MIFID2

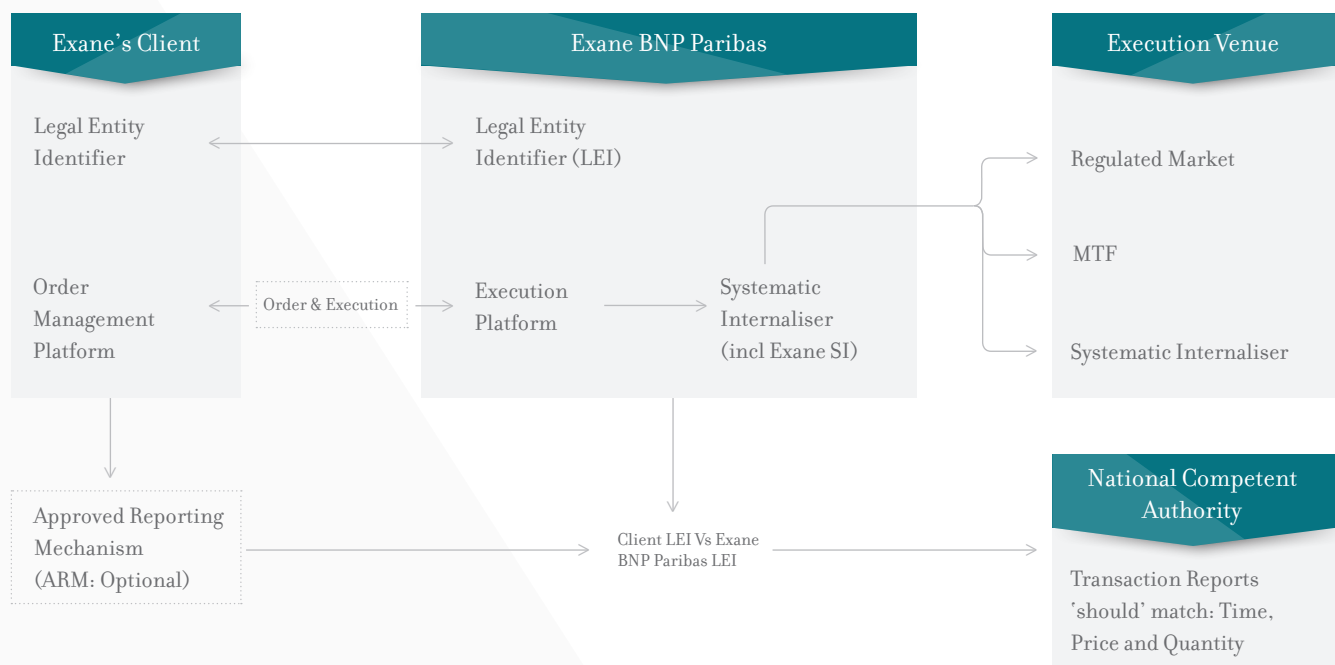## WHAT DO YOU NEED TO KNOW?

Under MiFID2, Transaction Reporting requirements have been significantly extended and now require the buyside to report their trades to their regulator (National Competent Authority).

Not only does the amount of data to be submitted increase dramatically (from 24 fields to 65) but it must now also include the personal data of those responsible for the investment (e.g. passport numbers) and the execution decisions, unless these decisions were made by an Algorithm in which case the algo ID should be populated.

The industry must be **compliant** with the new Transaction Reporting regime **from the outset**.

Exane's Client	Exane BNP Paribas	Execution Venue
Legal Entity Identifier	Legal Entity Identifier (LEI)	Regulated Market
		MTF
Order Management Platform ← Order & Execution →	Execution Platform → Systematic Internaliser (incl Exane SI)	Systematic Internaliser
Approved Reporting Mechanism (ARM: Optional)	Client LEI Vs Exane BNP Paribas LEI	**National Competent Authority** — Transaction Reports 'should' match: Time, Price and Quantity

WHAT IS EXANE BNP PARIBAS DOING?

Exane BNP Paribas will determine the Transaction Reporting capacity based on the order attributes, nature of the execution and its entity structure:

- DEAL: used when acting in a riskless principal or principal capacity. Transaction reports done at the aggregated (i.e. order) level or at execution level.

- MTCH (Matched Principal Trading): used as an alternative when trading in a riskless principal manner. Transaction reports will be at the execution level.

- AOTC (Any Other Trading Capacity): used for all other capacities, including agency. Transaction reports to be at the execution level.

HOW IS THIS GOING TO IMPACT YOU?

Impacted clients will be required to report all their transactions to their National Competent Authority.

Client Transaction Reports 'should' match Exane BNP Paribas' report in relation to the time, price and quantity, although we note that the regulation does not say they 'have' to match.

If a client provides Exane BNP Paribas with its short sell flag on the order we will be obliged to report this on our transaction report. If the client does not provide this data we will report it as undisclosed 'UNDI'.

WHAT CHANGES WILL BE MADE TO FIX PROTOCOL?

Our FIX execution reports will contain important information for your transaction reports.

Exane BNP Paribas' FIX execution message will be used to define what we intend to transaction report to our National Competent Authorities.

Tag 29: Last Capacity

- =1 Agent   Mapped to AOTC
- =2 Cross as Agent   Mapped to AOTC
- =3 Cross as Principal   Mapped to MTCH
- =4 Principal   Mapped to DEAL

As per the FIX protocol, the existence of tag 20073: Transaction Reporting Venue, will indicate whether the FIX message should be treated as a Notice of Execution (NOE) or not.

Transaction Reporting Venue will only be populated when there is an expectation that the client will transaction report at an execution level when tag 20073 is populated.

Tag 20073: Transaction Reporting Venue

- = SI Mic or XOFF