view, would providing trade reports to a MCT lead to additional costs? If so, please specify and where possible please provide quantitative estimates of one-off and ongoing costs.

We support the achievement of an easily accessible consolidated view of the market and in our view if the APA process (as scoped in our answer to questions 27 -30) delivers consistency of data that is capable of consolidation, available to all and properly priced, it will enable users of the market and information providers to effectively build the consolidated picture.

Under the authorities' supervision and strong guidance as to timeframe, the industry should be asked to deliver the necessary solutions to ensure that the APA model operates effectively across MTF, RM and Investment Firms.

The building of a reliable, fully functional operating system that is cost effective and deliverable in the necessary timeframe should be assessed once the APA process is functioning correctly.

Regulated markets vs MTF's

Question 38: Do you agree with this proposal? If not, please explain.
Question 39: Do you consider that it would help addressing potential unlevel playing field across RMs and MTFs? Please elaborate.
Question 40: In your view, what would be the benefits of the proposals with respect to organisational requirements for investment firms and market operators operating an MTF?
Question 41: In your view, do the proposals lead to additional costs for investment firms and market operators operating an MTF? If so, please specify and where possible please provide quantitative estimates of one-off and ongoing costs.

We believe that the regulatory requirements for the operation of any particular platform should be clear, consistent and applied fairly irrespective of owner or operator.
We have no objection to the proposals as described in the consultation paper but would like to see further detailed guidance and explanation as to CESR's expectations in these areas.
Since investment firms already have regulatory obligations in these areas that are non MTF related detailed gap analysis will be required to determine any incremental costs.

Investment firms operating internal crossing systems/processes

Question 42: Do you agree to introduce the definition of broker internal crossing process used for the fact finding into MiFID in order to attach additional requirements to crossing processes? If not what should be captured, and how should that be defined?
Question 43: Do you agree with the proposed bespoke requirements? If not, what alternative requirements or methods would you suggest?

Question 44: Do you agree with setting a limit on the amount of client business that can be executed by investment firms' crossing systems/processes before requiring investment firms to establish an MTF for the execution of client orders ('crossing systems/processes becoming an MTF)?

a) What should be the basis for determining the threshold above which an investment firm's crossing system/process would be required to become an MTF? For example, should the threshold be expressed as a percentage of total European trading or other measures? Please articulate rationale for your response.

b) In your view, should linkages with other investment firms' broker crossing systems/processes be taken into account in determining whether an investment firm has reached the threshold above which the crossing system/process would need to become an MTF? If so, please provide a rationale, also on linking methods which should be taken into account.

Question 45: In your view, do the proposed requirements for investment firms operating crossing systems/processes lead to additional costs? If so, please specify and where possible please provide quantitative estimates of one-off and ongoing costs.

MiFID has only been implemented for a relatively short period of time and should be allowed to mature further before significant change to the broker crossing regime is contemplated. Our Firms have made individual commercial decisions as to how they wish to operate within the structures available and invested significant time and resources in ensuring compliance. The data

included in the consultation paper demonstrates the limited amount of business carried out in the broker crossing category and does not support the need for regulatory intervention to change the current balance.

We see no reason to introduce new requirements that could lead to the effective diminution of end user choice and have adverse consequences for the achievement of best execution. The loss of the broker crossing service via the imposition of thresholds would damage the competitive landscape and possibly increase liability risk for our member firm participants.

The circumstances in the USA are significantly different to Europe and their proposal to move from Dark to Lit on the same platform, based on volume, is not the same as moving from a Non-MTF process to a MTF platform.

The proposals of paragraph 113 of the consultation paper, broadly allow more accurate data to be collected by the authorities and improve the consistent application of trading restrictions which we support.
We question the requirement to publish real time identity data that relates to transactions that were non addressable by the majority of market participants.(see also our response to questions 11-16 on similar issues for SI). We believe adequate market transparency would be achieved by publishing these transactions simply as crosses and for end of day aggregate data to be made available..

We do not agree with the imposition of any limit or threshold as set out in paragraph 114.The discretionary nature of the broker crossing process is recognised as the significant factor that distinguishes the process from that of a MTF. The effective removal of this agreed distinction by the ad hoc application of a threshold should not be permitted and would not set appropriate regulatory precedent.

We would suggest that this is an area where the regulatory approach should be to monitor and review after a period of improved data collection.

Should any threshold be set we have significant concerns as to how this would be achieved and the associated costs. Further clarity would certainly be required on the measurement criteria their related timeframes and the regulatory process to transfer from a non -MTF to MTF without disruption to existing business.

If thresholds are to be set, they should be based at a high level and capable of being calculated, predicted and reviewed periodically on a set of clearly defined conditions – it should not be the case that any single equity volume or improvement in market share would immediately drive a need for registration. We would be pleased to add further detail on these issues if you believe this would be useful.

MiFID Options and Discretions

Question 46: Do you think that replacing the waivers with legal exemptions (automatically applicable across Europe) would provide benefits or drawbacks? Please elaborate

We do not see any particular benefit in replacing waivers with legal exemptions and would suggest that within the new supervisory regulatory structure consistency of application is something that should be monitored and enforced by ESMA.

Determination of liquid shares

Questions 47: Which reasons may necessitate the application of both criteria?
Questions 48: Is a unique definition of liquid share for the purposes of Article 27 necessary?
Questions 49: If CESR were to propose a unique definition of 'liquid share' which of the options do you prefer?
a) apply condition a) and b) of the existing Article 22(1), or
b) apply only condition a), or
c) apply only condition b) of Article 22(1)?
Please elaborate

We agree that there should be a unique definition of liquid share

Immediate publication of client limit order

Questions 50: Is this discretion (for Member States to decide that investment firms comply with this obligation by transmitting the client limit order to a regulated market and/or an MTF) of any practical relevance? Do you experience difficulties with cross-border business due to a divergent use of this discretion in various Member States?
Question 51: Should the discretion granted to Member States in Article 22(2) to establish that the obligation to facilitate the earliest possible execution of an unexecuted limit order could be fulfilled by a transmission of the order to a RM and/or MTF be replaced with a rule?

We do not believe that the discretion granted to member states to decide that Article 22(2) obligations are met by transmitting unexecuted client limit orders to RM or MTF is of any practical relevance and could be replaced by a rule.

Requirements for admission of units in a collective investment undertaking to trading on a RM

Question 52: Should the option granted to Member States in Article 36(2) of the MiFID Implementing Regulation be deleted or retained? Please provide reasoning for your view.

We provide no response to this question.

ANNEX 11

Question 1: Do you agree to use ISO standard formats to identify the instrument, price notation and venue? If not, please specify reasons.

Yes we support the standardisation of formats across reporting venues

Question 2: Do you agree that the unit price should be provided in the major currency (e.g. Euros) rather than the minor currency (e.g. Euro cents)? If not, please specify reasons.

Yes

Question 3: Do you agree that each of the above types of transactions would need to be identified in a harmonised way in line with table 10? If not, please specify reasons.
Question 4: Are there other types of non addressable liquidity that should be identified? If so, please provide a description and specify reasons for each type of transaction.

Table 10 has a mixture of transaction types those that are non addressable and those that take factors other than current market value into account. The regulatory objective should be to flag transactions where factors other than the market influence the price.

Question 5: Would it be useful to have a mechanism to identify transactions which are not pre-trade transparent?
Question 6: If you agree, should this information be made public trade-by-trade in real-time in an additional field or on a monthly aggregated basis? Please specify reasons for your position.

We support the publication on an aggregate value basis of trading without pre trade transparency

Question 7: What would be the best way to address the situation where a transaction is the result of a non-pre-trade transparent order executed against a pre-trade transparent order?

We understand that dark/lit transactions are already separately identified
Question 8: Do you agree each transaction published should be assigned a unique transaction identifier? If so, do you agree a unique transaction identifier should consist of a unique transaction identifier provided by the party with the publication obligation, a unique transaction identifier provided by the publication arrangement and a code to identify the publication arrangement uniquely? If not, please specify reasons.
Question 9: Do you agree with CESR's proposal? If not please specify reasons.

Question 10: Do you agree with CESR's proposal? If not please specify reasons.

Question 11: Do you agree with CESR's proposal? If not please specify reasons.

We support these proposals providing they are implemented in a consistent and uniform way.

ANNEX III

Question 1: Do you agree with CESR's proposals? Are there other scenarios where there are difficulties in applying the post-trade transparency requirements?

Whilst we support the concept of single reporting there needs to be further clarity on who has the obligation to report, especially when transactions form part of a chain and for particular transaction types. We would suggest a separate

working group should focus on these issues and the mechanism required to support these processes.