

01 July 2016

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Markets Division, CNMV, Madrid.

Dear Leticia and Raul,

We are writing to you to highlight our concerns and offer any meeting opportunities CNMV may find helpful with the WMBA member firms to discuss both the venue authorisation process and the probable impacts on liquidity and the future of venue provision within the EU in the light of the possible withdrawal of the UK from the single market.

Given last week's events it appears to our association that MiFIR venues previously assuming passporting via FCA authorisation may require revisions to this given their current operation of branches across the EU. Furthermore, wholesale liquidity across multiple EU marketplaces could well further fragment and it is clearly possible that many EU banking and market making institutions will execute more of their trading out of their home state. Consequently, we seek your guidance to ensure that, as market participants currently based in the UK and across Europe make contingency or revised plans, our venues can effectively support any of the many conceivable eventualities going forward.

Clearly MiFID2/R offers that flexible framework and it is one we not only wholeheartedly support but is of increasing importance after last week. As the leading operators of MTFs and arrangers of wholesale markets in non-equity financial cash and derivative instruments, money markets, foreign exchange products and commodities both across Europe and around the globe, the members of the WMBA hold clear concerns that reactive organisational measures combined with balance sheet retrenchment may result in further liquidity disruption and reduced market access.

Accordingly, we would wish to share mutual concerns and ensure that all possible measures are being undertaken by WMBA member firms to foster efficient and compliant marketplaces in your local jurisdiction and beyond. These topics are not limited to but would include: MTF/OTF perimeters, definitions of discretion, views on multilateral versus bilateral activity, components of reference data, ranges of matched principal trading, 'trading on a trading venue' and the critical importance of hybrid execution.

We would greatly appreciate your time as part of a larger ongoing effort to receive guidance on internal and cross border policies from the EU NCAs, ESMA and IOSCO.

Therefore, we would make ourselves available in Madrid (or elsewhere if you are in Paris, Brussels or London) for any meetings together throughout the second half of July or indeed any alternative date that may be more convenient to you.

Respectfully,



Alexander McDonald  
CEO