

LSE Market Data

TRANSPARENCY OBLIGATION DISCLOSURES 2022



LSEG

London Stock Exchange plc

Market Data Transparency Obligations – 2022

INTRODUCTION

Article 11, “Transparency obligation”, of Commission Delegated Regulation (EU) 2017/567 of 18 May 2016, as published in the Official Journal of the European Union on 31 March 2017, requires that “Market operators and investment firms operating a trading venue and systematic internalisers shall disclose the price and other terms and conditions for the provision of the market data in a manner which is easily accessible to the public” and makes requirements on the contents of this disclosure.

This document covers all of the relevant disclosures for London Stock Exchange plc (“London Stock Exchange”) in connection with such transparency obligation, with the exception of current price lists and related terms and conditions, with the latter including the notice period for any changes to the fees. As detailed below, these are available at www.londonstockexchange.com, in the London Stock Exchange Real Time Market Data Price List and the London Stock Exchange Real Time Market Data Agreement respectively.

All data generated from the trading systems operated by London Stock Exchange is collated and developed before being distributed via vendors or directly to end-users, as detailed in the London Stock Exchange Real Time Market Data Agreement.

DISCLOSURES

Current price lists

Current price lists for London Stock Exchange are publicly accessible on the Real Time Data pages of the website at [Pricing and Policies | LSEG](#).

Contractual terms and conditions can be found within the London Stock Exchange Real Time Market Data Agreement on the same page.

Advance disclosure of future price changes

As provided for in the London Stock Exchange Real Time Market Data Agreement, future price changes are subject to a minimum of 90 days’ notice.

INFORMATION ON THE CONTENT OF THE MARKET DATA DISTRIBUTED

Regulatory obligation	Response	Explanatory note
Number of instruments covered	22,973	Instruments admitted to trading on London Stock Exchange as of 31/12/2020
Total turnover of instruments covered	£1.24 trillion	2020 value traded on London Stock Exchange
Pre-trade and post-trade market data ratio	97.2% pre-trade : 2.8% post-trade	As of 31/12/2020 - <u>Pre-trade</u>: number of orders (new orders, amendments, cancellations, fills and expires) on all markets - <u>Post-trade</u>: number of trades on all markets
Data provided in addition to market data	London Stock Exchange provides the following data services: - Historical tick data - End of day summary - Rebuild order book - Market share - Participant trading data - Reference data services - GTP analytics	Information about these services may be found on the London Stock Exchange website
Date of last licence fee adaptation for market data provided	1 January 2022	Notice of this fee change was provided to the market on 23 September 2021, to take effect from 1 January 2022

REVENUE OBTAINED FROM MAKING MARKET DATA AVAILABLE

Per audited 2020 accounts:

Revenue obtained from making market data available	£71m (London Stock Exchange gross revenue including intercompany)
Proportion of that revenue compared to total revenue	14% (of total London Stock Exchange gross revenue including intercompany)

Information on how the price was set including the cost accounting methodologies

Costs are apportioned in line with the methodology described in this document.

Background

London Stock Exchange is owned by the London Stock Exchange Group plc ("LSEG") and the Market Data business sits within LSEG's Information Services division.

The cost accounting methodology reflects the advice of external subject matter experts, engaged to understand industry best practice, to help form the cost allocation model to be used by LSEG and its subsidiaries ("Group").

Methodology

Costs are grouped in three categories: direct costs, indirect costs and joint costs.

Direct costs are specifically incurred to run London Stock Exchange's Market Data business. These costs are allocated in total to the Market Data business and they are not shared with other business areas.

Indirect costs represent the internal services that are incurred to run London Stock Exchange's Market Data business. These are aggregated in cost pools and assigned allocation drivers, which in turn allow their costs to be shared by the Group's revenue generating businesses.

Joint costs are incurred to run concurrently with the Market Data and Trading businesses on the basis that these are jointly produced services and it is not possible to offer one service without the other.

Direct costs:

The following are the key direct costs for the London Stock Exchange Market Data business:

- Staff costs
- Third party information services fees
- Subscription fees
- Professional fees
- Depreciation and amortisation
- Market Data technology platform operating costs

Indirect costs:

The following are the key indirect costs allocated to the London Stock Exchange Market Data business:

- Property costs
- IT infrastructure costs
- Divisional support function costs
- Group support function costs

Joint costs:

London Stock Exchange Trading and Market Data businesses provide jointly produced services: a single technology platform facilitates both trading activity and data production and it is not possible to offer one service without the other. London Stock Exchange allocates platform costs equally between its Trading and Market Data businesses.