



Voluntary OTC Trade Reporting Service

European Listed Exchange Traded Funds & Exchange Traded Products

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1. Introduction

This document details the operation of the voluntary OTC Trade Reporting service for executions in European listed Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs, such as Exchange Traded Commodities and Exchange Traded Notes) that are not subject to the Rules of the London Stock Exchange. This optional service has been provided to allow issuers to increase the pan-European transparency of their products.

The new service does not change the existing obligations of Member Firms under the Rules of the London Stock Exchange. There is no Exchange obligation on any firm to either register for the service or use it once they have registered.

2. Background

Unlike equities, there is no requirement under the Markets in Financial Instruments Directive to trade report executions in ETFs and ETPs, even where admitted to an EU Regulated Market. However, the London Stock Exchange's Rules (under paragraph 3000.3) imposes transparency requirements in ETFs and ETPs executions admitted to trading in London, so that at least one Exchange Member Firm is required to report the trade to a venue with at least equivalent transparency to the Exchange.

[In order to improve transparency, issuers and market participants have requested a voluntary service to allow executions in European listed ETFs and ETPs, not subject to the Rules of the London Stock Exchange, to be published where the participants choose to do so.](#)

2.1. Service Description

The service requires the use of the OTC trade types with venue ID XOFF in all ETF and ETP trading segments.

Where the ETF / ETP is also a London listed security the reporting party will indicate that it has traded in the non-London line by using the relevant OTC trade types. An OTC trade report in a London admitted ETF/ETP indicates that the trade was done off Exchange (not subject to Exchange Rules) and relates to an ETF/ETP listed in another European market. On Exchange trade report types would continue to indicate that the trade was executed subject to the Exchange's Rules. Published time and sales will clearly differentiate between the two.

Where an issuer wishes to allow voluntary OTC trade reporting in a European listed ETF/ETP that is not London listed, it may apply to the Exchange (please contact Listed Products on +44 (0) 20 7797 3921) to have the relevant ISIN and TIDMs added to Millennium sector EOTC within trading segment ETFS. All such security additions, deletions and amendments will be advised by the reference data service, Datasync, in the normal way. Only OTC trade types should be used in trading sector EOTC as it is not possible to bring trades in non-London listed ETFs / ETCs on Exchange under paragraph 3000 of the Exchange's Rules.

Full details of the ETF and ETP trading segments and sectors, along with the relevant OTC trade type information can be found in the Millennium Business Parameters document which can be found as a download at:

www.londonstockexchange.com/products-and-services/trading-services/millennium-exchange-business-parameters.xls

2.2. Access to the OTC Trade Reporting Service

The Service is open to Member Firms and non-members with trade reporting access to our system.

- Member Firms that already have access to the existing OTC trade reporting service will automatically be able to access the new ETF / ETP service.
- Other Member Firms wishing to access both the new or the existing MiFID OTC service will need to complete the relevant section of the Trading Services Agreement and should contact Client Implementation at the Exchange on +44 (0) 20 7797 3232.
- Non-member firms who are not currently signed up to the existing MiFID OTC trade reporting should consult the Service & Technical Description for Non-Member OTC Trade Reporting Service via FIX, which can be found as a download at:

www.londonstockexchange.com/products-and-services/trading-services/european-trade-reporting-service/otc-trade.pdf

Alternatively please contact Listed Products on +44 (0) 20 7797 3921 at the Exchange to discuss further.

3. Pricing

The service is priced as per the OTC Trade Reporting Price List detailed below:

	Charge per trade report	Maximum trade report charge per month	Annual service charge fee
Member firm	3p	¹ £800	...
Non-member firm	3p	£800	£1,000

For more information refer to London stock Exchange Trading Fees document

www.londonstockexchange.com/products-and-services/trading-services/pricespolicies/trading-services-price-list-1-october-2011.pdf

4. Trade Reporting Responsibilities

Whilst neither counterparty is under obligation to use the OTC service, participants should agree between them who if either will report to avoid duplication.

5. Further Information

If you have any further questions, please contact Listed Products on +44 (0)20 7797 3921 or by email at: listedproducts@londonstockexchange.com.

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