



**London**  
Stock Exchange



**Borsa Italiana**

# MARKET DATA POLICIES

1 October, 2018

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## 1.0 Definitions

All Definitions below relate to this Schedule only, please refer to the Terms and Conditions for other defined terms:

Application Usage	means Non-Display and/or Other Application Usage Licence Charges. Charges as identified in the Price List (Schedule B).
Brand	means a specific client identity that can include but is not limited to: client name, logo, product name, 'look and feel', and URL.
Data Charges	means Charges identified as such in the Price List (Schedule B).
Data Source	means each supplier of Data including the Exchanges.
Licence Charges	means Charges identified as such in the Price List (Schedule B).
Market Data Audit Guidelines	means guidance notes on how a market data audit will be conducted (Schedule E).
Non-Display Usage	means the access, processing or use of Data for purposes other than displaying or disseminating such Data as further described in Section 4.6 below.
Other Application Usage	means the use of real time data within applications covering one or more non trading based activities including but not limited to: risk management; quantitative analysis; fund administration; portfolio management.
Unique User or Device ID	means a unique set of logon information which controls access to Data on a User or Device basis.
Website	means a website or a web platform with its own individuality, to be intended as, inter alia, specific domain name/URL and/or contents and/or Brand.

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## 2.0 Introduction

### 2.1 Purpose of this Schedule

2.1.1 This Schedule is a statement of the policies which govern the use, redistribution, display and reporting of London Stock Exchange and Borsa Italiana Data. This document is also available on our websites at [www.londonstockexchange.com](http://www.londonstockexchange.com) and [www.borsaitaliana.it](http://www.borsaitaliana.it)

### 2.2 Target audience of this Schedule

2.2.1 The policies in this document apply to the use of Data by Customers, Service Facilitators, Redistributors and their End Customers.

2.2.2 Customers are responsible for compliance with these policies by all members of their organisation and by all persons to whom they distribute Data. Redistributors are recommended by the Exchanges to make this Schedule available to all subscribers to their services having access to Data which is subject to Data Charges, reporting requirements or usage restrictions.

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### 3.0 Display devices

#### 3.1 Unit of count

3.1.1 The unit of count to measure the internal and external display distribution and reporting of Data is the Unique User Id or Device.

3.1.2 The sharing of a Unique User Id between Devices is permitted provided the user cannot access more than one Device simultaneously (e.g. terminal and PDA). Simultaneous access by a Unique User Id should be prohibited unless the Redistributor or End Customer is able to record, track and then report the number of simultaneous accesses. Where a Redistributor or End Customer entitles, but is unable to track and record, more than one simultaneous access to a Unique User Id the maximum number of potential accesses should be reported to the Exchanges.

3.1.3 Data Charges must be reported and are payable per Unique User Id or Device, per Data Source.

3.1.4 Billing for Data is based on the number of Devices or Unique User Ids enabled on the first working day of the month unless an actual usage or contention system is implemented by the Redistributor or End Customer (see sections 4.2 & 4.3).

#### 3.2 Examples

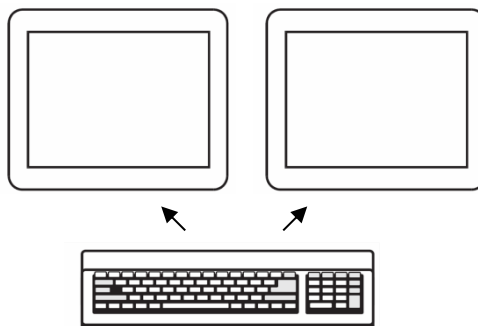
The following examples provide guidance on applying the above unit of count:

##### 3.2.1 One data control unit (e.g. keyboard), one Device



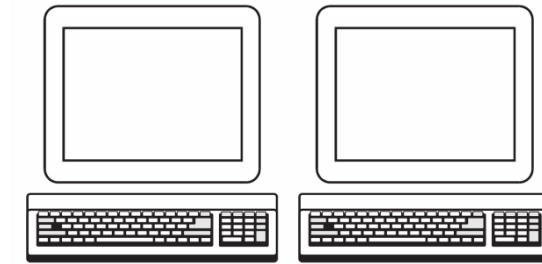
One Data Charge per Data Source

##### 3.2.2 One keyboard, more than one Device



One Data Charge per Data Source

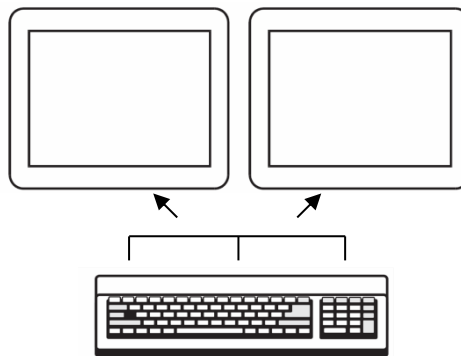
### 3.2.3 Two stand-alone (i.e. non-networked) Devices on one desk



One Data Charge per Data Source per Device

Assuming one Data Source per Device, this configuration attracts two charges.

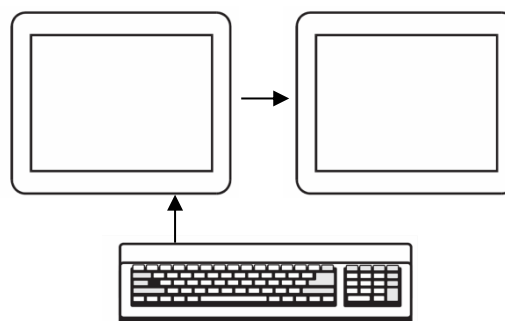
### 3.2.4 Two stand-alone Devices connected by a keyboard



One Data Charge per Data Source

Devices which would otherwise be classed as stand-alone, but which are linked by some form of single keyboard device are classed as a single chargeable Device.

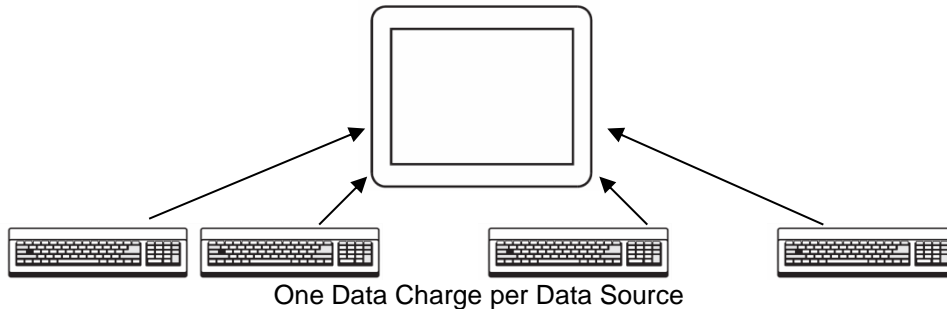
### 3.2.5 Slave devices (not necessarily on the same desk)



One Data Charge per Data Source

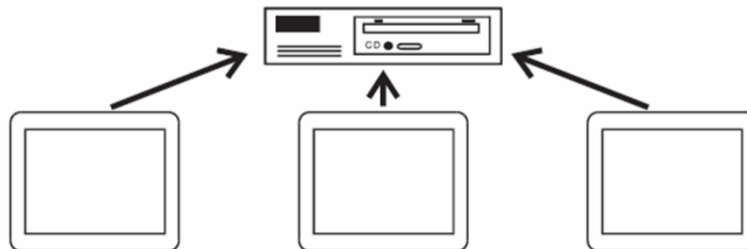
A slave device displays what the controlling Device displays and is incapable of being controlled independently.

### 3.2.6 Devices with multiple controls

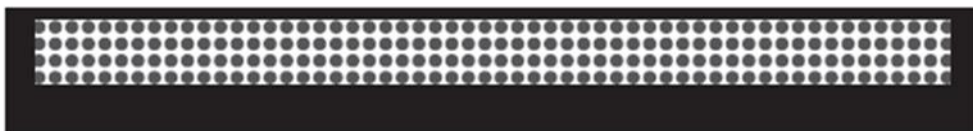


Although in this example there can be more than one user, this configuration attracts only one set of charges because each keyboard contends for access. Contention is an acceptable form of entitlement, see section 4.2.

### 3.2.7 Video system used to broadcast to dumb devices



### 3.2.8 Wallboards



One Data Charge per Data Source for the display of London Stock Exchange Data.  
One Wallboard charge per Data Source for the display of Borsa Italiana Data.

Public display wallboards and other public 'ticker' or Data displays attract one Data Charge per Device per Data Source for the display of London Stock Exchange Data and one Public Display charge per Data Source for this display of Borsa Italiana Data.

### 3.2.9 Remote devices

A laptop and other remote devices (such as palmtops, WAP telephones, tablets and PDAs which have the capacity to link directly to a PC) which are capable of receiving Data from an office based Device (fee liable in the normal way) do not attract additional Data Charges as long as the office based Device is disabled (i.e. cannot be used) while the remote device is in operation and vice versa.

### 3.2.10 Multiple applications

Where a Unique User Id or Device is permitted access to Data via multiple display applications, the Data Charge applies per Unique User Id or Device per Data Source, regardless of the number of display applications.

### 3.2.11 Text messaging

For text messaging services (such as SMS), the Per-Price Request or Pager and GSM phone tariffs apply to the display of London Stock Exchange Data. The SMS/MMS tariffs apply to the distribution of Borsa Italiana Data via text message.

## 3.3 Indices/Benchmarks

3.3.1 Licence fees set out in Schedule B of this Agreement apply to all Customers using the Data to calculate and distribute indices/benchmarks (whether real time, delayed or after midnight).

## 3.4 Other derived data

3.4.1 Other than in respect of indices/benchmarks and ATP that are subject to separate licences (see sections 3.3 and 4.8 of this Schedule A) Customers may use the Data to create other Derived Data and distribute such data without any Data Charges. For the avoidance of doubt, distribution of real time or delayed percentage change that may be reverse engineered back to the underlying Data is subject to Redistribution Licence Charges and Data Charges as detailed in schedule B.

If you require further clarification on a specific instance please contact the relevant Exchange before utilising the Data for creation of any Derived Data.

## 3.5 Attribution

3.5.1 Redistributors should clearly state and display on their products that either the London Stock Exchange or Borsa Italiana, as applicable, is the original source of the Data.

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## 4.0 Operational Controls

### 4.1 Technical Controls

4.1.1 Whilst Operational Controls may include either administrative or technical entitlement controls the most effective Operational Controls are likely to include technical entitlement systems supported by documented administrative procedures.

4.1.2 A possible component of an Operational Controls framework is the deployment of a permissioning system to assist in the correct distribution and reporting of Data.

4.1.3 In order to be considered effective in any period Operational Controls must operate and report at the level of individual Units of Count and auditable evidence of their operation must be maintained. Please refer to the Market Data Audit Guidelines for further details.

4.1.4 In the absence of effective Operational Controls, applied at the Device or Unique User Id level, the Exchanges reserve the right to apply Data Charges on the basis of reasonable estimates of Devices or Unique User Ids with access to the Data. For example if Data is fed into a network which does not control access, then all Devices or Unique User Ids, with access to that network must be reported as fee liable for all levels of Data available within the network.

## **4.2 Contention**

- 4.2.1 Before implementing a contention-based system for the display and reporting of London Stock Exchange Data, Customers must contact the London Stock Exchange for written approval of their proposed system. Please note that prior approval of a contention system does not constitute acceptance of the reported number of Devices or Unique User Ids.
- 4.2.2 A contention system may be employed as an element of Operational Controls to allow a defined number of Devices or Unique User Ids to access London Stock Exchange Data concurrently. To conform to the requirements for contention, the Data must:
- a) be continuously updated – snapshot services are not permitted;
  - b) have an auditable limit to the number of concurrent accesses;
  - c) require all Devices or Unique User Ids to contend for access to the Data (no Devices or Unique User Ids with dedicated access to be included).
- 4.2.3 Any contention system that operates to include different categories of access, such as Member Professional users, Non-Member Professional users and Private Investors, must operate separate contention pools (with respective contention pool limits) for each category.
- 4.2.4 Please note that contended access is not permitted on Private Investor Level 2 Data Charges.
- 4.2.5 Contention may not be employed on a service or system based on rapid snapshots of data that give the impression of continuously updating.
- 4.2.6 Once the contention limit is reached, no further accesses may be permitted until a Device or Unique User Id has logged off.
- 4.2.7 A Device or Unique User Id cannot be logged off automatically by the Redistributor at any point, with the exception of after the close of the trading day. Once a Device or Unique User Id has logged off, the screen must be cleared of Data and prevented from receiving further updates until the Device or Unique User Id logs on again.
- 4.2.8 A subscriber to a service can actively choose to assign their rights to the Redistributor to be logged off after a reasonable amount of time. One example of this is a 'pop-up' box that would appear after a reasonable period of inactivity asking whether the subscriber would like to be logged-off. We would also accept the subscriber agreeing to a disclaimer before accessing the service, informing them of this condition of service.
- 4.2.9 Billing is based on the maximum concurrent Device or Unique User Id limit. Under exceptional circumstances, where user numbers are particularly high, the contention limits may be exceeded. In this instance the higher level must be reported on the terminal declaration for the whole month.
- 4.2.10 All records of customer usage and limit levels must be retained for audit purposes.

## **4.3 Actual use recording systems**

- 4.3.1 An actual use recording system may be employed to record the maximum number of separate Devices or Unique User Ids which actually accessed the London Stock Exchange Data during a month. Billing is based on this actual use figure rather than on a count taken on the first working day of the month.
- 4.3.2 The implementation of an actual use recording system must have prior approval from a representative of the London Stock Exchange Group's Market Data Audit Team. Please

note that approval of an actual use recording system does not constitute acceptance of the reported numbers.

#### **4.4 Per Price Request recording systems**

- 4.4.1 As per the price list (Schedule B) Per Price Request recording systems can be implemented when redistributing London Stock Exchange Data.
- 4.4.2 A Per Price Request recording system relates to interactive media, i.e. users can request a real time price at a chosen point in time.
- 4.4.3 A single price request can constitute one or all Level 1 service components e.g. all Level 1 components including Best Bid & Offer, Mid etc or just one component, the last automatic trade for example.
- 4.4.4 Each individual request must be recorded, whether the access is ad hoc or pre-programmed (e.g. every hour).
- 4.4.5 The system must record each 'price request'. If the price is updated automatically, without the system recording a 'price request' for each update, the Device then becomes liable for terminal charges (see section 3).
- 4.4.6 Depending on the time interval between automatic updates it may be more economic to pay terminal charges than 'per price request' charges.
- 4.4.7 Broadcast of a single request to multiple Devices or Unique User Ids is not permitted unless the Redistributor has the facility to count the number of receivers for the request. One price disseminated to 150 Devices is counted as 150 requests. The formula for this can be simply summarised by the equation:
- Number of Devices or Unique user Ids x number of prices = number of total per price requests.
- 4.4.8 Devices covered by per price request recording systems include pagers, faxes, internet, email, terminals, telephone information services, mobile phones and interactive services delivered via televisions.
- 4.4.9 Redistributors paying Licence Charges receive up to 300,000 price requests free of charge. Customers who are not Redistributors pay a minimum fee for the first 300,000 requests. For details of Charges see Schedule B.
- 4.4.10 Please note that per price request is not permitted for Level 2 data and that contention cannot be offered on a per price request service.

#### **4.5 Snapshot/Streaming data access**

- 4.5.1 Data Charges relating to the display of Borsa Italiana Data differentiate between streaming and snapshot delivery mechanisms.
- 4.5.2 Streaming Data is defined as the receipt of Data that continuously updates automatically without manual intervention. See Schedule B for pricing.
- 4.5.3 Snapshot Data is defined as the receipt of Data without any automatic update functionality. In order for Data to be defined as snapshot a user must manually request each update of Data. See Schedule B for pricing.





#### **4.6 Non-Display Data Usage and Other Application Usage**

4.6.1 Non-Display Data Usage pertains to '*trading based activities*' and includes but is not limited to usage of Data as: semi-automated or automated order/quote generation; order pegging including reverse pegging, mid bid / offer pegging, limit order pegging; price referencing for trading purposes (excluding in the operation of an ATP), automated or semi automated pre-trade risk verification or assessment processes; smart order routing to facilitate trading; arbitrage; order management; execution management, electronic order flow and liquidity management system; market making; 'black box' trading; program trading; algorithmic trading<sup>1</sup>; operating multilateral trading facilities/dark pools.

If you require further clarification on a specific instance of Non-Display Usage please contact the relevant Exchange before utilising data in this way.

4.6.2 All Non-Display Usage of Data is subject to payment of the Non-Display Usage Licence Charges appropriate to the Data utilised (see Schedule B).

4.6.3 All Other Application Usage pertains to '*non trading based activities*' and is subject to payment of the Other Application Usage Licence Charges appropriate to the Data utilised (see Schedule B). If you require further clarification on a specific instance of Other Application Usage please contact the relevant Exchange before utilising data in this way.

4.6.4 Both Non-Display Usage and Other Application Usage Licence Charges are applicable also if in conjunction with the display of Data.

#### **4.7 'Last Trade Price'**

4.7.1 The London Stock Exchange and Borsa Italiana offer a Last Trade Price licence enabling Redistributors to broadcast a limited real time dataset over the internet via 'open access' Websites to Private Investors without Data Charges.

4.7.2 The Last Trade Price Data consists solely of:

- a) instrument name;
- b) instrument identifier(s) – e.g. ISIN and/or SEDOL;
- c) last traded price for that instrument;
- d) volume of shares traded in that transaction;
- e) time of the trade.

4.7.3 The Last Trade Price licence does not permit the incorporation of Last Trade Price Data in to distribution services delivered to professional users.

The Last Trade Price licence:

- restricts the dissemination of Last Trade Price Data within limited Website data services technically controlled by the Redistributor;
- only permits interactive functionality contained within those Website services.

For the avoidance of doubt, the Last Trade Price licence does not permit the onward dissemination, or 'exporting' of Data, via API, DDE or any other distribution channel. To ensure effective compliance, all Redistributors are required to seek prior approval from the respective Exchange before incorporating Last Trade Price Data in their web service(s).

All specific service functionality must be approved in advance, and the scope of such approval will only be limited to the specific functionality presented at that time.

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<sup>1</sup> PoV 1algorithmic trading, VWAP/MWAP/TWAP strategies, target close strategies, monitoring trading strategies, direct market access (DMA trading), implementation shortfall trading, basket trading.

4.7.4 Access to a Last Trade Price service can be via an internet browser installed on either a PC or mobile media device.

4.7.5 All other market data and audit policies apply in respect of the Last Trade Price licence.

#### **4.8 Alternative Trading Platform (ATP) Licence**

4.8.1 London Stock Exchange and Borsa Italiana require Customers to hold a licence and pay applicable Charges where Data or Derived Data is used in connection with the operation of an ATP (Raw Data ATP or Derived Data ATP).

4.8.2 Customers operating or offering Raw Data ATP are charged an annual Raw Data ATP Charge specified:

- (a) in respect of LSE Data, in Schedule B, section 1.9 (Category 9 - Raw Data ATP Licence Charges); and
- (b) in respect of Borsa Italiana Data, in Schedule B, section 6.11 (Category 11 - Raw Data ATP Licence Charges).

This Raw Data ATP Charge is payable in addition to the Redistribution Licence Charges and Data Charges set out in Schedule B.

4.8.3. Customers operating or offering Derived Data ATP are charged depending on the number of End Customers having access to, or trading on, the Derived Data ATP as specified:

- (a) in respect of LSE Data, in Schedule B, Section 1.10 (Category 10 – Derived Data ATP Licence); and
- (b) in respect of Borsa Italiana Data, in Schedule B, Section 6.12 (Category 12 - Derived Data ATP Licence Charges).

4.8.4 If a Customer offers or operates both Raw Data ATP and Derived Data ATP or one or more ATP permitting trading instruments based on, or linked to, both the Data and the Derived Data, the following charges will apply:

- (a) an annual Raw Data ATP charge (see section 4.8.2. above);
- (b) the applicable Redistribution Licence Charge;
- (c) the Data Charges set out in Schedule B; and
- (d) the relevant Derived Data ATP Charges (see section 4.8.3 above) in respect of End Customers trading or having access only to Derived Data instruments minus the applicable Raw Data ATP Charge.

#### **4.9 Derived Data ATP White Label Licence**

4.9.1. Subject to the remainder of this section 4.9, the Customer may “white label” Derived Data ATP or related services to third parties (“**White Label Clients**”) allowing them to rebrand or change the “look and feel” of that Derived Data ATP so that it appears to the End Customers as if it is operated or managed by the White Label Client.

4.9.2. Before white labelling any Derived Data ATP, the Customer must first complete and send to the relevant Exchange (or procure that the White Label Client completes and sends to the relevant Exchange) an *Alternative Trading Platform – White Label Licence Application Form* available on the website: [www.londonstockexchange.com](http://www.londonstockexchange.com). The Exchange may at its discretion approve such White Label Client by countersigning the relevant form. The Customer is only permitted to white label Derived Data ATP to White Label Clients approved by the relevant Exchange.

4.9.3. In addition to the fees specified in section 4.8, the Customer shall pay a fixed fee in respect of any Derived Data ATP provided to a White Label Client as specified in:



- (a) in respect of LSE Data, Schedule B, Section 1.11 (Category 11 – White Label ATP Licence Charge); and
- (b) in respect of Borsa Italiana Data, Schedule B, Section 6.13 (Category 13 - “White Label ATP Licence Charge”).

4.9.4. For the avoidance of doubt, distribution of any Data for the purposes of operating of a Raw Data ATP or white labelling any Raw Data ATP is only permitted subject to provisions regarding redistribution of Data and Service Facilitators provisions and the payment of the applicable Redistribution Licence Charges.

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## **5.0 Data Charges**

### **5.1 Reporting requirements**

- 5.1.1 All Customers are required to report Data Charges monthly and to include detailed reports. Reports are to be submitted electronically via the Terminal Returns system (see Schedule C and D for full details).
- 5.1.2 The Exchanges reserve the right to request and obtain on reasonable notice such additional reports as may be required from time to time to monitor the Customers’ use of Data and compliance with this Agreement.

### **5.2 Data Charges**

- 5.2.1 Data Charges are payable for all Devices and Unique User Ids which are capable of accessing Data on the first day of the month, except in circumstances where ‘actual use recording systems’ or contention systems are employed (see section 4.2 and 4.3 for further details) or where the Borsa Italiana Member Firm policy applies (see section 5.10). Devices added or deleted after the first working day are not counted or discounted for the purpose of billing in that month, i.e. they must be added to, or deducted from, the next month’s figures.

### **5.3 Free trials**

- 5.3.1 Free trial periods for professional Data use are not granted under normal circumstances as the reporting mechanism has an in-built free trial (Devices enabled after the first day of the month are not counted until the next month).
- 5.3.2 If a Redistributor offers a free trial that goes over the first day of any month, the Redistributor must report and pay for the Device or Unique User Id as fee liable unless otherwise agreed in advance with the Exchange.
- 5.3.3 Free trial periods for Private Investors of up to a maximum of 14 days can be offered (with prior approval from the Exchanges) by appropriately licensed Redistributors. These free trials may operate over any 14 day period but the Redistributor must ensure that such free trials are restricted to those users who complete a declaration, in advance, stating that they are eligible as per our Private Investor criteria (please see section 5.7)
- 5.3.4 Redistributors seeking to offer free trials to Private Investors must implement technical and procedural controls to prevent users repeatedly signing-up for free trials. These controls must be approved by the Exchanges prior to go live.

#### **5.4 Delayed data**

- 5.4.1 If Data is delayed by 15 minutes or more prior to redistribution and display, it is categorised as delayed data till midnight on the day it is generated and free of Data Charges.
- 5.4.2 The delayed licence fee, set forth in Schedule B is always due by the Redistributor and by each entity (including Service Facilitators whose Brand is not solely that of the Redistributor) who allows End Customers to access the Market Data, regardless, among others, the technology used, 'open' or 'closed' user group environment and regardless who holds the Data Entitlement.
- 5.4.3 In addition, where delayed Borsa Italiana Data is utilised and/or redistributed via internet Websites ('open' or 'closed' user group), web platforms or similar technology (hereinafter referred to as the "Website"), by the Redistributor and/or by any other entity, they shall pay the licence fee, set forth in Schedule B, for each Website, with regards to such use and/or distribution of delayed Borsa Italiana Data.
- 5.4.4 Redistributors wishing to redistribute delayed data to third parties must be appropriately licensed (see Schedule B for Licence Charges). Please note that Data may be redistributed after midnight on the day it is generated without attracting a licence. i.e. Monday's market closing prices may be redistributed to a third party on Tuesday without the requirement for a licence.
- 5.4.5 Delayed Licence Charges are waived for issuers who redistribute only their own share price via their Website.

#### **5.5 Disaster sites**

- 5.5.1 Devices and User id's at disaster sites do not attract Data Charges as long as they are intended for use by End Customer who normally pay Data Charges at their live site, and as long as the Devices are never used concurrently with Devices at the live site.
- 5.5.2 In the event that an End Customer switches from its live to its disaster site, the Devices at the disaster site become liable for Data Charges. Disaster sites should not have greater access to Data than would be expected at their main site and the number of Devices or Unique User Id's with access to Data should not exceed the main site.
- 5.5.3 A company whose primary function is to provide emergency dealing facilities for another, separate, company should report Data usage in accordance with this Agreement to the Redistributor supplying the Data, as and when the emergency facilities are being used.

#### **5.6 Free of charge Data use**

- 5.6.1 Data Charges are waived where the Customer can demonstrate to the satisfaction of the Exchanges that Devices are used for the sole purposes of systems monitoring<sup>1</sup>, systems development, marketing or training, provided that a representative of the Exchanges has agreed in writing, in advance, that the number of such Devices is reasonable. The party in question must be able to demonstrate, on request, that these Devices are being used and have only been used, for the above purposes. Redistributors must ensure that Data is only provided to those internal users who support redistribution services related to the Exchanges. Data use which would not qualify for this policy concession includes but is not limited to:
- a) Non technical customer support, including the dissemination of data via the phone;
  - b) Journalism;
  - c) The provision of financial advice.

<sup>1</sup> System monitoring applies only to the technical provision of real time data and not as part of a commercial or other business function.

5.6.2 The Exchanges reserve the right to request and obtain on reasonable notice reports of non chargeable users as may be required from time to time to monitor the Customers compliance with this Agreement.

5.6.3 Where a software house is assisting the Redistributor/End Customer with its systems monitoring, systems development, marketing or training, provision of data to the software house for these purposes may also not attract Data Charges, but only with prior approval from the Exchanges.

## **5.7 Private Investor usage**

5.7.1 A “Private Investor” is a customer who is not required to be regulated or supervised by a body concerned with the regulation or supervision of investment or financial services and who meets all of the conditions set out below:

1. The customer subscribes (i.e. registers and pays) in a personal capacity;
2. The customer is not currently registered or qualified as a professional securities trader or investment adviser with any national or state exchange, regulatory authority, professional association or recognised professional body;
3. The customer does not currently act in any capacity as an investment adviser, whether or not they have at some time been qualified to do so;
4. The customer uses the service solely in relation to the management of their personal funds and not as a trader to the public or for the investment of corporate funds;
5. The customer does not redistribute, republish or otherwise provide any data from the service to any third party in any manner or use or process Data for any commercial purpose;
6. The Data Charge is designed to cover individuals and will be maintained in the customer’s name and not in the company name – the exception to this would be a share club operating on a non-professional basis.

5.7.2 Where individuals are unable to meet the criteria at points 2 and 3 (above), but would like access solely in relation to the management of their personal funds, the Redistributor should consult with the Exchanges to confirm whether Private Investor status is applicable. The Redistributor will be asked to supply satisfactory evidence that the individual concerned is indeed acting in a personal capacity in respect of the management of their personal funds. If agreement is not made in advance, Private Investor status will not apply.

5.7.3 The following are examples where Private Investor status cannot be applied (please note that this list is not exhaustive):

- Day traders dealing at a financial institution’s premises (whether it is a member or non-member firm);
- A self employed individual maintaining an account using their company’s name.

5.7.4 When a Redistributor supplies Data to a Private Investor customer, a lower Data Charge as stated in Schedule B will apply as applicable to the level of service delivered to the End Customer. The Exchange reserves the right to levy Data Charges at the standard rate where End Customers are reported as Private Investors but do not meet the conditions for Private Investors set out in this Agreement.

- 5.7.5 To be eligible for this concession, the Redistributor must obtain reasonable proof that the End Customer meets the criteria for a Private Investor customer as set out above. As a minimum, the Redistributor should obtain a declaration of Private Investor status from the End Customer. This should set out the definition of a Private Investor customer as set out in this guideline and include an affirmation that the End Customer meets these criteria. If hard copy, the declaration should be signed and dated by the End Customer and state the End Customer's address. Web based click through Private Investor declarations will also be accepted. The Private Investor lower fee is only applicable for the dates covered in the declaration.
- 5.7.6 Redistributors should also notify Private Investor customers that the Exchanges may contact them directly to confirm their status as a Private Investor.
- 5.7.7 Unlimited Private Investor Licence - for the purposes of this licence, the Redistributor and its Subsidiaries may re-distribute the London Stock Exchange Data specified in Schedule B, section 1.12 (Category 12 – Unlimited Private Investor Licence) (on the terms and subject to the conditions of this Agreement) only to an End Customer who is a Private Investor to use solely for the purposes of such Private Investor making its decisions as to the placement of buy or sell orders on the London Stock Exchange via the Redistributor's or its Subsidiary's direct market access service to the London Stock Exchange. The Charges specified for this licence apply to Redistribution of the specified Data by the Redistributor and its relevant Subsidiaries (pursuant to clause 3.8 of the Terms and Conditions), regardless of the number of Devices and Unique User IDs reported as receiving or capable of accessing the specified Data. Notwithstanding this, the Redistributor must comply with the applicable reporting obligations as set out in this Agreement with respect to the Redistributor and each of its Subsidiaries who are permitted by this licence to re-distribute Data.

## **5.8 Redistributor Data Charges to customers**

- 5.8.1 Redistributors will often seek to pass on Exchange Charges to their End Customers. This may be done as part of a Redistributors' own charges.
- 5.8.2 Redistributors are free to set their own prices for their End Customers for accessing Data, however they must not communicate such pricing or price changes in any manner which would mislead End Customers as to the Charges set by the Exchanges. Where a Redistributor sets their own price for the provision of Data to their End Customers, it must make it clear that this is not the price set by the Exchanges.

## **5.9 Member Firm data policy – London Stock Exchange**

- 5.9.1 Discounted London Stock Exchange Data Charges as outlined in Schedule B are applicable in respect of member firms receiving Data in the following categories:
- a) UK Level 2
  - b) International Level 2
  - c) UK Level 1
  - d) International Level 1
- 5.9.2 The eligibility of member firms for member firm Data Charges only relates to business conducted by a member firm at specific locations registered in advance with the Exchange.

We realise that certain regulatory authorities in some countries (such as the USA) prevent broker offices, located in those countries, from taking advantage of member Data Charge rates, even though those offices may in fact be conducting London Stock Exchange business (routing orders indirectly through to London 'member' locations for direct execution).





We do not wish this market data policy, designed to be equitable, to preclude customer locations as a result of certain local market regulatory requirements. Therefore member firms may additionally register these locations as eligible for these Data Charge discounts.

This criterion does not include any buy-side business entities that may be subsidiaries of the firm.

5.9.3 A Member Firm would not be eligible for Member Firm Data Charges in respect of any Redistribution business carried on at the same location as Member Firm business.

5.9.4 It is the responsibility of Member Firm Compliance Officers to provide advance notification, at least 21 days in writing, of such locations, and any changes, to the Terminal Returns Team via the email address below:

[realtimedatareturns@lseg.com](mailto:realtimedatareturns@lseg.com)

5.9.5 Monthly lists of eligible locations for discounted Member Firm Data Charges will be made available to Redistributors and other Customers receiving Data directly from the London Stock Exchange.

These lists are updated monthly in the market data section of the London Stock Exchange website at:

<http://www.londonstockexchange.com>

Ad-hoc requests for a current list should be emailed to:

[realtimedatareturns@lseg.com](mailto:realtimedatareturns@lseg.com)

5.9.6 Where Redistributors redistribute data to Member Firms, it is the responsibility of the Redistributor to ensure that locations entitled to Member Firm Data Charges are correctly reported in the monthly Terminal Return declarations and fee reports submitted to the London Stock Exchange.

5.9.7 Please note that Member Firm Data Charge rates will not apply retrospectively to any member firm locations that have not been previously notified to the Exchange.

## **5.10 Member Firm data policy – Borsa Italiana**

5.10.1 Use of Data, received directly from Borsa Italiana by an Authorised Person (as defined in the General Conditions Part II Borsa Italiana Services) does not attract charges (as set out in Schedule B) providing that the following criteria are met:

- a) Only Data from Borsa Italiana markets of which the firm is a member can be provided to Authorised Persons without attracting Data Charges.
- b) The Data is only used within Borsa Italiana accredited trading applications;
- c) The Data is used by Authorised Persons for the purpose of direct trading exclusively on the Borsa Italiana markets within the trading room of the Member Firm. This does not include use within the back office, branch offices or other support functions such as risk management;

5.10.2 It is the responsibility of the member firm to adopt suitable technical, organisational and contractual solutions to ensure that these requirements are met.

5.10.3 Any Devices that do not meet the above criteria are subject to standard Charges as set out in Schedule B.

5.10.4 The number and location of all Devices capable of displaying Borsa Italiana Data the member firm provides under this policy must be reported to Borsa Italiana as part of the monthly Terminal Returns process. For avoidance of doubt, permission of Data to Authorized Person of Member Firms must be reported in accordance with the above section 5.

#### **5.11 Market data audit**

5.11.1 The purpose of a market data audit is to examine the operational controls underlying the release of Data on devices and to confirm the correct Charges have been paid to the Exchange over an agreed audit period.

5.11.2 All Customers including Redistributors, Direct Reporting Customers, End Customers and Service Facilitators are subject to market data audits.

5.11.3 For further details of the steps followed during a market data audit please see Schedule E.

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## **6.0 Redistributor requirements**

### **6.1 General reporting requirement**

6.1.1 Redistributors who sub-vend London Stock Exchange or Borsa Italiana Data must seek exchange permission prior to supplying data to a new Redistributor. As 'best practice', where a Redistributor knows another entity is supplying London Stock Exchange or Borsa Italiana Data without the appropriate authorisation they should inform the Exchanges immediately. This will help ensure there is a level playing field across the industry.

6.1.2 Redistributors supply some End Customers with London Stock Exchange or Borsa Italiana Data via a feed into the End Customer's computer system or network. In such circumstances, unless entitlement software is provided, the Redistributor cannot directly control or monitor the number of Devices that display chargeable Data. The Redistributor is still, however, responsible for ensuring that end customer usage is accurately declared to the Exchanges in accordance with the policies set out in this Agreement.

To ensure compliance, the Exchanges recommend that Redistributors adopt the procedures detailed in clauses 6.2, 6.3 and 6.4.

### **6.2 Customer contracts**

6.2.1 The Redistributor should ensure that its contracts with its Customers give it all necessary rights to control and monitor Data use.

6.2.2 The Redistributor is obliged to make the contents of this Schedule available to its customers.

### **6.3 Monthly Terminal Return declarations**

6.3.1 The Redistributor is liable for all Devices capable of accessing the Data, even in a datafeed environment. It is therefore recommended that permissioning software is implemented by datafeed clients to allow a Redistributor to manage their liability.

6.3.2 Redistributors must collect monthly honesty statements, sometimes referred to as honesty declarations, from all clients to which they supply London Stock Exchange or



Borsa Italiana Data via a datafeed. The Redistributor must adhere to the following when using honesty declarations:

In the instance that an End Customer is taking one separate Level 2 access and one separate Level 1 access, these are billed as two accesses. These are not counted as one unified access. It is a requirement of the declaration that the Redistributor understands that they interpret the information given by their End Customers in this way. All datafeed activations must be pre approved by the Exchange and all Devices receiving Data from the datafeeds must be clearly reported as such.

- 6.3.3 A declaration for an installation which is authorised by the Redistributor for Data, but where the End Customer has left the declaration blank does not mean that the End Customer is liable for only one Data Charge. A blank honesty declaration does not provide the required documentation to justify paying fewer Data Charges, and in this situation Data Charges will be expected for all devices capable of accessing Data.
- 6.3.4 Honesty declarations must be obtained from all secondary sites to which a primary site disseminates Data.
- 6.4 Reconciling Data enablements to honesty declaration reporting**
- 6.4.1 Redistributors should investigate and resolve on a monthly basis, any inconsistencies between the level of Data enabled for an End Customer and the range of Data used according to the End Customers' monthly declarations.
- 6.4.2 Any inconsistencies should be investigated following which Redistributors should take any appropriate action, including the correction of inaccurate monthly declarations made to the Exchange.
- 6.4.3 Proper records of the investigation and the outcome should be kept.

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## **7.0. Service Facilitators**

### **7.1. Service Facilitators - Criteria**

- 7.1.1 Redistributors can appoint Service Facilitators to sell and/or deliver Data in a closed user group environment. Any such client is required to sign a Service Facilitator Application before approval is granted and the following criteria must be met:
- It is the Redistributor, and never the Service Facilitator, who contracts directly to supply the Data to the End Customer;
  - The Redistributor must provide upon request all End Customer records;
  - The Redistributors' contract to supply the Data to the End Customer must be in place prior to any Data enablement;
  - The Service Facilitator does not database, add to, subtract from, or modify the Data;
  - Individual Unique User Id/Device Data entitlements must be allocated by the Redistributor and not the Service Facilitator;
  - The Redistributor is responsible for all Data reporting;
  - The Service Facilitator is forbidden in its contract with the Redistributor from providing Data to any clients who are not clients of the Redistributor (other than as an approved Service Facilitator for other Redistributors or as a Redistributor in its own right);
  - The Service Facilitator, in its contract with the Redistributor, agrees to the same terms as the Redistributor in respect of market data audits;



- i) Where the Brand on the data product is solely that of the Redistributor, and all the above criteria are met, no Redistribution Licence Charges are applicable to the Service Facilitator;
- j) Where the Brand on the data product is not solely that of the Redistributor, and all the above criteria except for point i) are met: Service Facilitator Redistribution Licences are applicable for real time Data redistribution as per Schedule B, 1.6 -1.7 and 6.8 - 6.9 - 6.10 - 6.11 for each additional Brand. For the avoidance of doubt only one Service Facilitator Redistribution licence will be required for each data product. In case of delayed redistribution, Delayed Data Redistribution Licences are applicable as per Schedule B (for further information please refer to Schedule A, 5.4).

7.1.2 If a Service Facilitator delivers a datafeed to an End Customer on behalf of the Redistributor, it is still the responsibility of the Redistributor to acquire monthly honesty declarations from each End Customer; the Redistributor is ultimately liable in the event that their appointed Service Facilitator(s) fail to meet any of the above criteria.

7.1.3 The Exchanges reserve the right to refuse to grant approval if they believe the Service Facilitator does not satisfactorily fulfil the above criteria.