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On 28th February 2019 TRADEcho received approval from the AFM to provide APA services in the EU. The existing UK APA will continue to function for the purposes of any UK trade reporting regime.

With the delay in Brexit the EU APA was not launched at end of March.

Our intention is to launch the new EU APA according to the latest Brexit timetable on 1st February 2020 in the event of a HARD Brexit. We will reassess the launch date if a deal is agreed or the timetable changes (this has already been extended from 1st April 2019 and 1st November 2019).

Contracts - All existing contracted entities will, by default, have access to both the UK and EU APA.

Technical Changes - All core changes were released at the end of March. The only changes that remain to be made or require configuring at the point of Brexit are :-

- Activation of ECEU on all externally facing data feeds corresponding with the launch of the EU APA e.g. GTP, SI Quoting & Portfolio Compression websites
- SI Registry – Submitting SIs may need to update their submissions with respect to their SI status under the UK and EU regimes
- SRR Customers in the event of a hard Brexit would need to change their rules configuration
Legal and Contracts

All *existing contracted entities* will, by default, have access to both the UK and EU APA.

**New TRADEcho Entity:**

Firms that want to contract directly with the new European TRADEcho entity for the APA service only have the option to repaper with UNAVISTA TRADEcho B.V. if they so wish. All other services remain contracted with LSE plc.

**Adding new entities as existing clients**

We understand that many firms may be setting up EU or UK entities to continue to serve their EU/UK client base, and we want to make it as seamless as possible for these new entities to continue to trade report through us.

- Firms that access TRADEcho services via a UnaVista Master Services Agreement (MSA) and a TRADEcho Project Addendum (PA) will be covered for any affiliate entities for the services listed on their PA.

- Firms that access TRADEcho through their LSE membership agreements (Trading Services Agreement) may need a TRADEcho MSA and/or PA for any new affiliates that are not LSE members.

For any draft contracts or contracting queries, please email contact@tradecho.com.
TRADEcho’s new European APA will be distinguished from the existing UK APA using a different MIC code - ECEU.

**Target APA field**
TRADEcho will not be dictating which APA a client publishes on, this is the decision of the client. As such:

- FIX tag 25011 ‘TargetAPA’ is used to distinguish:
  - ECHO (UK)
  - ECEU (EU)

  For APA only clients: this field will default to ‘ECHO’ if left blank
  For SRR clients: if left blank, TRADEcho will check your APA Preferences to see which APA to send to

- For the APA GUI/CSV spec ‘TargetAPA’ has been added for trade report entry
APA Changes

New instrument thresholds/attributes

Until the FCA or an alternative UK authority provide their own liquidity assessments and deferral/pre-trade thresholds, the market will continue to use the existing figures provided by ESMA for the purposes of transparency. Separate UK parameters are being built into the system regardless, to handle new liquidity assessments and deferral thresholds if and when they come.

Venue of Publication Field

To distinguish between trade reports made to each APA, the LSE’s Group Ticker Plant (GTP) will be upgraded to support the field ‘Venue of Publication’, which will indicate the APA published through:

- ‘ECHO’ – for the UK APA
- ‘ECEU’ – for the EU APA
- The MIC corresponding to the relevant venue where the trade is On Exchange / other MTF or OTF
SRR Changes – Deriving Firm Status

The SRR has been enhanced to distinguish between UK and EU27 investment firms and systematic internalisers.

These values are available in the revised rules table as part of the assessment of reporting obligation as shown on the next page.

The revised logic to derive a firm’s status within the SRR is as follows:

- We will continue to perform an initial LEI check to determine location which can now be; EEA, UK or Third Country (pre-Brexit there were only 2 groups; EEA and Non-EEA)

- The first location override option for both executing and counterparty firms is “branch location”. Again, this can now result in one of 3 statuses; EEA, UK or Third Country.

- The second location override option only applies to the executing firm and is “sales/trader location”. Again, this can now result in one of 3 statuses; EEA, UK or Third Country.

- After the location status has been determined, the firm is either given an SI, Investment Firm or Non-Investment Firm status so the final status of each firm is one of the following:
  - EEA SI
  - EEA Investment Firm
  - UK SI
  - UK Investment Firm
  - Non-Investment Firm (Third Country)

- The Systematic Internaliser status is either provided on the FIX message or the SRR will lookup the status in the SI Data Registry, which has been upgraded by RDU to handle EU and UK SIs
The new SRR rules table will mirror the table to the right.

These 24 scenarios show all active rules if you have not amended the TRADEcho default ruleset.

Each rule means that the entering firm will report if the parameters in the rule are met.

If you have amended the ruleset, your table will look slightly different.

We have added an “Add rule” button for you to add any additional scenarios that you wish and you can still delete or edit rules (see below).

<table>
<thead>
<tr>
<th>Entering Firm Status</th>
<th>Your Side</th>
<th>Counterparty Status</th>
<th>Reporting Capacities</th>
<th>To TV Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Investment Firm</td>
<td>Sell</td>
<td>UK Investment Firm</td>
<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
<td>EU, UK</td>
</tr>
<tr>
<td>UK Investment Firm</td>
<td>Sell</td>
<td>EU Investment Firm</td>
<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
<td>EU, UK</td>
</tr>
<tr>
<td>UK Investment Firm</td>
<td>Buy</td>
<td>3rd Country Investment Firm</td>
<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
<td>EU, UK</td>
</tr>
<tr>
<td>UK SI</td>
<td>Buy</td>
<td>UK Investment Firm</td>
<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
<td>EU, UK</td>
</tr>
<tr>
<td>UK SI</td>
<td>Sell</td>
<td>UK Investment Firm</td>
<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
<td>EU, UK</td>
</tr>
<tr>
<td>UK SI</td>
<td>Sell</td>
<td>UK SI</td>
<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
<td>EU, UK</td>
</tr>
<tr>
<td>UK SI</td>
<td>Buy</td>
<td>EU Investment Firm</td>
<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
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<td>AOTC-A, MTCH, DEAL-R, AOTC-C, DEAL-P</td>
<td>EU, UK</td>
</tr>
</tbody>
</table>
• TRADEcho migrated your existing ruleset to the new ruleset in the March 2019 release. This ruleset assumed a soft Brexit to continue the same reporting outcomes as pre-Brexit.

• If you wish to make changes to the rules based on a hard Brexit or other regulatory guidance these will need to be made from 06:00 on 1st February 2020 and rules will need accepting (and accepting again by a second user to meet the 4-eyes-check) before becoming active.
SRR Changes – APA Preferences

With the addition of the new APAs connected to the SRR, firms will continue to be able to set their APA preferences via the FIX Tag 25011 ‘TargetAPA’ or within the GUI to one of the below APAs:

- ECHO (TRADEcho UK)
- ECEU (TRADEcho EU)
- BOTC (Bats (CBOE) UK)*
- TREA (Tradeweb UK)
- TWEA (Tradeweb EU)

*CBOE will be determining if a trade is targeting their UK or EU APA by the entity (‘Bank Code’) submitted. Firms should contact CBOE to provide details on the APA targeted by the entity. No changes are required in TRADEcho to support this.

APA preference migration

- All SRR clients have existing APA preferences set up in the GUI which were migrated over automatically per the table below:

<table>
<thead>
<tr>
<th>APA preference post March release</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECHO (TRADEcho UK)</td>
</tr>
<tr>
<td>TREA (Tradeweb UK)</td>
</tr>
<tr>
<td>BOTC (CBOE Europe APA - valid for both UK and EU)</td>
</tr>
</tbody>
</table>

- Note:-
  - Tradeweb EU APA (TWEA) has been available since 1\textsuperscript{st} April and firms can use this now
  - CBOE EU APA is scheduled to launch on 2\textsuperscript{nd} September 2019. Firms should monitor CBOE service announcements for any changes
  - TRADEcho EU APA (ECEU) can be set from 06:00 on the morning of 1\textsuperscript{st} February 2020
Many clients have existing Assisted Reporting rules set up. These were migrated over so you will not need to set up new rules for your Assisted Reporting clients.

There will be 5 choices and to allow for differing interpretations, you will need to indicate which version of the APA your client wishes you to publish on (UK or EU) depending on whether the instrument is ‘UK ToTV’, ‘EU ToTV’ or ‘Both’.

- Tradeweb EU APA (TWEA) has been available since 1st April and firms can use this now
- CBOE EU APA is scheduled to launch on 2nd September 2019. Firms should monitor CBOE service announcements for any changes
- TRADEcho EU APA (ECEU) can be set from 06:00 on the morning of 1st February 2020

| Assisted Reporting Target APA default preference post-March release: |
|-------------------------------------------------|----------------|----------------|
| **UK ToTV** | **EU ToTV** | **ToTV in Both** |
| ECHO (TRADEcho UK) | ECHO | ECHO |
| TREA (Tradeweb UK) | TREA | TREA |
| BOTC (CBOE Europe APA - valid for both UK and EU) | BOTC | BOTC |

*Dropdowns will have 5 values; ECHO, ECEU, BOTC, TREA, TWEA*
Changes to the SI Quoting service essentially mirror changes to the APA; an additional Target APA field and provisions for new pre-trade waiver thresholds if and when they come.

**Target APA field**

TRADEcho will not be dictating which APA a client publishes on, this is the decision of the client. As such:

- FIX tag 25011 ‘TargetAPA’ is used to distinguish:
  - ECHO (UK)
  - ECEU (EU)

  This field will default to ‘ECHO’ if left blank.

  Likewise, for the GUI/CSV spec ‘TargetAPA’ was added for quote entry.

**New instrument thresholds/attributes**

It is our expectation that, until the FCA or an alternative UK authority provide their own liquidity assessments and deferral/pre-trade thresholds, the UK will use the figures provided by ESMA at the point the UK leaves the EU for the purposes of transparency.

Separate UK parameters are being built into the system regardless, to handle new waiver thresholds if and when they come.

**SI Quoting Website Publication**

TargetAPA will be added to the quoting website.
Portfolio Compression Changes

Target APA Field

A Target APA field will also be added to the portfolio compression website and specification. This will designate which APA each compression is being published to, and the new field will appear on the website for public viewing.
Back in March the SI Registry template was upgraded to add 2 new fields to indicate which regime a firm was an SI in:

- UK_Submission
- EU27_Submission

These fields were both initially defaulted to ‘Y’ for existing submissions.

SIs have been free to amend these values since March and depending on the Brexit outcome may need to amend these effective 1st February 2020.