

Brexit – Impact on MiFID II and MiFIR at IFEU

The UK Government has passed laws that bring almost all aspects of MiFID II and MiFIR into UK Law and so MiFID II and MiFIR will continue to apply to IFEU from the end of the Transition Period on 31 December 2020. The FCA takes over ESMA's role.

No Changes:

- Commodity derivative and emission allowance position reporting
- Order retention
- Pre-trade transparency thresholds and disclosure
- Post-trade transparency thresholds and disclosure.

Transaction Reporting:

- There is **no change** to the content of transaction reporting
- There are changes to the scope of transaction reporting:

Under EU-MiFIR an EU incorporated MiFID Investment Firm is required to report its transactions to its National Competent Authority. Under UK-MiFIR these trades will also need to be reported to the FCA by ICE.

Except where the trades are executed by a UK branch of the EU firm, which has received a Temporary Permission (TP) from the FCA. The UK branch is required to report the transactions to the FCA via an ARM (as if it was a UK Investment Firm) and ICE must not report these transactions.

To achieve compliance with this branch distinction IFEU uses the location of the Responsible Individual Mnemonic (RIM) to identify the trading location and ensure that it reports only the non-UK transactions to the FCA. The Exchange expects all Members operating UK branches under TPs to understand and configure their RIMs and trading to support this.

Instrument Data:

The FCA have created UK versions of FIRDS and FITRS. IFEU will no longer supply instrument and turnover data to ESMA's databases but will provide it to the FCA.

Minor Changes:

- The Exchange will continue to publish its CoT reports each week but the FCA is not publishing a consolidated UK CoT.
- The "Operators with obligations under D2003/87" category in the CoT does not apply to UK CO₂ installations.
- The UK is still deemed part of the EEA when determining which national identification code should be used for natural persons for transaction reporting (i.e. National Insurance No.).