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CESR Consultation Paper CESR/10-292
Technical Advice to the European Commission in the Context of the MiFID Review – Transaction Reporting

Dear Sir,

Please find blow our response in connection with Consultation Paper CESR/10-292 dated 1 April 2010.

SIX Telekurs
SIX Telekurs is part of SIX Group which operates Switzerland's financial market infrastructure and offers on a global scale comprehensive services in the areas of securities trading, clearing and settlement, as well as financial information and payment transactions. The company, which emanated from the merger of the SWX Group, Telekurs Group and SIS Group at the start of 2008, is owned by its users (160 swiss and foreign banks) and, with its workforce of approximately 3,700 employees and presence in 23 countries, generates annual revenues of approx. 1.3 billion Swiss Francs.
www.six-group.com

Why is SIX Telekurs responding?
SIX Telekurs is the third largest of all financial data vendors in Europe behind Bloomberg and Thomson Reuters. Our penetration into the back to middle office of the buy side in Europe is over 80%. We are the issuer of the Swiss ISIN code and the Valor number and a member of the Association of National Numbering Agencies. We are an active participant in numerous ISO technical subcommittees. We have offices and customers in 15 European Union countries and are keen that the experience that we have with our customers is heard during this consultation process.

Structure of the SIX Telekurs response
Our responses are set-out in a table of answers. We have avoided where possible giving our corporate opinion and have limited our answers to technical information or to market intelligence gleaned as part of our operations.

We have not answered therefore every question. In the interests of brevity, we have included only the answers to the questions and not the questions themselves. In some areas, our comments are not clear answers to questions but additional information to inform your discussion.

Page 10 - Advantages and Disadvantages of collecting client identifiers

SIX Telekurs fully supports the use of BIC Codes for this purpose of counterparty identification. We further support the extension of BIC issuance to non-swift users. We would however caution that the BIC directory should be kept up to date. CESR will further need to ensure that there is traceability of institutions when BIC codes change to ensure that histories of trades and transactions can be maintained correctly. Conversely, SIX Telekurs recommends caution to CESR in recommending the collection of a client identifier. Although the ideas in the use of collecting clients ids are admirable, there exist numerous legal and practical hurdles to collecting client IDs. At the open hearings in Paris on 17 May 2010, The UK's FSA representative to CESR said "It would help enormously if there were one standard" for client identifiers.

This potentially represents over-zealous state intervention in the affairs of private individuals. From a data management point of view, this would of course be useful, but centuries old traditions and laws limiting the dissemination of private individuals' information (for example in France and Switzerland) are in place specifically to protect the individual from this level of "supervision"

Question 5

We believe that the costs involved are not clearly estimated nor understood by CESR. Our customers tell us that simply implementing the Single Client View is costing a huge amount of money. From our discussions with the industry, we wonder whether the additional costs of creating a single identifier are really outweighed by the benefits to the market surveillance function.

Question 7

We agree that counterparty identifiers should indeed be collected so long as they are meaningful, standard and co-ordinated. We do not agree that client identifiers should be collected systematically and should only be made available on request in a formal investigation into suspicious trading patterns.

Question 9

In the absence of any other standard, then a BIC would be a suitable identifier to identify counterparties, with the proviso that the BIC database is

A) free to access for all market participants, market data providers and the public.

B) Fully maintained (for name changes of the entity represented, for mergers) and

C) Has full traceability back in time to accommodate those changes

Question 10

We have already expressed reservations over the systematic collection of client Ids. However, should CESR recommend and the EC attempt to bring this into being, then the use of national Ids would be preferable. In fact, any ID could be used. We would strongly recommend the use of a code which incorporates a schema to make the type of code clear, for example, GB12345 could represent that the code is a British number and the actual code is just 12345, FR hjk789 similarly would represent that the code is a French one and that the code is hjk789. The coding schema could become more granular,. For example GBA12345 could represent a UK Tax number 12345, GBB12345 could represent a GB National Insurance Number. The schema could be controlled by CESR through TREM. On the subject of counterparty ID's, SIX Telekurs has always advocated the use of standards and would encourage CESR to engage with ISO and resurrect the International Business Entity Identifier (ISO16372)efforts. However, in our opinion, this should be a long term aim and should not form part of any immediate MiFID regulation.

Question 11

For counterparties, there are numerous commercially available identifiers, which do not necessarily reach the granularity required. For clients, there is no other code that we are aware of.

Question 12

SIX Telekurs does not have a recommendation for this question. However, if national identifiers are used, then CESR will need to be fully aware of the need to maintain cross reference information between the identifiers to uniquely identify an entity. Additionally, as national identifiers change or entities change legal form, then a history of identifiers will need to be maintained. The size of this burden should not be underestimated.

We are grateful to CESR for the opportunity to respond to the consultation paper. Should you require further clarification, please contact Richard Newbury on +44 20 7550 5179 or by email at richard.newbury@telekurs.com

Yours faithfully,

SIX Telekurs Ltd

Richard Newbury

Disclaimer: The contents of this document represent the general views of SIX Telekurs. Every care has been taken in preparation, including use of recognised industry experts and aggregated customer feedback in gathering information and compiling the response. SIX Telekurs does not guarantee that the views it has expressed will not change in the light of new information or regulatory requirements