

# Trade Reporting

**Trade reporting in Europe has changed. The new rules, which will bring greater transparency to reporting procedures, affect not only you as a client but also us as an investment bank.**

## **Where will you trade report on/off-order book trades?**

Any orders traded on an MTF or regulated market will be sent to BOAT at the end of each day. Off-order book or OTC trades will be reported within the regulatory time frames set out by MiFID.

Example: 1m BP shares – 400k on LSE, 100k on Chi-X, 500k OTC.

UBS will report the 500k OTC portion to BOAT as it occurs (or will defer the publication if appropriate). The other 400k + 100k will be reported by trading on that venue – these on-book trades will be sent to BOAT at the end of the day, each with their own average price.

## **If I have a Bloomberg download (not terminal) and I want to download BOAT data and differentiate between accessible OTC volume and on exchange volume which is not accessible, (and I have already identified the volume in my “on exchange volume” from the primary exchange anyway) how do I do this?**

BOAT will not initially (as of 1 November 2007) be publishing the on-exchange data. Although UBS is ready, not all brokers are in a position to send BOAT the end-of-day file of their on-exchange business. This is something BOAT is looking to provide next year.

BOAT will be publishing all of the off-exchange business from 1 November. This can be accessed through all the normal market data providers such as Bloomberg, Reuters and Thompson, who will also have the on-exchange data direct from each of the exchanges, as today. Each provider will define the two differently.

## **Will there be duplication?**

Initially there could be duplication, as today, with houses trading in a principal capacity. However, BOAT consortium members are discussing how to standardise trade reporting/market share analysis which we hope to resolve and put live by end of Q1/08.

## **How can I see off exchange volumes?**

From 1 November 2007 BOAT will publish all of the off order book business. This can be accessed through all the normal market data providers such as Bloomberg, Reuters and Thomson.

## **Can a client specify markets where he wants to report on the primary only, eg not BOAT?**

No. UBS follows the European Commission and FSA ruling to publish trade information which is easily accessible to other market participants and on a reasonable and commercial basis. UBS has chosen BOAT as the venue for this trade reporting. “Public” includes making information available through a regulated market or MTF, third party facility or proprietary arrangements. This only applies to shares admitted to trading on a regulated market.

## **Will MiFID provide better visibility?**

Whether transacted on exchanges, on MTFs or OTC under MiFID, all trades in all countries must be reported to the marketplace. Historically many of the trades done OTC (eg. Germany) have been invisible to the markets so these new MiFID rules will increase transparency dramatically.

## **Do you think increased transparency of off-exchange reporting will increase the price of risk?**

The increased transparency in MiFID is substantial. The printing of all trades in all countries, the removal of deferred reporting for portfolio trades and the move away from risk based deferral (print when out of 90% of risk) are all likely to impact the ability of a broker to manage the risk resulting from the commitment of capital. However, the competitive and service factors within risk pricing are complex and a direct impact to the price may not be apparent.