

# Tradeweb Presentation to Public Hearing on MiFID Review

20<sup>th</sup> September 2010

*Where Markets Meet*

| New York

| Boston

| London

| Tokyo

| Hong Kong

# Tradeweb Background

---



- Operate 20+ online marketplaces across institutional, retail and inter-dealer markets. In Europe, all business is institutional: ie dealer-to-institutional customer
- Regulated in the UK by the FSA; authorised to operate a Multilateral Trading Facility (MTF) on a pan-European basis
- Offer clients front-to-back office electronic solutions with global connectivity to clearinghouses and trade repositories
- Provide streaming real-time market data on a broad range of markets

- Typically:
  - large numbers of instruments
  - trade size large, trade numbers low
  - limited numbers of participants
- Derivatives markets need to allow customisation, to tailor to users' risk management needs

**➔ Liquidity provided by liquidity providers (dealers) as natural end-user matching unlikely to occur on a timely basis**

# Growth of Regulated Electronic Platforms Tradeweb

---

- Have been successful in providing benefits of automation & transparency, whilst preserving characteristics of Fixed Income markets
- Trading protocols for each product listed are geared carefully to market characteristics
- Have resulted in increased market efficiency & demonstration of best execution
- Major growth in participants, scope & volumes : eg Tradeweb has grown from €400mm per day in 1 product with 10 customers to over €250bn per day in 21 products with 2000+ customers

- Liquidity takers (buy side clients) have access to a real-time composite of bid/offer indicative prices
- RFQ is a fully-disclosed trading protocol, in which the liquidity taker (the client) requests and receives multiple, competitive prices simultaneously
- Liquidity makers (dealers) are aware of client identities before a trade is executed, and have discretion as to whether to respond and/or trade with such counterparties.
- Demonstrates best execution & shows full audit trails

# Electronic Workflow



- Pre-trade price discovery
- Electronic trade execution
- Post-trade processing and record-keeping
- Integration with client systems and relevant industry partners

