

**LONDON STOCK EXCHANGE ANNOUNCES MiFID SERVICES**

The London Stock Exchange has started a detailed consultation on the services it plans to offer member firms to assist their compliance with the EU's Markets in Financial Instruments Directive.

Built on the next-generation technology of the Exchange's new TradeElect Platform, the new services will provide member firms with a familiar market model for meeting MiFID's requirements, using proven connectivity and infrastructure. Pre-trade transparency requirements will be met through the extension of market-maker quoting facilities across the full range of EU securities, while post-trade transparency requirements will be met through enhancements to the Exchange's existing trade reporting services.

Martin Graham, Director of Markets at the London Stock Exchange, said:

"The London equity market has a strong advantage in MiFID, reflecting the fact that the Directive mirrors the open architecture and competitive environment in which London and the London Stock Exchange have grown. With new market leading technology, an enhanced suite of trading services and an attractive new tariff structure, we look forward to working with our clients throughout Europe and build on London's leading role in market development."

The consultation document outlines the changes that the Exchange will make to its services to enable member firms to comply with MiFID requirements in several key areas:

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## **Pre-trade transparency**

- Firms undertaking internalisation in UK and Dutch liquid securities on the Exchange's SETS and EUROSETS systems will be able to meet MiFID requirements by using a new market making function on the order book to advertise their prices in the relevant securities and trade on Exchange as an alternative to being a systematic internaliser.
- For non-UK securities included in the MiFID 'Liquid Shares' category, a new European Quoting Service will provide a facility for firms to advertise the prices at which they are prepared to trade. On-Exchange trades will again provide an alternative to systematic internaliser classification.
- For small cap and fledgling stocks not currently traded on order book systems, the new SETSsx service will enable firms to meet the MiFID requirement to display unfulfilled client limit orders by providing a facility to submit limit orders executable through periodic auctions, alongside non-electronically executable market maker quotes.

## **Post-trade Transparency**

- The Exchange will continue to offer its established UK reporting service, and will introduce a European Trade Reporting Service for both on-Exchange and OTC trades in all EU securities.

## **Data and best execution analysis**

- UK and international pre-and post trade data will continue to be disseminated by the Exchange's new Infolect system.
- The Exchange will also introduce a new service channel for off-book trades only, covering existing UK, International and European off-book trade reports.
- In addition to its web-based Execution Quality service for retail-brokers and RSPs the Exchange will offer two new best execution services through Proquote, which will provide information on execution on other UK trading venues and also transaction cost analysis.

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**For further information, please send an email to:**

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### **Notes to editors**

- **About the London Stock Exchange**

The London Stock Exchange is the world's premier international equity exchange and a leading provider of services that facilitate the raising of capital and the trading of shares.

The London Stock Exchange is the most international equities exchange in the world and Europe's largest pool of liquidity. By the end of 2006, the market capitalisation of UK and international companies on the London Stock Exchange's markets amounted to £4.4 trillion, with £6.7 trillion of equity business transacted over the year.

The London Stock Exchange is a Recognised Investment Exchange (RIE) under the Financial Services and Markets Act 2000 and is supervised by the Financial Services Authority.