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About AFME

AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.

AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia.

AFME is registered on the EU Transparency Register, registration number 65110063986-76.

About the Global FX Division

The Global FX Division (GFXD) of the Global Financial Markets Association (GFMA) was formed in co-operation with the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA) and the Asia Securities Industry and Financial Markets Association (ASIFMA). Its members comprise 25 global foreign exchange (FX) market participants, collectively representing around 85% of the FX inter-dealer market. Both the GFXD and its members are committed to ensuring a robust, open and fair marketplace and welcome the opportunity for continued dialogue with global regulators.

Purpose of the Document

The purpose of the Questionnaire is to provide a standardised set of questions which can be sent from investment firms to entities that may fall under the scope of MiFID II as Trading Venues (MTFs and OTFs). AFME has also published a separate questionnaire¹ that can be sent by MiFID II investment firms to European equities exchanges that are in scope of MiFID II - please be aware that some questions may be repeated in this FIC document.

This Questionnaire has been developed with FIC products in mind, and has some asset class-specific questions, but may also encapsulate cross-asset considerations and be relevant for other instruments. The Questionnaire is to be sent bilaterally from investment firms to their broker/Trading Venue counterparts. The information provided in response to the Questionnaire to investment firms is strictly confidential and for the benefit of the recipient firm and its affiliates only. Furthermore, the information provided is valid at the point in time when it is provided. The liability regime for the Questionnaire is established by the Disclaimer included in Annex I, which is to be provided by the responding entity.

The Questionnaire is made available to any party to use in a Microsoft Excel format. However, in order to maintain the integrity of the document, we ask users to recognise and respect the numbering and wording of all questions.

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AFME-GFXD Disclaimer

The Questionnaire is subject to change and may be updated.

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¹ Available at <https://www.afme.eu/globalassets/downloads/industry-guidelines/afme-mifid-ii-exchange-due-diligence-questionnaire.docx>

² Available at <http://www.afme.eu/en/about-us/terms-conditions/>

MiFID II FIC Trading Venues Questionnaire

Section	A. Organisational Requirements
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.	Question	Response: Borsa	
A	a	Are you currently authorised as an MTF? By which national regulator? What is the scope of your current activity conducted on the authorised platform / entity?	Borsa Italiana is authorised to operate as regulated market. Borsa Italiana also operates a number of MTFs, covering various asset classes.
A	b	What decisions have been made regarding MTF and/or OTF registration? What is your rationale for selecting authorisation as an MTF vs. OTF and which NCA will you apply to?	No substantial changes to the current regulatory structure of Borsa Italiana are currently envisaged.
A	c	Will you have a MTF/OTF and non-MTF/OTF and where will these be located? Will you create one or more new legal entities for registration as an MTF/OTF? If so, what will these new legal entities be and can you provide a map of these?	No substantial changes to the current regulatory structure of Borsa Italiana are currently envisaged.
A	d	Will you have different activities authorised differently?	No substantial changes to the current regulatory structure of Borsa Italiana are currently envisaged.
A	e	Do you have any dual registration plans for SEF and MTF / OTF?	No substantial changes to the current regulatory structure of Borsa Italiana are currently envisaged.
A	f	Alternatively, how do you intend to split business between SEF / non-SEF / MTF / OTF / etc?	Not applicable.
A	g	Will members be able to access one platform to provide liquidity to, with execution taking place behind the scenes on the appropriate authorised entity, or will platforms be segregated according to authorisation?	Members be able to access the Borsa Italiana market to provide liquidity to, in accordance with their Membership contract.
A	h	How, if at all, would liquidity be pooled across both entities?	Not applicable.
A	i	Will you allow non-EEA entities to price on your venue?	Non-EEA entities will continue to be allowed to join Borsa Italiana markets, subject to meeting the relevant participant eligibility criteria outlined in the various trading venue rulebooks. In relation to non-MiFID members, including non-EEA members, Borsa Italiana is exploring technical solutions to collect all of the necessary information required to perform transaction reporting to the relevant Competent Authority.
A	j	Will a revised brokerage/price structure be introduced for registered venues, and if so how will it change from current state?	Borsa Italiana is reviewing its fee structures to assess the possible need for changes in light of MiFID II requirements.
A	k	Will the investment firm sales trader in a non-EEA location (e.g. Zurich) be allowed to serve EEA clients on the MTF if the client is papered with the EEA entity?	Non-EEA entities will continue to be allowed to join Borsa Italiana markets, subject to meeting the relevant participant eligibility criteria outlined in the various trading venue rulebooks. In relation to non-MiFID members, including non-EEA members, Borsa Italiana is exploring technical solutions to collect all of the necessary information required to perform transaction reporting to the relevant Competent Authority.

A	l	Will all of your existing clients be supported on your authorised venue? What is your plan for communicating on-boarding requirements and schedule to clients?	Membership of the Borsa Italiana markets is subject to current and prospective participants meeting the relevant participant eligibility criteria outlined in the various trading venue rulebooks. MIFID2 do not imply major changes on the admission criteria The Borsa Italiana development release schedule has been published on the dedicated MiFID II and Regulatory Updates section of the Borsa Italiana website.
A	m	What are your anticipated opening and closing times?	The most up to date information regarding opening times can be found in the Market Rules. No change will be introduced in consequence of MIFID2
A	n	What is your proposed mechanism for managing volatility (RTS 7 Article 19)?	Relating to "Mechanisms to manage volatility" requirement, Borsa Italiana doesn't have any impact because it is already compliant .
A	o	If you do not intend to become authorised as an MTF /OTF, please provide a rationale as to why you believe that your activity is not covered by these obligations?	Not applicable. Borsa Italiana will continue to operate as regulated market
A	p	What outsourcing arrangements will you have in provision of your services to members?	Borsa Italiana has in place internal intercompany agreements in relation to trading platform. These will be assessed in light of the MiFID II Article 48 and RTS 7 requirements.
A	q	Will DMA be allowed for inter-affiliate access?	Borsa Italiana market rules already provide for direct market access, under the full responsibility of the market participant. This also covers the provision of DEA services

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Section	B. Taxonomy and Scope
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
B	a	What are your requirements for ISINs and how will an ISIN be communicated?	<i>All financial instruments admitted to trade on the Borsa Italiana FI markets will have an ISIN. The ISINs will continue to be managed as today.</i>
B	b	Will ISIN be available on trade date for intraday products? How will these be applied?	<i>ISINs will always be available for the bonds listed on Borsa Italiana FI Markets; however intraday listing is not provided by the platform.</i>
B	c	How will ISINs be applied to the Futures, Options and exotic products?	<i>Not applicable to Borsa Italiana FI markets.</i>
B	d	Which products will you support on 3rd January 2018? Will a full products list be issued? Will you provide a list of instruments subject to trading obligation (for derivatives)? How will you communicate when instruments subject to trading obligation (for derivatives) are supported on your platform?	<i>Borsa Italiana FI markets will support all bonds and other fixed income instruments which meet the eligibility criteria set in the Rulebook. For derivatives please refer to specific question on AFME questionnaire for Borsa Italiana derivatives market. Borsa Italiana reference data will be distributed to the members by the market protocol, as today. The full list of instruments will be available on our website</i>
B	e	Is the current product scope expected to be expanded, and if so, to what extent?	<i>No plans to expand the product scope for MiFID II purposes.</i>
B	f	How will you identify products?	<i>Bonds will be identified by ISIN.</i>
B	g	What are your criteria for new product on boarding?	<i>The financial instrument admission criteria are laid out in the Market Rules. There are no changes expected for the purposes of MiFID II.</i>
B	h	What are your plans as regards formalising and making public the list of instruments traded on your venue(s) [with respect to establishing instruments traded on an EU trading venue]?	<i>Borsa Italiana FI markets reference data will be distributed to the members by the market protocol, as today. Borsa Italiana trading venues will supply reference data file daily, with all the instruments listed according to the current procedure.</i>
B	i	Please provide a list of your current FX instruments and your plan to migrate to any new industry standard once identified.	<i>Not applicable to Borsa Italiana FI markets.</i>

B	j	What trading models will be live for products on 3rd January 2018?	<i>The Borsa Italiana FI Markets will operate CLOB (order driven) market and Request for Quote (RFQ) trading protocols.</i>
B	k	Will you have non-MiFID financial instruments (e.g. FX spot) on your MTF / OTF? How do you plan on identifying trades in those instruments?	<i>Not applicable to Borsa Italiana FI markets.</i>
B	l	How are you treating packages? Will you provide a list of packages currently supported on your platforms?	<i>Not applicable to Borsa Italiana FI markets.</i>
B	m	Will voice flow continue to be supported and how will required data be captured for regulatory reporting purposes?	<i>Not applicable to Borsa Italiana.</i>
B	n	Does venue support trading of sovereign bonds, how will the Short Selling Indicator (for Transaction Reporting purposes) be implemented and populated?	<i>Borsa Italiana FI markets support the trading of sovereign bonds; the trading protocol will not be updated to support this information. Market participants will have to populate the short selling indicators when performing the transaction reporting submission.</i>
B	o	Do you expect to have one order book across jurisdictional offerings?	<i>For Borsa Italiana, each bond listed on the market will have its own dedicated order book, and will therefore fall under one jurisdiction.</i>
B	p	If the MTF is electronic and the OTF voice could we have a situation where electronic and RFQ are on the same platform?	<i>The Borsa Italiana markets only fall under the regulatory status of Regulated Markets and MTFs. Borsa Italiana markets support electronic trading.</i>
B	q	Will client price tiering be supported?	<i>Borsa Italiana does not support price tiering in operating a public order-book.</i>
B	r	As an MTF / OTF, will you allow buy-side clients to provide liquidity on your platform?	<i>Membership of Borsa Italiana markets is subject to current and prospective participants meeting the relevant participant eligibility criteria outlined in the rulebooks.</i>
B	s	As OTF, will you allow buy-side clients to interact directly with other buy side clients to access liquidity?	<i>Not applicable to Borsa Italiana.</i>
B	t	Will you be charging additional fees for any new services and if so what will the breakdown of these be?	<i>Borsa Italiana will confirm any new fees as part of the fee schedule.</i>

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Section	C. Handbook and Rulebook
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
C	a	What are your timelines for Handbook, Service Description and/or Rules of Engagement updates?	Borsa Italiana draft rules with the MIFID2 amendments highglited have been published on the website http://www.borsaitaliana.it/borsaitaliana/mifid2/mifid2.en.htm
C	b	Will there be a review process for changes to your handbook to capture member feedback and inputs? How will they be communicated?	During the month of May Borsa Italiana had a consultation process on the proposed amendments and the published draft rules with market participants and their Associations. The published draft rulebook takes into acocunt the feedbacks received
C	c	How will changes to existing rulebooks once MiFID is live be communicated to members and feedback gathered?	A dedicated market notice will communicate the entry into force of the new rulebook. Moreover a specifc communication has informed members of the proposed deployment approach. The updated rulebook will be published on the Borsa Italiana website, as happens today.
C	d	Will the new venue rulebooks need to be signed by us to continue operating on the venue?	To be defined

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Section	D. Algorithmic Trading
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
D	a	What steps are you taking to ensure only proprietary trading is taken into account when calculating the average number of message per second from a member?	<i>Borsa Italiana stores records of all orders and quotes submitted to the trading systems, including updates thereof. Message rates can be generated from these and provided to members upon request.</i>
D	b	What testing environments will be provided to support conformance testing and stress testing? Please detail the expectations for algo conformance testing and any associated certification including testing guidance.	<i>Borsa Italiana will provide production-like test environments which will replicate the production environment in terms of software version of the central systems, participant and instruments. Prior to the deployment of any algorithm, market participants will have to self-certify that it has been tested, and provide an explanation of the means by which it has been tested.</i>
D	c	From when will you be providing HFT message rate estimates for members?	<i>Borsa Italiana already stores records of all orders and quotes submitted to the trading systems, including updates thereof. Message rates can be generated from these and provided to members upon request.</i>
D	d	Does your platform provide a trading UI that contains algo functionality? If yes, how will you approach the registration of that algo?	<i>The Borsa Italiana GUIs do not provide algo functionalities.</i>

MiFID II FIC Trading Venues Questionnaire

Section	E. DEA Impacts
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.	Question	Response: Borsa	
E	a	Will you be offering DEA?	<i>Borsa Italiana allows its members to offer DEA connections</i>
E	b	What requirements will you expect members to meet in order to provide DEA?	<i>Please refer to Borsa Italiana Rules and Instructions (Article IA.3.2.3) available at the following link: http://www.borsaitaliana.it/borsaitaliana/mifid2/mifid2.en.htm</i>
E	c	What standards do you require DEA clients to meet?	<i>Please refer to Borsa Italiana Rules and Instructions (Article IA.3.2.3) available at the following link: http://www.borsaitaliana.it/borsaitaliana/mifid2/mifid2.en.htm</i>
E	d	Do you expect a DEA client to have a specific regulatory status?	<i>No, the member is expected to perform a suitability analysis of the DEA Client as requested by MIFIDII</i>

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Section	F. Order to Trade Ratio / Market Making
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.	Question	Response: Borsa
F	a	Will registered platforms operate RFQ, CLOB, auction, IOI, voice based or other systems?
		<i>Borsa Italiana FI markets will continue operating both CLOB (order driven) and RFQ trading protocols.</i>
F	b	If you offer CLOB, when do you plan to provide order/transaction ratios?
		<i>Borsa Italiana is currently considering appropriate OTR thresholds and will disclose these to market participants in due course.</i>
F	c	What kind of order/RFQ entry solutions will be available on the registered venue?
		<i>Borsa Italiana already provides order entry/quote entry/RFQ functionality via FIX and native protocols on all platforms</i>
F	d	Is there a requirement for market making obligations in your rulebook? Will Market Making agreements be required? <ul style="list-style-type: none"> • If yes, can you define market making? • If yes, at what level will the obligations apply? Will the obligation be for the whole venue, per instrument, etc?
		<i>Borsa Italiana currently envisage market making activity and it is in the process to amend market rulebooks in order to make quotation obligation compliant with RTS8 requirements. Hence no additional agreement need to be signed by existing market making.</i> <i>Moreover any market participant pursuing a market making strategy in line with RTS 8 Article 1 will be required to self-declare itself to Borsa Italiana and to enter in a "mifid2 market making agreement".</i> <i>It is currently envisaged that the obligations will apply per single instrument. The obligations are detailed in market Instructions and Parameters Guide available at the following link:</i> http://www.borsaitaliana.it/borsaitaliana/mifid2/instructionsmifid214072017.en_pdf.htm
F	e	When do you plan to update Market Making agreements?
		<i>The draft of the agreements are available at the link:</i> http://www.borsaitaliana.it/borsaitaliana/mifid2/instructionsmifid214072017.en_pdf.htm
F	f	What plans do you have for highlighting unregistered market making activity?
		<i>All members which pursue a market making strategy, as per the MiFID II definition, will be required to self-declare themselves to Borsa Italiana and to take on the market making obligations. Borsa Italiana has made this requirement explicit in the draft MIFID2 rulebooks.</i>
F	g	Do you intend on publishing lists of market makers on your venue?
		<i>Borsa Italiana will publish a list of members which operate as market makers either on voluntary basis either because the have to singe the market making agreement as requested by RTS8</i>

MiFID II FIC Trading Venues Questionnaire

Section	G. EOD Reporting
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
G	a	<p>Are you considering or would you consider providing Firm X an electronic EOD feed on quotes and orders Firm X has placed on/received from your Trading Venue?</p> <ul style="list-style-type: none"> • If “no”, could you explain why this is not under consideration? • If “no” are you considering an alternative solution, if so please provide the details. 	<p>A Report Reconciliation service already offers to Market Participants the ability to retrieve all information related to orders sent and trades executed on MTA, ETF Plus, MOT, SeDeX and TAH Markets by the participant company, during one trading day.</p>
G	b	<p>If you are looking to provide an EOD report, are you able to share any details at this stage?</p>	<p>A Report Reconciliation service already offers to Market Participants the ability to retrieve all information related to orders sent and trades executed on MTA, ETF Plus, MOT, SeDeX and TAH Markets by the participant company, during one trading day.</p>
G	c	<p>Do you intend to charge for this service, if yes, do you have any cost indications?</p> <ul style="list-style-type: none"> • If “yes” could you provide a contact person so that we may determine the logistics of data exchange (specifications/ timing / mode of exchange)? 	<p><i>The same service offered today will be provided without any changes apart from adding to the report the new set of information that will be added with MiFID II (e.g. Client IDs or Execution Trader short codes, algo flag, etc.). Please contact Client Technology Services Italy if you have any functional questions</i> clients-services@borsaitaliana.it +39 02 72 42 6 512</p>

G	d	Will the EOD feed contain all orders submitted by Firm X	Please see refer G)b) and refer to MIT601 specification: http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm
G	e	What format of the record and data fields will be provided?	Please refer to MIT601 specification: http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm
G	f	Will the feed include the time stamp on placement of order and execution in compliance with clock sync requirements?	these will be included
G	g	Will the feed cover the full set of products supported by your venue (Cash and Derivatives)?	please refer to G)a)
G	h	Will the feed also include ISIN and unique order indicator?	these will be included. Please refer to MIT601 specification: http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm

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Section	H. Clearing
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.	Question	Response: Borsa
H a	Which clearing houses do you expect to connect to in EEA? Do you expect to be connected to all clearing houses that have been authorised under EMIR as permissible to clear? Please specify if this will differ for MTF / OTF.	<i>LSEG has promoted several initiatives about "open access". Actually all is based on the request from participants, that, at this stage hasn't already reached from them.</i>
H b	Will extraterritoriality play a part for third-country CCPs and have you considered these in your plans?	<i>Not applicable to Borsa Italiana</i>
H c	How do you plan to support FX NDF voluntary clearing workflow post-MiFID II?	<i>Not applicable to Borsa Italiana</i>
H d	What arrangements will be in place between the MTF / OTF and the CCP, to facilitate transfer of trade information to CCPs?	<i>No changes are envisaged for the purposes of MiFID II. Borsa Italiana will provide full STP process to other post trade infrastructure for all trades.</i>
H e	Are you engaged with CCPs and infrastructure providers (e.g. Marketwire)?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H f	What wider reconciliations will you perform?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H g	What are your reconciliatory expectations of the counterparties to the trade?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H h	Can you please confirm if your MTF / OTF will allow to post allocate transactions and how this post allocation process would work (directly at your MTF/OTF platform, through a 3rd party allocation tool such as Truex / Traiana etc. or via a direct allocation at a CCP)?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H i	Do you expect to connect to Traiana for pre-execution limit checking, if not are you able to provide any further insight on how you plan to do pre trade checking?	<i>No.</i>

H	j	Can you please confirm if your MTFs / OTFs is expected to benefit from "Clearing certainty" exemption described in article 2.1 of RTS 26 and will this be clarified within your rule book?	<i>Not applicable to Borsa Italiana FI market. Borsa Italiana provides greater automation and certainty in the clearing process and the use of straight through processing (STP). STP and certainty of clearing of derivatives contracts traded IDEM market (so called Exchange Traded Derivatives) are ensured through legal construct and integrated technology platforms. Borsa Italiana specifies in its Rules that any IDEM market intermediary to execute a trade on behalf of a client, must have appropriate, legally effective contractual arrangements in place pursuant to which the client becomes the counterparty of the derivative transaction at the conclusion of the contract in the market, pursuant to direct or indirect clearing arrangements with a clearing member (see: article 3.1.3 (5)). Therefore, as per art. 2(1) of draft RTS 26, Borsa Italiana markets do not require to apply pre-trade checks controls by clearing members of the CC&G.</i>
H	k	What additional information do you require from members to facilitate your obligation to send trades to CCPs?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H	l	What are your plans for a pre-execution limit checking tool with respect to clearing-eligible derivatives? How do you anticipate clearing members will be able to setup and maintain credit limits for their clients? Do you plan to connect to any external vendor/credit hub to support pre-trade credit limit checks?	<i>Not applicable to Borsa Italiana FI market..</i>
H	m	Will you generate an Order Ref ID for all transactions submitted to General Clearing Members for limit checking?	<i>Yes.No changes are envisaged for the purposes of MiFID II.</i>
H	n	What are your plans for counterparty messaging protocol with regards to clearing? (e.g. Trade failing pre-execution limit checks, trade rejected for clearing, etc.)	<i>No changes are envisaged for the purposes of MiFID II.</i>
H	o	How do the clearing requirements impact block trades that are agreed OTC and booked onto your venue? Will you implement your own timeliness rules for block trades? What levels will you be setting block sizes at?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H	p	What are your plans to track and measure the timeliness of clearing messages? Do you require any changes by participants to ensure the time limit requirements on CCP submissions are met?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H	q	What workflow changes will be implemented for blocks and allocations and how will this link in with the pre-trade check and clearing timelines?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H	r	If you do not intend on registering as an OTF, will you continue to broker products that are not forced onto a Trading venue per the Derivative Trading Obligation?	<i>Not applicable to Borsa Italiana FI market..</i>
H	s	How are trades treated if the timeframes of the clearing obligations cannot be met due to CCP EOD closure?	<i>No changes are envisaged for the purposes of MiFID II.</i>
H	t	What workflow changes will be implemented in order to handle voids and resubmission for technical/clerical CCP rejections?	<i>No changes are envisaged for the purposes of MiFID II.</i>

H	u	How will the clearing model (& workflow) operate between counterparties, the MTF / OTF and the CCP?	<i>No changes are envisaged for the purposes of MiFID II.</i>
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MiFID II FIC Trading Venues Questionnaire

Section	I. Reporting and Transparency
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
I	a	When do you expect to have an updated Interface Specification available for members' review?	Clients specification have already been published starting from April Please refer to http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm
I	b	What additional connectivity changes are anticipated to support changes to the trading model or newly authorised legal entities? Will any new connections be required?	<i>No connectivity changes are envisaged.</i>

I	c	<p>What additional data fields will likely be required in order to support the MTF / OTF transparency and record-keeping obligations under MiFID II?</p>	<p>Please refer to http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm. New fields have been added in the trading protocol to support MIFID II requirements:</p> <ul style="list-style-type: none"> - Client ID -Investor ID -Executing Trader - short code qualifier -DEA flag - Algo flag
I	d	<p>How will you, as a venue, record the data for each interaction and provide it to your member in order to enable them to meet their market abuse obligations? In what timeframe and what format will this data be provided?</p>	<p><i>Members can already access their quotes and orders in the Audit Trail.</i></p>
I	e	<p>Will you provide Best Execution reference prices and/or Best Bid & Offer prices for all products?</p>	<p><i>Yes, Borsa Italiana will continue to provide the full book to members.</i></p>

l	f	Will you be publishing the Best Execution reports for each financial instrument? Will these be published on your website?	<i>Borsa Italiana will publish the RTS 27 reports, in the format required and on at least a quarterly basis. Borsa Italiana envisages that these will be published on its website.</i>
l	g	Will you provide tagging for identifying orders as passive and aggressive?	<i>We already provide the tag TradeLiquidityIndicator to inform whether the order added or removed liquidity for a trade not executed during an auction</i>
l	h	What will you do when a trade server clock drifts beyond specified bounds? Will you re-report the trade?	<i>Borsa Italiana is reviewing whether this will be required, in the context of changes that are being made to comply with RTS 25 and ESMA guidelines.</i>
l	i	How will you provide a trading venue transaction ID to firms to report for Transaction Reporting?	<i>This will be available on the execution report and trade capture report</i>
l	j	What functionality do you plan to provide with regards to pre-trade transparency? i.e. Make public and make available under MiFIR Article 18, including the related liquidity and SSTI flags? Please break this down by trading model.	<p><i>Borsa Italiana will continue to offer a full transparent trading book. The pre-trade waivers we have applied for, are:</i></p> <ul style="list-style-type: none"> <i>- iceberg order</i> <i>- illiquid instruments for negotiated trade and RFQ functionality</i> <i>- stop loss</i> <i>- large in scale for negotiated trade and RFQ functionality</i> <i>- SSTI for liquid instruments</i> <p><i>Liquidity and SSTI flags will be available through GTP only for RFQ and block trade functionality.</i></p> <p><i>Pre trade SSTI flag will be available also on Execution report.</i></p>
l	k	How will you implement pre-trade transparency requirements for your order book (if there is one)?	<i>Borsa Italiana market order books are already transparent., for the waivers see the previous answer.</i>

l	l	<p>Do you intend to send the following fields for Post trade Transparency / Transaction Reporting:</p> <ul style="list-style-type: none"> • Buyer / Seller code • LEI of CCP if applicable • Venue – seg MIC or operation MIC • Trading Date and Time –UTC and to correct granularity • Instrument identification Code - should specify ISIN • Complex trade id – if executing multiple legs as single • Waiver and OTC post trade indicator - what waiver values will be sent (if any) on the trade messages • Trading Venue Transaction Identification Code - Will you provide a Trading Venue Transaction Identification Code, and will it be a new field or an existing field? <p>If you intend to provide these fields, do you plan to provide in real-time after trade execution? How will you provide this information for voice trades?</p>	<p><i>The below fields will be provided by the Post-Trade Gtw:</i></p> <ul style="list-style-type: none"> • <i>Trading Date and Time –UTC in microsecond timestamp</i> • <i>Instrument identification Code - should specify ISIN</i> • <i>Waiver post trade indicator, where applicable according to field 61 of RTS22</i> • <i>Trading Venue Transaction Identification Code as an existing field MIC code, Trading date and time, ISIN, waiver post trade indicator and trading venue transaction identification code will be available via GTP- market data feed</i>
l	m	<p>Will you offer real time order and trade reconciliation capabilities?</p>	<p><i>We already do offer real-time order and trade reconciliation via drop copy channels and via queries</i></p>
l	n	<p>What additional data fields will be provided to members, in order to facilitate members' own reporting and record-keeping obligations?</p>	<p><i>Please refer to:</i> http://www.borsaitaliana.it/borsaitaliana/gestione-mercato/migrazionemillenniumit-mit/millenniumitmigration.htm</p>
l	o	<p>Will the registered venue provide post-trade transparency for eligible trades and FX/PM Spot?</p>	<p><i>Borsa Italiana will provide post-trade transparency for eligible trades, subject to any applicable MiFID II transparency requirements.</i></p> <p><i>The London Stock Exchange Group (LSEG) has partnered with Boat Services Ltd to build a MiFID II compliant OTC Trade Reporting service. This new service is branded TRADEcho and offers customers a single, multi-asset, pan-European reporting solution that complements their on-venue trading activity and helps them meet their real-time MiFID II OTC trade reporting obligations.</i></p>

l	p	Will the registered venue provide data required for order recordkeeping and transaction reporting?	<p><i>A number of fields will be added to the market protocol, which will enable market participants to record the fields sent as part of messages sent to the market. Please refer to Tech Specs published on Borsa Italiana website.</i></p> <p><i>Added fields will cover RTS24 and RTS 22 requirements for trading venues, not the equivalents for Market Participants.</i></p> <p><i>Please also refer to section G.</i></p>
l	q	Will the registered venue provide messages time stamped to meet clock synchronization requirements?	Yes.
l	r	When do you expect to have a MiFID II updates workshop for members?	<i>Borsa Italiana provides regular updates to its members.</i>
l	s	Is it correct that the determination is yet to be made as to what will be deemed 'sufficiently liquid' in terms of being traded on MTF/OTF, and that it will be case by case?	<i>Not applicable to Borsa Italiana FI market.</i>
l	t	Will you permit trades which are negotiated off venue to be formalized on venue? What dependencies do you have on waivers in order to be able to support this? Will you update your rulebook to govern such negotiated trades, and in what scenarios do you foresee it won't be possible to formalise a negotiated trade on your venue?	<i>If you refer to pre-agreed trades Borsa Italiana already provides facilities to conclude trades on the trading venue under the rules of the trading venues.</i>
l	u	Do you intend to inform members of the waivers available per instrument on each given trading day and whether the use of any particular waivers has changed vs the previous day?	<i>Borsa Italiana will notify its participants of the waivers that are available on its markets together also with the notification of the rulebook in force.</i>
l	v	What workflows are you planning for corrections to RTS 2 and 22 reports?	<p><i>With regards to RTS 2 trade reports, Borsa Italiana does not allow for trade details to be amended; incorrect trades must be cancelled within the timeframes provided in the Market Rules.</i></p> <p><i>With regards to RTS 22 transaction reporting correction are under responsibility of the member firms (for non-mifid member firm specific procedures are under definition by Borsa Italiana).</i></p>

MiFID II FIC Trading Venues Questionnaire

Section	J. Regulatory Data and Data Management
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.	Question	Response: Borsa
J a	<p>Please confirm that these fields will need to be sent to the venue:</p> <ul style="list-style-type: none"> • Algo ID • Executor • Decision Maker • Client Identification Code <p>Please confirm if there will be fields that will be sent in addition to the above.</p>	<p><i>Yes, these fields are required. For the full list of the fields required please refer to:</i> http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm</p>
J b	Will you provide MIC codes?	<i>Yes, this will be provided in Reference Data files daily for each instrument and via GTP for each trade.</i>
J c	If supported, which format will you require for short codes? (Assumption is that they will be positive integers)	<i>Short codes are mandatory according to MifidII requirements. For details, refer to:</i> http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniumit-mit/millenniumitmigration.htm
J d	<p>Do you only require short codes for:</p> <ul style="list-style-type: none"> • Algo • Trader • Client Identification Code 	<p><i>Short codes are required for:</i> <i>Client ID;</i> <i>Investor ID;</i> <i>Executing Trader ID.</i></p>
J e	As Algo ID and Trader ID values may be associated with Investment Decision within Firm / Execution within firm values, the assumption is that these IDs be unique across these two groups i.e. if we have an Algo ID of 100 then we cannot also have a Trader ID of 100?	<i>We will use the concept of "qualifiers" introduced by the FIX community to let customer the possibility of having separate sets of short codes for physical persons, Legal Entities and algorithms</i>
J f	As Client ID is in a separate field to the IDM / EDM value on the order message, can its value overlap with those used for Algo ID and Trader ID?	<p><i>We will use the concept of "qualifiers" introduced by the FIX community to let customer the possibility of having separate sets of short codes for physical persons, Legal Entities and algorithms.</i></p> <p><i>It is currently under definition whether it will be possible to have separate sets of data for physical persons traders and physical person clients</i></p>
J g	<p>How will short codes be loaded?</p> <ul style="list-style-type: none"> • Will there be a bulk upload facility, so this process may be automated at the Member Firm? • If yes, our assumption is that when we bulk upload we may upload the complete list every time • Our assumption is that you will not reject orders that contain short codes (Algo ID, Trader ID or Client ID) that have not been uploaded in advance 	<p><i>it will be possible to upload short code manually (short code by short code or uploading a csv file) or automatically bulk uploading a csv file via sFTP</i></p> <p><i>customers are requested to bulk upload the 1st version of the file and then to upload only differences/deltas</i></p> <p><i>we will not reject orders that contain short codes (Algo ID, Trader ID or Client ID) that have not been uploaded in advance</i></p>

J	h	How do you plan on implementing RTS 24 obligation to obtain Decision Maker and Executor from participants, noting that the industry does not want to pass this data on a trade by trade basis?	<i>Borsa Italiana has adopted a short-long code approach. The order input in the trading system will include the short code. The long code will be input by the member in the member portal during all the day. A reconciliation service will allow to comply RTS 24 obligations.</i>
J	i	What security measures will you apply to ensure the data security of all uploaded information?	<i>Borsa Italiana will apply the security policies already in place for the existing services.</i>
J	j	Will you reject orders that contain short codes (Algo ID, Trader ID or Client ID) that have not been uploaded in advance?	<i>See answer "g"</i>
J	k	Do you intend to send the following fields for Post trade Transparency / Transaction Reporting: <ul style="list-style-type: none"> • Buyer / Seller code • LEI of CCP if applicable • Venue – seg MIC or operation MIC • Trading Date and Time –UTC and to correct granularity • Instrument identification Code - should specify ISIN • Complex trade id – if executing multiple legs as single • Waiver and OTC post trade indicator - what waiver values will be sent (at all) on the trade messages • Trading Venue Transaction Identification Code - Will you provide a Trading Venue Transaction Identification Code, and will it be a new field or an existing field? 	<i>The below fields will be provided by the Post-Trade Gtw:</i> <ul style="list-style-type: none"> • <i>Trading Date and Time –UTC in microsecond timestamp</i> • <i>Instrument identification Code - should specify ISIN</i> • <i>Waiver post trade indicator, where applicable according to field 61 of RTS22</i> • <i>Trading Venue Transaction Identification Code as an existing field</i>
J	l	What changes or additional data requirements do you anticipate for your order and execution interface?	<i>Please refer to: http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/migrazionemillenniummit/mit/millenniumitmigration.htm</i>
J	m	What changes or additional data requirements do you anticipate for your market data interface?	<i>For Market Data please refer to: GTP: https://www.lseg.com/areas-expertise/technology/group-technology/group-ticker-plant</i>
J	n	Please detail your MiFID II release timetable.	<i>Please refer to the "Technical Deployment Plan": http://www.borsaitaliana.it/borsaitaliana/mifid2/mifid2.htm.</i>

MiFID II FIC Trading Venues Questionnaire

Section	K. Connectivity and Testing
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
K	a	Which CCPs do you intend to have connectivity to? Do you intend to connect with CCPs directly or via a middleware?	<i>The Clearing Houses connected to by the Borsa Italiana markets can be found in the Market Rules. No changes to existing connectivity are envisaged for MiFID II purposes.</i>
K	b	What arrangements will be in place between the MTF / OTF and the CCP, to facilitate transfer of trade information to CCPs?	<i>No changes to existing connectivity are envisaged for MiFID II purposes.</i>
K	c	Are there any known changes being made to the FIX protocol?	<i>These will be confirmed as part of the trading system specifications.</i>
K	d	What testing will take place prior to 3rd January 2018 go-live?	<i>MiFID II docs have been published in March 2017 Test environment is available for cash markets starting from August 2nd and for derivatives starting from July 20th We plan to have Customer Dress Rehearsals 14 October 2017 and 4 November 2017 and to go-Live on November 27th.</i>

MiFID II FIC Trading Venues Questionnaire

Section	L. Trading Model
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.	Question	Response: Borsa	
L	a	Which trading models will be live for products on 3 January 2018?	<i>Borsa Italiana FI market will continue to operate an order driven market (CLOB) and an RFQ trading protocol.</i>
L	b	What new trade flows do you expect?	<i>Not applicable to Borsa Italiana.</i>
L	c	How will quote data be captured in trade processes that do not currently have such functionality?	<i>Not applicable to Borsa Italiana.</i>
L	d	To what extent will an Order Book be supported? What take up do you expect for the Order Book?	<i>Borsa Italiana will continue to operate Order Books.</i>
L	e	If your current trading model supports prime brokerage give-up trades, are any changes expected to this model/process?	<i>Not applicable to Borsa Italiana.</i>
L	f	If the current trading model supports prime brokerage give-up trades, are any changes expected to this model / process?	<i>Not applicable to Borsa Italiana.</i>
L	g	How will the MTF / OTF differentiate between algo trading and non-algo trading? What additional data will be required from members to support the identification of algo trading vs. non-algo trading?	<i>customers will have to fill in a dedicated "algo flag" for algo -generated orders</i>
L	h	What is the anticipated process for re-classification of algos?	<i>Market participants will be required to pre-register their algo IDs, as well as to certify and explain the means by which they have tested these in line with the MiFID II requirements.</i>
L	i	GFXD believes a FX swap should be represented by 2 separate FX forward ISINs (one forward ISIN per leg) linked with a package ID irrespective of the tenor of each leg (not a single FX swap ISIN nor a FX spot ISIN if short dated. Have you considered this in your builds?	<i>Not applicable to Borsa Italiana.</i>
L	j	What new functionality and order types will you offer as part of your MiFID II release?	<i>Borsa Italiana MIFID 2 functionalities are described in the trading manual available at the following link: (http://www.borsaitaliana.it/borsaitaliana/gestione-mercati/mit201-guidetoneewtradingssystem-issue90.en_pdf.htm)</i>

MiFID II FIC Trading Venues Questionnaire

Section	M. Non-EEA Venues
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
M	a	<p>What are your plans for establishing a MiFID-eligible trading venue(s) in non-EU jurisdictions?</p> <ul style="list-style-type: none">• Will these be part of a non-EU or EU entity?• How will you clarify the scope of instruments that will be made available to trade on those venues?• Will the non-EU venues fulfil the MiFID pre- and post-trade transparency requirements when facilitating trading involving EU counterparties?	<p><i>Mifid II allows firms included in the ESMA register (art. 48 Mifir) to access to EU trading venues. Borsa Italiana rulebook provides this possibility. Moreover Borsa Italiana is evaluating to make its markets accessible from non-EU countries. This is subordinated to the fulfilment of the process with the competent Authority.</i></p>

MiFID II FIC Trading Venues Questionnaire

Section	O. Stress Testing
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
O	a	Are you intending on undertaking stress testing with venue participant involvement, or is this something you will look to do in isolation for the components you are responsible for?	<i>We will do stress testing in isolation for the components you are responsible for. We will evaluate (not at a first stage) whether to organize stress testing sessions with clients. We will consult clients on this and based on the outcome we will decide whether to pursue this or not.</i>

MiFID II FIC Trading Venues Questionnaire

Section	N. APIs
Company	Borsa Italiana
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Ref.		Question	Response: Borsa
N	a	What changes are you planning on making to your pre and post execution API's (eg Algo ID)	<p><i>We will add Client ID, Executing Trader and Investment Decision ID to order and quote entry generated by clients.</i></p> <p><i>We will distribute waiver indicator and post trade flags to client via dedicated messages.</i></p> <p><i>We will add microseconds precision to protocols.</i></p> <p><i>We will provide specific post trade transparency feeds on public Market Data services.</i></p> <p><i>The above list plus a number of other changes is better described in specs available on our website</i></p>
N	b	When do you anticipate having pre and post execution API changes ready for testing?	<i>Test environment for derivatives is available since July 20th and test environment for cash markets is available since August 2nd</i>
N	c	How are you planning on undertaking testing – will this be direct with individual participants or will it require co-ordinated effort across participants (e.g. partnering between two participants)?	<p><i>Testing will be direct with individual participants.</i></p> <p><i>We will organize dress rehearsals (market wide test sessions held on Saturday) prior to go-live.</i></p>
N	d	Are you planning on centrally co-ordinating testing on API changes across participants?	<i>Only during dress rehearsals</i>

MiFID II FIC Trading Venues Questionnaire

Section	Annex I - Disclaimer
Company	Borsa Italiana SpA
Contact name	Carlo Gussoni
Contact details	Carlo.Gussoni@borsaitaliana.it
Date	7/31/2017

Disclaimer

The replies and information provided in this document represent Borsa Italiana S.p.A. plans and views as of July 31st, 2017.

They can change and/or develop differently in the coming months leading to January 3rd, 2018 and they therefore cannot be relied upon by any reader or participant nor considered as Borsa Italiana final views or decision in any relevant matters.

If and where needed official communications will be released describing how MiFID II and MiFIR provisions will be implemented by Borsa Italiana, also via amendments to the relevant market rules and user agreements.