



SIX Flex®

MiFID II Trade, Market Data Reporting

Make Sure Your Firm Is MiFID II Compliant



Challenge

MiFID II introduces complex challenges in terms of compliance with trading and reporting obligations. Firms must be able to identify trades where waivers and deferrals can be applied for, and when publishing, must take place in the trade lifecycle.

A key challenge for firms resides in establishing a coherent and consistent reference data framework that supports both trading obligations and transaction or trade reporting.

Trade Reporting

MiFID II extends pre- and posttrade transparency regimes for non-equity instruments. These include bonds, structured finance products, emission allowances, commodities and derivatives. To comply with transparency requirements, firms must collect and implement reference data at instrument level, including data gathered from trading venues and ESMA.

Market Data Reporting

Firms must report to their National Competent Authorities on all transactions falling under the reporting obligations under MiFID II. With MiFID II, the number of fields in a transaction report has increased. This means that firms need to deal with many more data points in order to comply with the reporting obligations. Identifiers play a particularly important role in reporting on financial instruments and transactions. Each listed security must have an ISIN, including for OTC transactions, adding complexity to data collection and processing for firms.

Best Trading Venue

MiFID I gave birth to a data service called “Best Trading Venue (BTV)”. So far, this concept has gained acceptance in the market for the allocation of the most attractive trading venue for a given security. Trading volumes, average bid / ask spreads, and the number of ticks are counted for securities worldwide to support robust statistics for BTV.

MiFID II has extended the coverage of asset classes. This means that all securities must be allocated a BTV. SIX has built on its MiFID expertise to provide reliable interpretations of the trading volume for securities that do not have measurable trading volume, reducing the resource-intensive process for institutions to do this inhouse.

Primary Audience

Investment Banking, Execution Desks, Systematic Internalisers, Approved Reporting Mechanisms (ARMs) for Transaction Reporting, Approved Publication Arrangements (APAs) for Trade Publication.

Common Use Cases

Front-Office trade and transaction reporting, market data services.

Available Content

SIX sources instrument reference data from Regulated Markets (RMs), Multilateral Trading Facilities (MTFs including SME Growth Markets) and Organized Trading Facilities (OTFs), Trading Statistics from ESMA FIRDS (Financial Instruments Reference Data System) and FITRS (Financial Instruments Transparency System).

Trade Reporting

SIX provides static information on key pre- and post-trade reporting categories to support your reporting obligations. We carry waivers, deferrals and liquidity assessments from ESMA and EEA venues. With this, SIX offers you a single trusted source that reduces your cost of data integration and translation, for example when applying these sources' asset-class level information to your instrument-level business logic.

Key data categories covered:

- Liquidity flag.
- Reference Data required according to MiFID II / MiFIR RTS 1 and RTS 2.
- MRM (Most Relevant Market), LIS (Large in Scale), SMS (Standard Market Size), SSTI (Size Specific to Instrument).
- Thresholds for derivatives (excluding equity derivatives), deferred publication thresholds and delays, publication waivers.
- Statistics for the Post-Trade Transparency ADNT (Average Daily Number of Transactions), ADNA (Average Daily Notional Amount), AVT (Average Value of Transactions), ADT (Average Daily Turnover).
- Volume Caps.
- Delivery of the relevant price steps and ranges according to RTS 11 on MIC level. Combining this information together with the Average Daily Number of Transactions (ADNT) the liquidity bands and the classification of equities according to the Annex I of RTS 28 can be determined.
- Supports the best execution obligations.
- Suspensions.

Market Data Reporting

SIX simplifies the transaction reporting process with a marker that alerts firms to reportable instruments. We provide the identifiers necessary for all reporting obligations, removing the burden of sourcing and cross-referencing identifiers from multiple exchanges and allowing you to map MiFID II attributes to your existing reference data in an automated, efficient way.

In addition to identifiers and classification codes, SIX delivers the following market data information to simplify your reporting obligations:

- Reference Data according to MiFID II / MiFIR RTS 22 and RTS 23.
- Trading obligation.
- Listing status.
- TOTV, UTOTV.
- Trading venue reference data.
- Operating & segment MIC (Market Identifier Code).

Best Trading Venue

In addition to supporting Best Execution SIX delivers:

- The relevant price steps and ranges according to RTS 11 on MIC level.
- Combining this information together with the Average Daily Number of Transactions (ADNT), the liquidity bands and the classification of equities according to the Annex I of RTS 28 can be determined.

Features and Associated Benefits

- Fulfill trade reporting (transparency) obligations in a lean and efficient way by using static data provided by ESMA and trading venues.
- Identify MiFID-reportable instruments to comply with transaction reporting obligations.
- Fulfill MiFID II processing and reporting obligations confidently by relying on SIX for top quality reference data.
- Identify the Best Trading Venue on instrument level to support Best Execution requirement.
- Integrate our MiFID II trade, market data reporting data into your database by using standard identifiers such as ISIN, FISN, CFI, LEI and MIC.

None of the information contained herein constitutes an offer or a recommendation to buy or sell or take any other action regarding financial instruments. SIX Group Ltd or its direct and indirect subsidiaries (hereafter: SIX) are liable neither for the completeness, accuracy, currentness and continuous availability of the information given, nor for any loss incurred as a result of action taken on the basis of information provided in this or any other SIX publication. SIX expressly reserves the right to alter prices or composition of products or services at any time. © SIX Group Ltd, 2020. All rights reserved.

We have offices in over 20 countries, to get in touch with your local SIX office visit www.six-group.com/contacts

SIX Financial Information Ltd.
Hardturmstrasse 201
P.O. Box
CH-8021 Zurich

T + 41 58 399 2111
www.six-group.com/financial-information

