

(FISMA)

From: (MARKT)
Sent: 27 February 2013 16:02
To: MARKT LIST G3
Subject: Meeting with Deustche Borse: minutes

Maite, and I met with Deustche Borse this morning.

Main topics discussed:

- Consolidated tape provider: In favour of COM proposals. Against the appointment of a single CTP as suggested in the latest IE PRES text as they believe it would involve price regulation and/or create a monopoly.
- Derivatives:
 - Trading obligation: against the exemption for large in scale transactions that purports to mirror the US block exemption.
 - Trade compression: this post trade service exemption should not be included in the trading obligation in article 26 since post trade services were distinct from the trading. The definition should be aligned with international standards and they would revert to use with their views on possible arbitrage issues.
 - Non-discriminatory access: They defended their integrated business model by arguing that the more the infrastructures are interconnected the better it is in terms of market stability and safety. Strongly opposed to Article 28(1) of latest IE PRES text that would require a CCP to treat any trading venue equally and implied that provisions that might allow for differential treatment of different venues might be acceptable.
- OTF / OTC definition / pre-trade transparency waivers
 - Against the re-introduction of the OTF category for equities. They fear that trading volumes would flow to this new category of trading venue. Key to retain a strict ban on proprietary trading including matched principal trading.
 - In favour of a definition of OTC although they understood that the introduction of a trading obligation would achieve the same results while avoiding the technical difficulties of defining OTC.
 - Waivers: Only the LIS waiver is fully justified and should be retained. They currently use the other waivers as others do but support their deletion.