



**BETTER FINANCE
FOR ALL**

The European Federation of Financial Services Users
Fédération Européenne des Usagers des Services Financiers



EuroFinUse Position on the Lack of consolidated trade data and best execution for European private investors: six years and counting

The European Federation of Financial Services Users (EuroFinUse)

8 May 2013

ID number in Transparency Register: 24633926420-79



The European Federation of Financial Services Users
76, rue du Lombard, 1000 Brussels - Belgium
Tel. (+32) 02 514 37 77 - Fax. (+32) 02 514 36 66
e-mail: info@betterfinance.eu - <http://www.betterfinance.eu>



Six years after the EU MiFID Directive fragmented the European equity markets, private investors still cannot get consolidated pre- and post-trade data. The solution preferred by the Commission and by the European Parliament seems to be going nowhere.

Indeed, the fragmentation of markets is there since 2007 but the EU failed to provide a consolidation of trade data, now also fragmented and not accessible by individual investors. It is a very damaging situation for them as:

- The quality of trade data has considerably deteriorated (they have now access to only more or less only 40% of pre- and post-trade data)
- The best execution principle on price has not and is not happening for them.

In late 2010, the Commission proposed three options to solve this issue:

- Let the market forces fix it : the “commercial” option;
- Call tender to select one single provider;
- Appoint a public entity to run it (the US solution in place)

Speaking at a roundtable today in Brussels on the “consolidated tape provider”, Guillaume Prache, Managing Director of EuroFinUse, which represents individual investors in Europe, recalled that EuroFinUse responded to the Commission’s public consultation by warning that the “commercial” option will never happen and therefore the EU had to quickly implement option two or three.

Private investors were not heard and both the Commission and the Parliament have since pushed for the “commercial” option. Today’s Brussels Roundtable made it again clear that this option is going nowhere, having already dropped real hopes of including pre-trade data and not knowing who is going to pay for this.

EuroFinUse is very concerned that the EU has and is still losing a lot of time and has not properly evaluated the economic cost of market fragmentation. The options involving a single provider make much more sense and are inevitable in the long run, but given the Commission’s and the Parliament’s position, it is unfortunately likely that private investors will still have several more years to wait for eventually getting reliable and comprehensive trade information and best price execution of their trade orders.

