

POST-TRADE RELEASE NOTES

January 2025: Release 24.4.1

INTRODUCTION

Following the recent updates, we are pleased to announce the following **Transparency Reporting** and **Match** enhancements to the MarketAxess Post-Trade (MAPT) system. Unless stated otherwise below, these changes are scheduled for release to production on 11th January 2025, and effective thereafter.

TRANSPARENCY REPORTING

Main Features

- **EU Post-trade APA Insight reporting service – Designated Publishing Entities**

In line with changes to the [Regulation \(EU\) No 600/2014](#) (“MiFIR”) transparency scope per [Regulation \(EU\) 2024/791](#) (“MiFIR Review”) and [ESMA Public Statement 22nd July 2024](#) (“ESMA Public Statement”) for where the concept of Designated Publishing Entities (“DPE”) is introduced 3rd February 2025. MarketAxess are pleased to announce changes to Reporting Responsibility Filtering Service logic to support the new DPE regime.

Reporting Responsibility filter will use the [DPE register](#) published by ESMA (“ESMA DPE Register”) to determine reporting responsibility.

- Where the executing firm or counterparty is a registered DPE in the particular class of financial instrument, per the ESMA DPE Register, the DPE will have the reporting obligation.
- Where both or neither firms are a DPE, the seller investment firm will have the reporting obligation.
- In line with the latest file specification published by ESMA, third-country investment firms with an EU branch can be designated as a DPE for the individual registered branch.
- The reporting responsibility logic is based on the **trade execution date/time**, not the date the trade was submitted to the APA nor the trade publication date.
 - This will be effective as of the **trade execution date/time of 3-February 2025 and beyond and will leverage the new DPE logic;**
 - Trades submitted with a trade date prior to this will be processed using the existing reporting responsibility logic (RDU systematic internaliser register)
- Firms should continue to populate **Executing LEI, Counterparty LEI, Executing and Counterparty Branch Location**, and **Buy/sell indicator** in order for the Reporting Responsibility filter to determine reporting responsibility.

- Firms who wish to override the default MarketAxess logic can leverage the publication override indicator flags through the FIX, CSV, and UI interfaces. Alternatively, where no counterparty details are provided, the Service assumes the Executing firm is responsible for publication (regardless of side).

Known Issues

- Clarification is being sought as to how EU investment firms with third-country branches should be treated. In the meantime, MAPT will continue to treat third-country branches within the branch's jurisdiction to determine Reporting Responsibility.

Issues resolved

- A mapping issue regarding how we handle DPE status lookups for Equities and Equities-like asset classes is fixed.
- The DPE status of an investment firm only took into consideration the first class of financial instrument, where the DPE registered more than one class of financial instrument.

As a reminder, EU Post-trade APA Insight reporting service – **MiFID Eligibility filter (Derivatives)** – per release note 19th October 2024,

- In line with changes to the [Regulation \(EU\) No 600/2014](#) ("**MiFIR**") transparency scope per [Regulation \(EU\) 2024/791](#) ("**MiFIR Review**") and subsequent [public statement](#) ("**ESMA Public Statement**") the MiFID Eligibility filter service will evaluate if a derivative is subject to post-trade transparency according to amended MiFIR Article 21¹ for investment firms, and Article 10² for trading venue transparency.
- For derivative instruments, the eligibility filtering service will no longer use the "*traded on a trading venue*" ("**ToTV**") concept, but instead, based on the new OTC derivatives definition as referenced within new Article 8a (2) of MiFIR:-

"OTC derivatives that are denominated in euro, Japanese yen, US dollars or pounds sterling and that:

(a) are subject to the clearing obligation under Title II of Regulation (EU) No 648/2012, are centrally cleared, and, in respect of interest rate derivatives, have a contractually agreed tenor of 1, 2, 3, 5, 7, 10, 12, 15, 20, 25 or 30 years;

(b) are single-name credit default swaps that reference a global systemically important bank and that are centrally cleared; or

(c) are credit default swaps that reference an index comprising global systemically important banks and that are centrally cleared."

¹ Post-trade disclosure by investment firms in respect of bonds, structured finance products, emission allowances and derivatives

² Post-trade transparency requirements for trading venues in respect of bonds, structured finance products, emission allowances and derivatives

- The eligibility service uses reference data provided by LSEG Refinitiv to determine if an instrument is within the scope for post-trade transparency.
- In addition to the instrument being in scope, the trade must also be **centrally cleared** to be subject to the transparency requirement. The APA will only publish trades where the **Transaction to be Cleared** flag is set to **Intend to clear** on trade submission
 - FIX tag: ClearingIntention (1924) = '1',
 - XML field: clearingForDerivativeFlag = '1'
 - CSV field: Transaction to be Cleared (44) = 'Y'
- Subscribers may override the MarketAxess rules engine decisions using the **TradePublishIndicator** (FIX tag1390), or Publication Flag (CSV upload field 33) field.
- This change will apply to trades with a trade date on or after **27 January 2025**. Trades with a trade date before **27 January** will use the existing ToTV logic.

Known Issues

- Submission of OTC Derivative trades via the Insight GUI interface will not consider the 'Intent to clear' flag, resulting in the trade not being published.

Issues resolved

- The MiFID Eligibility filter (Derivatives) only applied the new scope of OTC Derivatives to existing ToTV instruments.
- For trade cancellations, the trade date/time validation has been relaxed per the previous release. FIX cancel acks messages will now process as expected.

MATCH

Main Features

- **Close Out Lifecycle Event Normalisation Capabilities**
 - Match has developed functionality that allows us to create the Close Out PTA lifecycle event message on behalf of our clients, provided, certain Parent Level trade amendments can be delivered in with the required details. For more information on this, please contact ptcs@marketaxess.com

Benefit: Having the ability to normalize across booking models will drive an increase in the number of Lifecycle Events we can bring into Matching across the community further reducing manual effort and settlement risk.

- **Close Out Lifecycle Event Advisories submitted by your counterparty now affects your Second Leg Status.**
 - Any Close Out Lifecycle Events which has a status of (ADV) will now change both the Principal and Counterparties second leg status to MCS (Matched Conflicting Settlement).
 - Once this Close Out Event has been matched the Second Leg Status will change to MMS(Matched, Matched Settlement) and will be visible to both the Principal and Counterparty of the trade.

Benefit: Ensuring consistency and visibility in Lifecycle Event trade statuses will make the identifying and resolving of exceptions easier for both sides of the trade.