

(FISMA)

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**From:** [REDACTED] (MARKT)  
**Sent:** 28 May 2014 11:40  
**To:** MARKT LIST G3  
**Subject:** Report meeting: BATS CHI-X / MIFID

On 27 May 2014, Maite Fabregas and [REDACTED] met with Mark Hemsley (CEO) and [REDACTED] Chief legal and Regulatory) of BATS Chi-X Europe. They presented BATS' recently launched "BXTR" initiative, which aims to improve data quality and post-trade transparency in the OTC space.

They announce to be able to cover 75% of OTC trading at the end of Q3 2014. They also insisted on the fact they have developed a MMT standard which allows providing post-trade data in a consistent manner with trades made on venues.

They are in contact with ESMA to help for data issues raised by MiFID II including the double cap volume for pre-trade.

Their offer is included in their general data services offer (about 45€/month/seat). Their offer is concentrated on equity world but they have already started to look at fixed income products. The main difficulty here is to find the right interval between the trade and the transparency in order not to disturb the market and promoting efficient contributions. Hence, they are very interested in future calibration implemented by MiFID II level II measures.

They also argue that their work will also be useful for the setting up of the new CTP (as it shows it is possible to capture OTC space).

They are generally fine with new provisions ruling HFT; they would be very careful when they will adapt their pricing arrangements in order to avoid promoting only large big IF to the detriment of small brokers which also participate to the quality and the diversity of the market. They think that the right "order to trade" ratio can only be determined on a venue basis as it depends on what instruments are traded on (for example, those based on a underlying which is very volatile can explain a higher ratio).

Finally, they announced having bought 25% stake in a new entity called EuroCCP in order to preserve their access to an independent CCP with a will to preserve a pan European clearing model.

You will find attached a more detailed presentation of the Trade Reporting Services.



Chi-X Trade  
Reporting Servic...

Best regards,

[REDACTED]