QUOTE MTF Ltd.
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CESR
11-13 Avenue de Friedland

75008 Paris
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May 31, 2010

Dear Sirs and Mesdames,

RE: QUOTE MTF Response to CESR Technical Advice to the European Commission in the Context of the MiFID Review – Equity Markets (CESR/10-394) (the "CESR Technical Advice")

Quote MTF thanks the CESR for this opportunity to comment on the *CESR Technical Advice to the European Commission in the Context of the MiFID Review – Equity Markets* (CESR/10-394) (the "***CESR Technical Advice***"). We address certain of the questions posed in the *CESR Technical Advice* and also wish to offer a more general comment on the MiFID requirements related to best execution in the context of multiple execution venues.

We have reproduced your questions below in bold and italics, followed in each case by our response.

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?

Provided the regulatory review involved in approving APAs does not become unduly burdensome or protracted for applicants, we view this as a positive development for EEA capital markets in that investors, investment firms and execution venues would benefit by having clearly designated APAs as appropriate facilities to "print" OTC trades.

We understand in North America that incumbent RMs typically prevent their dealer-members from executing OTC trades in the stocks listed on such RMs, but at the same time providing a facility to "print" trades that had been negotiated off-marketplace.

Question 30: In your view, what would be the benefit 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 do not believe these arrangements would in any way be in conflict with the requirement on RMs and MTFs to provide their data to a consolidated tape. Some consideration, however, should be given to whether OTC trades that would thereby be reported into the European mandatory consolidated tape (the "MCT") should be marked to differentiate them from trades conducted through the facility of an RM or MTF.

Question 34: Do you support the proposed approach to a European mandatory consolidated tape?

Yes, we support this approach.

Our only cautionary recommendations are that (a) a physical location be chosen that is in or near a principal trading/market data center in Western Europe, so as to reduce as much as possible any transmission latency to the potential users of the MCT and to provide the maximum number of telecommunications connectivity choices for contributors, and (b) the MCT be responsible for normalizing all incoming data protocols into the protocol to be used by the MCT (*i.e*., that it not force the contributing RM, MTF or APA to normalize their data into the MCT standard).

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?

There would be two immediate benefits. First, investors, firms and regulators would have a ready source of determining best execution and where better priced liquidity is being missed. The second benefit would be to spur commercial data vendors to provide more complete coverage of quotes and trade information in their value-added market data products.

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 do not believe the costs of providing trade reports will be material. Telecommunications connectivity to the MCT data center (assuming it is located in or around one the major financial centers in Western Europe) should be in the low hundreds of Euros per month. If the MCT uses a commonly used data protocol (such as ITCH), or would be responsible for the normalization of different data feeds into the protocol to be used by the MCT, then there should not be any other material costs to the RMs, MTFs and APAs providing the trade reports.

Question 38: Do you agree with this proposal? If not, please explain.

We support this proposal.

Question 39: Do you consider that it would help addressing potential unlevel playing field across RMs and MTFs? Please elaborate.

From a practical perspective, the proposed operational risk and contingency planning requirements largely mirror what is required from a business perspective in order to ensure an MTF can operate with credibility. However, making these requirements formally the same as those applied to RMs should boost investor confidence in, and dispel any misperceptions regarding, the safety and reliability of trading on MTFs.

Question 40: In your view, what would be the benefits of the proposals with respect to organizational requirements for investment firms and market operators operating an MTF?

See comment immediately above.

Please do not hesitate to contact us should you have any questions or comments.

Yours sincerely,

Tamás Madlena
CEO
QUOTE MTF Ltd.