



DEUTSCHE BÖRSE  
GROUP

The Regulatory Reporting Hub

## MiFID II SI Service

### Full service for systematic internalisers

MiFID II introduces new requirements for systematic internalisers (SIs) that deal on own account on an organised, frequent, systematic and substantial basis outside a trading venue, when executing client orders. In addition, the SI regime is extended to all asset classes. The new requirements apply to pre-trade reporting, quality of order execution and post-trade reporting. Deutsche Börse offers SIs a one-stop full service that complements our other MiFID II related regulatory services (APA and ARM). The SI Service consists of the below described elements.

#### **SI identification (MiFID II Art. 4 and Delegated Act as of 25 April 2016)**

The upcoming regulation introduces specific quantitative thresholds that determine whether a firm is obliged to register as SI for a specific instrument or derivatives class. Deutsche Börse's regulatory reporting hub monitors transaction and trade data submitted by the client in order to provide daily reports on the prospective SI status. As soon as specific levels defined by the client are reached, warnings are issued. This allows clients to prepare for SI registration in time.

#### **Pre-trade reporting (MiFIR Art. 15 and 18)**

Investment firms have to make public quotes for liquid equity and equity-like instruments for which they are SIs. This can be done by using an APA service. Our SI pre-trade reporting service helps clients publish the necessary quote information in near real-time via our CEF® market data distribution infrastructure to the global data vendor network.

#### **Quote and trade matching (MiFIR Art. 15 and 18)**

SIs have to execute the orders they receive from their clients in relation to financial instruments for which they are SIs at the quoted prices at the time of

reception of the order. Some exceptions may apply concerning trade volume and/or price. Our SI Service continually monitors the consistency of executed prices with quotes provided by the SI and provides regular reports on quote and trade matching.

#### **Best execution and top 5 venue reporting (RTS 27 and 28, MiFID II Art. 27 (10))**

SIs have to provide quarterly reports concerning execution quality that include information such as price, date, execution venue but also specific information such as outage times and number of failed transactions. Our service extracts corresponding relevant information from the pre- and post-trade reporting streams submitted by the SI and assembles quarterly reports to support best execution reporting obligations.

The service also supports the reporting on top five execution venues in terms of trading volumes for all executed client orders for retail clients, excluding orders in Securities Financing Transactions, which has to be provided on a quarterly basis. The data is compiled from transactions submitted to the transaction reporting service.

#### **Reference data reporting (MiFIR Art. 27)**

SIs have to provide their competent authorities with reference data relating to those OTC derivatives for which they are SIs. Deutsche Börse can assemble reference data reports based on the descriptive data (FpML) submitted by the client as part of its OTC trade reporting. The SI Service will transmit the reference data to the relevant NCA end-of-day.

#### **Contact**

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