Agenda

• MiFID II/R update
• Transparency
• Global Code
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MiFID II/R: FX reminder

• Go live is 3rd January 2018

• Scope of MiFID II/R in relation to FX
  – All FX products except FX spot are in scope
  – FX spot includes FX security conversions and broadly those FX trades entered into for goods/payments

• FX is currently deemed illiquid as an asset class
  – ESMA determined that the whole FX asset class would be deemed illiquid at go-live

• What does the illiquid classification this mean for FX?
  – Non-equity transparency (RTS 2): NCAs can apply waivers for pre-trade and deferrals for post-trade obligations. Expected that pre-trade will be waived and that a deferral will be in place for post-trade but the deferral may be different in each jurisdiction in Europe
  – No mandatory trading obligation for FX
  – Transaction Reporting (RTS 27/28) will still be required from go-live. Data collation from 1 January 2018 to 31 March 2018 for the first Best Ex reporting obligation due by 30 June 2018
  – Mandatory clearing (RTS 26) is determined via EMIR. Voluntary clearing flows will not be impacted by the illiquid classification but will need to be updated to reflect RTS 26 requirements
MiFID II/R: GFXD Focus Items

The GFXD has historically focused on the themes of liquidity, trading obligations and transparency. Whilst this is still the case we are now looking at other items when the needs arise, especially implementation. We actively engage with other sell and buy-side trade associations

- GFXD positions published at [http://gfma.org/fx/](http://gfma.org/fx/)
- Current implementation deep-dive areas are
  - Transparency and Reporting
  - Best Execution
  - Trading and venue preparedness/flows (including taxonomies)
    - ISIN including FX swaps
    - LEI
  - Costs and charges
  - Trading venue preparedness
  - Extraterritoriality
## Transparency – EU and US obligations

### Scope: what, when and to whom

<table>
<thead>
<tr>
<th>Timing</th>
<th>Continuous</th>
<th>Pre-Trade (Continuous)</th>
<th>ASATP</th>
<th>&lt; 5min</th>
<th>ASATP &lt; 30min</th>
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<th>T+2 / 4wk</th>
<th>Quarterly</th>
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<tbody>
<tr>
<td>Data Capture</td>
<td>Costs and Changes</td>
<td>Indicative Quote</td>
<td>Firm Quote</td>
<td>Pre-Trade Mid</td>
<td>All Trade Details (65)</td>
<td>Prices, Time and Volume (85)</td>
<td>Confirmation Data and STT</td>
<td>Transaction and Pricing Data</td>
<td>Trade Details (59 Fields)</td>
<td>Trade Details (85 Fields)</td>
<td>Details concerning the offer</td>
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<td><strong>REPORT</strong></td>
<td><strong>Dossier</strong></td>
<td><strong>MiFID 2 Art 24</strong></td>
<td><strong>MiFIR Art 18</strong></td>
<td><strong>RTS 2</strong></td>
<td><strong>MiFIR Art 42</strong></td>
<td><strong>MiFIR Art 27</strong></td>
<td><strong>RTS 2</strong></td>
<td><strong>MiFIR Art 26</strong></td>
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<td><strong>MiFIR Art 27</strong></td>
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<td><strong>Investor Protection (1)</strong></td>
<td><strong>Pre-Trade</strong></td>
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<td><strong>Disclosure of Material Information</strong></td>
<td><strong>All Instruments</strong></td>
<td><strong>Post Trade</strong></td>
<td><strong>Sweep Data Reporting</strong></td>
<td><strong>Real-Time Public Reporting</strong></td>
<td><strong>Reference Data</strong></td>
<td><strong>Transaction Report</strong></td>
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<td><strong>Liquid &lt; SSTI Art 18(2)</strong></td>
<td><strong>Liquid &lt; SSTI Art 18(2)</strong></td>
<td><strong>Liquid &lt; SSTI Art 18(2)</strong></td>
<td><strong>Commodity (only when cry and SD, MPS, MMSP or MMSPR)</strong></td>
<td><strong>NDF and options &gt; block size</strong></td>
<td><strong>If no deferral granted</strong></td>
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<td><strong>Public via APA</strong></td>
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<td><strong>Public via RM/APA/proxy comments</strong></td>
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*Notional options of any size, and real time pricing is available, it only applies to trades in BIS top 31 ccys and above.*

*Vanilla options of any size, and real time pricing is available, it only applies to vanilla options in BIS top 31 ccys > 6mnths.*

*NDF and options > block size.*
Global Code

- GFXD hosting a launch event in London on 25 May 2017

- The event will consist of a panel session with
  - Guy Debelle (Deputy Governor, Reserve Bank of Australia)
  - Simon Potter (Head of Markets, New York Federal Reserve Bank)
  - Chris Salmon (Executive Director, Markets, Bank of England)
  - David Puth (CEO, CLS)
  - Moderated by James Kemp (Managing Director, GFMA Global FX Division)

- The panellists will discuss the content and form of the complete Code, as well as the plans for promoting adherence

- Expectation of more information on adherence, last look consultation, enforcement and who will look after the code going forward