

(FISMA)

From: (MARKT)
Sent: 03 September 2013 18:13
To: MARKT LIST G3
Subject: For info: Meeting with Nordic Securities Association re MIFID/R

On 3/9-2013 Maite Fabregas and met with Nordic Securities Association re MIFID/R.

Equities

Their main concern is that the OTF will not bring sufficient level playing among trading venues due to the discretionary element of order execution. They fear that, as a result, large existing liquidity pools in some financial centres will continue to consolidate their position to the detriment of smaller "local" markets. Ultimately this will reduce SMEs' ability to raise capital. Hence they support EPs exclusion of equity from OTFs.

Efficient wholesale markets are necessary to have efficient retail markets; therefore a minimum size on RPW is necessary. NPW is vital for on-exchange trade to serve orders that cannot be matched immediately on venue. Global volume cap is not workable and creates uncertainty.

EPs amendment regarding trading obligation for equities is not workable and Council amendment should be limited to liquid shares listed on a regulated market.

Non-equities

Also for non-equities OTFs are not appropriate, and if introduced it must be allowed for operators to trade against own capital (only allowing this for illiquid sovereign bonds not enough since corporate bonds are traded and hedged against these).

Trading obligation for non-equity is not in investors' interest.

Non-equity very different from equity and heterogeneous, transparency calibration cannot be a matter of transposing existing equity regime,

Investor-protection:

Ban on marketing outside target group unworkable, better with warning/information.

EP position on inducements good.

As regards taping, need to record entire call, not parts only. Shorten storage to 3 years.

Market data: Need CTP; best solution is price regulation on raw data and competition on packaged data.

Trading controls: favourable of minimum tick size to stop a race to the bottom, but against minimum resting time._

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