



# MiFID II Transparency, Transaction and Reference Data Reporting

Make sure your firm is MiFID II compliant

Rely on SIX for efficient compliance with pre- and post-trade transparency, transaction and reference data reporting requirements.

MiFID II has entered into force on 3 January 2018, bringing transparency, transaction and reference data reporting obligations for financial institutions. The regulation has brought new demands for how firms generate, collect and process financial data to satisfy the requirements.

#### **The challenge for firms**

MiFID II has introduced complex challenges in terms of understanding 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 still resides in establishing a coherent and consistent reference data framework that clearly defines rules for both trading obligations and transaction or trade reporting.

As a leading global provider of reference and regulatory data, SIX has created data services to support MiFID II compliance. Our service concentrates on the key areas of transparency, transaction and reference data reporting to help our clients.

We are working proactively to understand and fulfill the industry's evolving content needs, consisting of data attributes, key identifiers and the data coverage required by the various transparency regimes.

#### **Key benefits of working with SIX**

- Fulfil trade reporting (transparency) obligations in a lean and efficient way by using static data provided by ESMA and venues
- Identify MiFID-reportable instruments to comply with transaction reporting obligations
- Fulfil MiFID II processing and reporting obligations confidently by relying on SIX for top quality reference data
- Simplify data processing with a single high performance interface for the complete required MiFID II content, including instrument identifiers and instrument classification
- Streamline your compliance thanks to on-going monitoring of regulatory developments from ESMA and National Competent Authorities

## Transparency

MiFID II extends pre- and post-trade 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 statistics from trading venues and ESMA.

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.

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### Key data categories covered:

- Liquidity flag
- Reference Data required according to 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
- Suspensions
- Consolidated statistics on Best Trading Venue, narrowest spread, highest turnover

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## Transaction and Reference Data Reporting

Firms must report to their National Competent Authorities on all transactions classified as reportable under MiFID II. The number of fields in a transaction report has increased. This means firms need to deal with many more data points to carry out reporting obligations. Identifiers play a particularly important role in reporting on financial instruments and transactions. Each listed security needs to have an ISIN, including OTCs, adding complexity to data collection and processing for firms.

The SIX service simplifies this 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:

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### Key data categories covered:

- Reference Data according to RTS 22 and RTS 23
- Trading obligation
- Listing status
- Trading venue reference data
- Operating & segment MIC (Market Identifier Code)

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## 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. Statistics are published on the SIX Market Data Feed (MDF) service and allocations on SIX Valor Data Feed (VDF).

MiFID II has extended the coverage of asset classes. This means that all securities must be allocated to the most attractive trading place. The SIX service provides reliable interpretations of the trading volume for securities that don't have measurable trading volume, reducing the resource-intensive process for institutions to do this in-house.

### SIX and MiFID II

SIX also supports its clients with a MiFID II service for investor protection. Find out more at: [www.six-group.com/mifid2](http://www.six-group.com/mifid2)

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