

Amsterdam Regional Meeting

12th October 2022

Event Summary

Panel Session:

Maintaining Competitiveness in Europe for Equities

Speakers:

- **Jim Kaye**, Executive Director & Co-Chair Consolidated Tape – Data Standards – Equities Working Group, **FIX Trading Community [Moderator]**
- **Alex Dalley**, Co-Head of Sales, **Cboe**
- **Roland Prevot**, Head of Retail, Cash Equity Market, **Euronext**
- **Philippe Guillot**, Managing Director, Data and Markets Directorate, **Autorité des marchés financiers (AMF)**
- **Edward Monrad**, Head of Market Structure, **Optiver**

The panel covered a number of topics relating to competition in and current topics concerning the European equities markets. Much was made of the relative size of the European market compared with the US and Asia with complexity, fragmentation and the lack of a consolidated tape being mentioned as contributing causes.

Behaviour of the markets, and their participants, during periods of instability was also discussed, with panellists broadly agreeing that market mechanisms broadly worked and market making firms are prepared for and can operate fully under such conditions.

Regarding market outages, the need for predictable behaviour and clear, timely communication was stated. It was also noted that continuation of trading when the primary market is unavailable would require some regulatory change (e.g. permitting reference prices from venues other than the most relevant market) and behavioural change (e.g. allowing the closing auction to be 'picked up' by another venue, noting parallels with US market behaviour).

Finally, there was a discussion on competitiveness and the presence or lack of a level playing field across Europe. It was noted that payment for order flow (PFOF) was a topic of interest given the ability of certain market operators to 'export' behaviours across the EU and a view that PFOF was detrimental to price formation.

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Panel Session:

Fixed Income in the Netherlands – the Challenges, Future and Technology

Speakers:

- **Stéphane Malrait**, Global Head of Market Structure and Innovation for Financial Markets, **ING Bank** [**Moderator**]
- **Niels Lemmers**, Head of Public Affairs, **Flow Traders**
- **Alex Wolcough**, Director, **GreenBirch Group**
- **Tilman Lüder**, Head of Securities Markets, **European Commission**

The panel focused mostly on post-trade transparency with an update given on reporting fields/flags and deferral proposals under the current EU presidency.

Regarding reporting fields, it was felt that this was close to finalisation. Regarding deferrals, the current proposals were felt by the panel to provide excessively long deferral periods, with one panellist suggesting that even the shortest (15 minute) period should be reduced to something approaching real time reporting, and that anything over two weeks rendered the data effectively redundant. Suggestions were made that incorporating two-way indicative quotes into the tape could help with overall information provision, and that one approach to determining deferral timelines could be to start with minimal deferrals and extend if this is evidenced to result in an adverse impact on liquidity.

It was suggested that market participants should start to press ahead with consolidated tapes for both bonds and equities, even if this were to be done on a voluntary basis to start with.

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