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## **Borsa Italiana S.p.A. Market Data Transparency Obligation Disclosures 2021**

### **1.0 Introduction**

Article 11, “Transparency obligation”, of Commission Delegated Regulation (EU) 2017/567 of 18 May 2016, as published in the Official Journal of the European Union on 31 March 2017, requires that “*Market operators and investment firms operating a trading venue and systematic internalisers shall disclose the price and other terms and conditions for the provision of the market data in a manner which is easily accessible to the public*” and makes requirements on the contents of this disclosure.

This document covers all of the relevant disclosures for Borsa Italiana S.p.A. (“Borsa Italiana”) in connection with such transparency obligation, with the exception of current price lists and related terms and conditions, with the latter including the notice period for any changes to the fees. As detailed below, these are available at [https://www.borsaitaliana.it/borsaitaliana/information-services/pricing/scheduleb\\_pdf.htm](https://www.borsaitaliana.it/borsaitaliana/information-services/pricing/scheduleb_pdf.htm), in the Borsa Italiana Real Time Market Data Price List and at <https://www.borsaitaliana.it/borsaitaliana/information-services/pricing/pricing.htm> Borsa Italiana Real Time Market Data Agreement respectively.

All data generated from the trading systems operated by Borsa Italiana is collated and developed before being distributed via vendors or directly to end-users, as detailed in the Borsa Italiana Real Time Market Data Agreement.

### **2.0 Contents of Disclosures**

#### **Current price lists**

Current price lists for Borsa Italiana are publically accessible on the Real Time Data pages of the website at [https://www.borsaitaliana.it/borsaitaliana/information-services/pricing/scheduleb\\_pdf.htm](https://www.borsaitaliana.it/borsaitaliana/information-services/pricing/scheduleb_pdf.htm)

Contractual terms and conditions can be found within the Borsa Italiana Real Time Market Data Agreement at <https://www.borsaitaliana.it/borsaitaliana/information-services/pricing/pricing.htm>.

#### **Advance disclosure of future price changes**

Information on notice of future price changes is contained within the Borsa Italiana Real Time Market Data Agreement, and provides for a minimum of 90 days’ notice of future price changes.

#### **Information on the content of the market data distributed**

Disclosure relating to content of market data distributed is below:

| Regulatory obligation   | Response  | Explanatory note  |
|---|---|---|
| <b>Number of instruments covered</b>                              | 61,314  | <i>Instruments traded on Borsa Italiana's markets as of 29/12/2019</i>  |
| <b>Total turnover of instruments covered</b>                      | € 1.85 bn   | <i>2019 value traded on Borsa Italiana's markets</i>  |
| <b>Pre-trade and post-trade market data ratio</b>                 | 99% pre-trade : 1% post-trade   | <i>Based on 2019 data:</i> <ul style="list-style-type: none"> <li>• <i>Pre-trade: number of orders (new orders, amendments, cancellations, fills and expires) on all markets</i></li> <li>• <i>Post trade: number of trades on all markets</i></li> </ul> |
| <b>Data provided in addition to market data</b>                   | Borsa Italiana provides the following data services: <ul style="list-style-type: none"> <li>• End of Day Trading Data, Market Statistics and Borsa Italiana's Official List</li> <li>• Borsa Italiana's Market Notices (Avvisi di Borsa)</li> <li>• Reference Data</li> </ul> | <i>Information about these services may be found on the Borsa Italiana website.</i>   |
| <b>Date of last licence fee adaption for market data provided</b> | 1 January 2021  | <i>Notice of this fee change was provided to the market on 29 September 2020, to take effect from 1 January 2021.</i>   |

#### Revenue obtained from making market data available

Per audited 2019 accounts:

|   |  |
|---|--|
| <b>Revenue obtained from making market data available</b>   | €38,3 m (Borsa Italiana gross revenue including intercompany)      |
| <b>Proportion of that revenue compared to total revenue</b> | 22% (of total Borsa Italiana gross revenue including intercompany) |

## **Information on how the price was set including the cost accounting methodologies**

Costs are apportioned in line with the methodology described in this document.

### Background

Borsa Italiana is owned by the London Stock Exchange Group (“LSEG” or the “Group”) and the Market Data business sits within the Information Services division of LSEG.

The cost accounting methodology reflects the advice of external subject matter experts, engaged to understand industry best practice, to help form the cost allocation model to be used by LSEG and its subsidiaries (“Group”).

### Methodology

Costs are grouped in three categories: direct costs, indirect costs and joint costs.

Direct costs are specifically incurred to run Borsa Italiana’s Market Data business. These costs are allocated in total to the Market Data business and they are not shared with other business areas.

The indirect costs represent the internal services that are incurred to run Borsa Italiana’s Market Data business. These are aggregated in cost pools and assigned allocation drivers, which in turn allow their costs to be shared by revenue generating areas of the business.

Joint costs are incurred to run concurrently with the Market Data and Trading businesses on the basis that these are jointly produced services and it is not possible to offer one service without the other.

#### *Direct costs:*

The following are the key direct costs for the Borsa Italiana Market Data business:

- **Staff costs**
- **Third party information services fees**
- **Subscription fees**
- **Professional fees**
- **Depreciation and amortisation**
- **Market Data technology platform operating costs**

#### *Indirect costs:*

The following are the key indirect costs allocated to the Borsa Italiana Market Data business:

- **Property costs**
- **IT infrastructure costs**
- **Divisional support function costs**
- **Group support function costs**

*Joint costs:*

Borsa Italiana Trading and Market Data businesses provide jointly produced services: a single technology platform facilitates both trading activity and data production and it is not possible to offer one service without the other.

Borsa Italiana allocates platform costs equally between its Trading and Market Data businesses.