

Press release

News from the International Capital Market Association (ICMA)

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Please see foot of release for contact details

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release: immediate

TRAX2 receives conditional approval from FSA as an Approved Reporting Mechanism (ARM)

(London, UK) The International Capital Market Association (ICMA) is pleased to announce that its TRAX2 system has received conditional full approval from the UK Financial Services Authority as an Approved Reporting Mechanism (ARM).

ICMA's TRAX system is already one of a limited number of permitted mechanisms reporting to the FSA and was one of the first to apply for the new ARM (Approved Reporting Mechanism) status under the Markets in Financial Instruments Directive (MiFID). The conditional approval granted to the Association remains subject to the successful completion of testing of TRAX2, however, once this approval is received from the FSA, this will fast track TRAX2 to becoming a recognised reporting mechanism in the other jurisdictions of Europe.

Commenting on the FSA's approval Kevin Milne, Managing Director of ICMA Limited said: "The market is faced with the tough deadline of November 1, this year for the implementation of the MiFID in Europe. TRAX2 is positioned to meet the new regulatory transaction reporting requirements of MiFID and approval of the system from FSA is an important step forward in ensuring that our members have the support of TRAX2 in becoming MiFID compliant as far as the transaction reporting is concerned."

ENDS

More follows/...

Notes for editors

1. TRAX2

TRAX2 is the post-trade, pre-settlement, trade matching & regulatory confirmation system for the OTC market. It processes a wide range of financial instruments/asset classes and is now available to both the sell side and buy side.

TRAX2 offers full repo matching capabilities and is tailored to meet the reporting requirements of the Markets in Financial Instruments Directive (MiFID). It facilitates reporting to multiple regulators (competent authorities) within the EU/EEA.

TRAX2 builds on the success of the original TRAX system, successfully operated by ICMA since 1989.

TRAX2 is available to any financial institution active in the international capital market, ICMA members and non members alike. For more information see www.trax2.org

2. Approved Reporting Mechanisms (ARMs)

The Markets in Financial Instruments Directive (MiFID), which replaces the existing Investment Services Directive, will significantly change the regulatory regime governing transaction reporting. It will extend the coverage of the current regulatory regime on regulated markets in some areas (e.g. requiring the reporting of transactions in commodity instruments admitted to trading) and will narrow it in many others.

One of the important changes imposed by MiFID affects the regime governing the systems used by regulated firms to report transactions. In particular, from 1 November 2007 onwards, MiFID requires all reportable transactions to be reported through systems which comply with specific requirements detailed in Article 12 of the MiFID Level 2 Regulation. The FSA refers to transaction reporting systems collectively as Approved Reporting Mechanisms ("ARMs").

3. International Capital Market Association (ICMA)

The International Capital Market Association is the self-regulatory organisation and trade association representing constituents and practitioners in the international capital market worldwide. ICMA's members are located in 48 countries across the globe, including all the world's main financial centres, and currently number some 400 firms in total. ICMA performs a crucial central role in the market by providing and enforcing a self-regulatory code of industry-driven rules and recommendations which regulate issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market. www.icmagroup.org

4. Contact details for further information

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