

1 November 2017

**N10/17**

## **Transitional guidance to Rule 3040 in preparation for the Markets in Financial Instruments Directive (MiFID II) – effective 20 November 2017**

### **Introduction**

1. Further to the publication of the TRADEcho MiFID II Deployment Guide Document Issue 2.0 (“the Deployment Guide”) on 19 October 2017, this Notice provides some transitional guidance in respect of Rule 3040 of the Rules of the London Stock Exchange (“the Exchange”). This guidance will be effective between the technical go-live of the Exchange’s off order book trade reporting system (TRADEcho) for MiFID II on 20 November 2017 and the implementation of the new rule book on 3 January 2018.

### **Current guidance**

2. The guidance to Rule 3040 currently prescribes the use of the Reporting Condition “SP”, when trade reporting off order book on Exchange trades, where the trade is subject to conditions other than the current market price of the share. Examples of these scenarios are also provided in the guidance.

### **Transitional guidance**

3. As outlined in the Deployment Guide, from 20 November 2017 the Reporting Condition “SP” will no longer be supported and member firms should use the MiFID II flags, to replace the use of the Reporting Condition required by Rule 3040. The Deployment Guide provides information regarding the appropriate MiFID II flag to use in each example set out in the guidance to Rule 3040. It can be found in the TRADEcho - Phase 2 Technical Specifications section at: <http://www.londonstockexchange.com/products-and-services/technical-library/millennium-exchange-technical-specifications/millennium-exchange-technical-specifications.htm>

### **Queries**

4. Queries on this Notice should be addressed to the Rules and Compliance Team, telephone +44 (0)20 7797 2190 (STX 32190).

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Head of UK Compliance & Group Regulatory Policy

This Stock Exchange Notice will be available on the website at <http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable London Stock Exchange to carry out its regulatory responsibilities

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