

**Press Release**  
**Brussels, 7<sup>th</sup> April 2011**

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## **Exchanges and Data Vendors to restore post-trade transparency in the European equity market**

**European exchanges represented by FESE, the Federation of European Securities Exchanges, have together with the London Stock Exchange, Bloomberg and Thomson Reuters agreed to adopt common standards that will restore post trade transparency in the European equity markets.**

Building on the trade reporting standards initiated by an industry working group under the auspices of the Committee of European Securities Regulators (now European Securities and Markets Authority) for Over-The-Counter reporting, European exchanges and data vendors today announce the start of the implementation of trade reporting standards for orderbook trading on Regulated Markets and Multilateral Trading Facilities.

These trade reporting standards are complementary to the efforts being undertaken by the data vendors to ensure consistent output across multiple data consolidators. Furthermore they are supportive of the wide range of collaborative initiatives, including those being led by the Association for Financial Markets in Europe.

### **The key benefits of the initiative are:**

- The standards will enable trade data resulting from executions on Regulated Markets and MTFs to be easily consolidated with OTC trade reports.
- The execution venues committed to these standards have a combined market share of over 90% of all European equity orderbook trading.
- It completes a pan-European view of the fragmented trading landscape enabling market users to accurately interpret post trade data for the first time since MiFID's introduction.

The project (Market Model Typology) is now entering the operational phase. After completion of the definitions and specifications, we will provide more details on the roadmap for implementation.

It is intended that the standards be open for all market users and FESE recommends that these standards are adopted by all venues to ensure that the benefits are amplified across the whole market.

The unprecedented cooperation shown in this initiative underscores the industry's commitment to addressing the pressing need to deliver an efficient and, comprehensive tape of record for users of the EU Single Market.

**Hans-Ole Jochumsen**, President of FESE, said:

*"With this step, the European exchange industry makes a crucial contribution to the Single European Market. Our standards will ensure easier consolidation of trading data and promote greater competition in the technical delivery solutions available for different investor needs for consolidated data. Greater access to consolidated data will allow investors to perform transaction cost analysis and accurately calculate benchmarks so they can monitor best execution. Our goal is to unleash the competitive forces*

that will keep the costs of consolidation as low as possible, as we are decreasing the level of complexity of market data and hence the cost of consolidated data.”

**Judith Hardt**, Secretary General of FESE, said:

*“Post-trade information published by different venues and through different sources needs to be brought together. Our standards will allow market participants to consolidate the information published by our members more easily. This will support efficient price discovery. It will also facilitate the monitoring of best execution. Last but not least, our new framework will allow a substantial reduction of costs.”*

**Mark Schaedel**, Head of Global Data Products for NYSE Euronext and Chair of the Data Consolidation Group of FESE, said:

*“We are investing considerable energy and time into this project because we believe that standards are the key to addressing investors transparency needs and enabling broad market participation. Moreover, a competitive framework allows us to fulfil our two pivotal roles as trading platforms, where price formation takes place, and as listing platforms, where issuers gain important visibility to a broad market of investors.”*

**Rhodri Preece**, Director of Capital Markets Policy, CFA Institute, said

*“Investors need consolidated tapes of record implemented as quickly and efficiently as possible to address the transparency deficiencies in the market. The initiative taken by FESE demonstrates that the industry is taking this issue seriously and is not waiting around for a regulatory mandate. This is a commendable effort.”*

**Stephen Wilson**, Global Head of Exchange Traded Instruments, Thomson Reuters said:

*“Standardising trade flags across exchanges, MTFs and the reporting of OTC business is an important step forward in ensuring European investors have a consistent common standard when using a consolidated tape. Thomson Reuters is fully committed to supporting these flags in its European consolidated tape, further evidence that European equity markets are well served and do not need a mandated centralised tape and the significant cost to the industry that this would entail.”*

**Jean-Paul Zammitt**, Global Product Manager for the Bloomberg Professional® service, said:

*“Investors need and deserve full transparency now. Bloomberg is committed to working in partnership with the industry to create practical solutions to help resolve outstanding issues posed by fragmentation. By establishing and implementing these standards, we will be able to provide the market with the further improvements to consolidated data that investors and regulators have been demanding.”*

To see an overview of the FESE actions that have led to **reductions in the cost of data**, please visit [http://www.fese.eu/lib/files/Data consolidation Annexes RA.pdf](http://www.fese.eu/lib/files/Data_consolidation_Annexes_RA.pdf)

#### **Information for the Editor:**

*The **Federation of European Securities Exchanges** (FESE) represents 46 exchanges in equities, bonds, derivatives and commodities through 21 full members from 30 countries, as well as 7 Corresponding Members from European emerging markets. FESE is a keen defender of the Internal Market and many of its members have become multi-jurisdictional exchanges, providing market access across multiple investor communities. At the end of 2010, FESE members had up to 9,050 companies listed on their markets, of which 8% are foreign companies contributing towards the European integration and providing broad and liquid access to Europe’s capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access the capital markets; 1,035 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers.*

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