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**Notes :** EVIA/LEBA MiFID2/R Working Group  
**Date:** Wednesday, 18<sup>th</sup> July 2018  
**Time:** 10.30am  
**Venue:** Conference Call

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**1. Purpose of this call will be to agree the data set to provide Tilman on the shape of the EU // UK & Non-EU market split**

It sets out by Trading Obligation, by Clearing Obligation and by RTS2 TOTV Asset Class (but not by sub-asset, nor currency).

- By trades rather than any other measure of market depth/participation since little and inaccessible order data, and brokerage or other assessment, is non-standard.
- Have suggested trades by either/both “volume” and “tickets” in accordance with EU approaches.

Various discussions were on:

- Clarity on which equivalence mandate this was applying to at venue level, at market participant level or investment managers. We understand that Tilman only has permission to consider trading venue which was the purpose of this exercise to allow them to assess the implication of liquidity in the UK that would affect EU counterparties.
- Approaches on setting up an EU authorised subsidiary to passport across EEA or setting up an EU branch however no passport
- US SEFs as a third country have to apply for local registration.
- Ability for the UK to accept equivalence to the EU.
- FCA’s Tom Springbett has informed us that they are working on an option for EEA trading venues providing services into the UK, and for those firm to contact him directly for further guidance and clarification.
- Bloomberg legal work view is that if you are offering screens on a Bloomberg to client in the EU out of a UK or US permission, the solicitation occurs to the quote vendor and not to the venue permission.
- Certain EU provide national exemption from license but this is dependent on type of activity.
- Implication of applying for domestic license in each EU country.
- US and Asia EU equivalence interpretation but does not address how trading venues can trade back into the UK.

As the issue of equivalence is still not clear, and due to the time critical nature, EVIA will follow up with some statistics identifying how much of the liquidity pool is within the UK offered to EU clients.



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## **2. ESMA Draft FX Swap**

EVIA has reviewed the draft ESMA Q&A into each EMIR and into MiFIR, which has been circulated to their Market Data Standing Committee to push FX as a singular product transaction for FX swap reporting where the price of the swap is entered at points to enrich EMIR reporting.

Trading venues systems are currently built to report multiple legs so therefore may need to consider offering different approaches depending on what the client wants. Should this become the requirement, and should the industry find it problematic, then TVs could further move FX Swaps off from MiFID rulebooks, or list them as “FX Packages” which could be a helpful delineation from “Cross Currency Swaps.” However, members are very firm that no changes should be made to the current reporting as there are a number of significant technical issues that arises and the fact that the industry has adopted this as market practise should remain unchanged.

## **3. ANNA DSB 2<sup>nd</sup> CP published response due 27 July**

It is noted that this second consultation paper is asking the same questions as the first and EVIA will reinforce its responses to those same questions.

## **4. FSB CP on prospective UPI service providers**

This document seeks self-assessment form entities who wish to be designated by the FSB as a UPI Service Provider. Currently we have ANNA DSB offering ISIN'S but this will open the opportunity for more UPI providers like FIGI.