

Bats Europe Expands BXTR to Offer Buy-Side Trade Reporting Services

- Bats Europe provides new “assisted reporting model” service to buy-side customers to meet their MiFID II trade reporting obligations
- New service enables brokers to submit trade reports on behalf of buy-side via BXTR, Bats’ trade reporting facility, providing a low-cost, light-weight buy-side trade reporting solution
- BXTR will transition to Approved Publication Arrangement (APA) under MiFID II

LONDON – 3 April 2017 – Bats Europe, a CBOE Holdings, Inc. company and the region’s largest equities exchange operator, today announced it has expanded its trade reporting facility, BXTR, to offer a new service that enables buy-side firms to meet their trade reporting obligations under MiFID II. The new service, an assisted reporting model, allows buy-side firms to enable their brokers to submit trade reports on their behalf using the broker’s existing connectivity to Bats Europe.

Recognising the new MiFID II reporting obligations will present buy-side firms with a range of operational, technical, financial and regulatory challenges, Bats’ new buy-side trade reporting service requires no technical or operational changes to buy-side systems for APA connectivity since it uses their broker’s existing connectivity to Bats Europe. The new service, which is offered under a simple, inexpensive license, allows buy-side firms to meet their MiFID II reporting obligations in a straightforward, cost-effective manner.

Mark Hemsley, President of Europe for CBOE, which owns Bats Europe, said: “With MiFID II coming into effect in just nine months, we want to make sure buy-side firms have access to simple, easy-to-implement solutions to meet their trade reporting obligations. As the largest equities trade reporting venue in Europe, expanding BXTR to offer this service was a natural extension of our offering and provides a low-cost, light-weight trading reporting solution for the buy-side.”

Since the beginning of the MiFID II process, Bats has been working closely with clients and the buy-side community to design products and services to meet their new needs and has been a go-to resource for MiFID II information via a dedicated MiFID II microsite (www.bats.com/mifid).

Under MiFID II, all investment firms are obligated to report their trades when they transact on an OTC (i.e. off venue) basis. The investment firm category can include buy-side firms, who under MiFID II cannot delegate formal regulatory responsibility to their sell-side counterparties, as they can under MiFID I. Therefore, unless a firm is dealing with a Systematic Internaliser, the selling firm is responsible for the report. In practice for the buy-side this is likely to give rise to trade reporting obligation in the following OTC trading scenarios:

- When a buy-side firm is trading with a counterparty from outside the EEA;
- When a buy-side firm is selling to another investment firm that is not a Systematic Internaliser in the instrument in question;
- When a buy-side firm is trading between different funds that it manages and cannot take advantage of the exemption available to UCITS or AIF management companies.

BXTR handles approximately 60% of all OTC trade reporting across the region and covers nearly 13,000 European equities and exchange-traded products. BXTR, which, subject to regulatory approval, will become an APA for MiFID II, offers a suite of services that enable firms to fulfill a range of business and regulatory requirements including:

- On-exchange off-order book trade reporting with optional clearing services under the ETR services
- Off-exchange (OTC) reporting services in accordance with the FCA’s Trade Data Monitor (TDM) regime covering EU securities in scope for MiFID I
- Support for OTC reports in Swiss equity instruments by virtue of holding Trade Data Monitor status with SIX Swiss Exchange
- For MTFs, dissemination of MTF trades via Bats market data to meet post-trade reporting obligations under MiFID
- Pre-trade transparency quoting in accordance with the MiFID SI regime

Additional information about Bats' new buy-side trade reporting service is available on the BXTR section https://www.bats.com/europe/equities/trs/apa_overview of the Bats website.

About Bats Europe

Bats Europe, a CBOE Holdings, Inc. company, is Europe's largest equities exchange and offers trading in more than 5,500 securities across 15 major European markets, over one platform and under one rule book. In addition, Bats Europe's leading trade reporting service, BXTR, reports the majority of OTC equity market trading executed in Europe.

Bats Europe is the brand name of Bats Trading Limited, a Recognised Investment Exchange regulated by the Financial Conduct Authority.

About CBOE Holdings, Inc.

CBOE Holdings, Inc. (BATS: CBOE | NASDAQ: CBOE), owner of the Chicago Board Options Exchange, the Bats exchanges, CBOE Futures Exchange and other subsidiaries, is one of the world's largest exchange holding companies and a leader in providing investors cutting-edge trading and investment solutions. With 14 trading venues, CBOE offers trading across a diverse range of products, including options, futures, U.S. and European equities, exchange-traded funds, and multi-asset volatility and global FX products. www.cboe.com.

Media Contacts

Analyst Contact

Stacie Fleming

+44-20-7012-8950
sfleming@cboe.com

Hannah Randall

+1-646-856-8809
hrandall@cboe.com

Suzanne Cosgrove

+1-312-786-7123
cosgrove@cboe.com

Debbie Koopman

+1-312-786-7136
koopman@cboe.com