Arcontech outlines MiFID strategy

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Arcontech, a leading supplier of real-time market data price distribution and order routing technology today announced its plans to help City firms address their compliance issues using the highly flexible CityVision market data platform.

Speaking in advance of the CityVision user group meeting to be held later this month, Andrew Miller, Managing Director of Arcontech said: “MiFID is one of the biggest challenges of our time and presents a great opportunity for existing and new players in the market. Arcontech’s approach is to provide a total solution to the real-time aspects of compliance.”

Miller cites the work of the Joint Working Group and the evolving model for compliance in pre-trade quotes, post-trade reporting and best execution. “There remain several unanswered questions but it is clear that these are three primary areas of impact”.

So called “Systematic Internalisers (SIs), mainly sell-side market makers, must publish firm prices and be prepared and able to trade on them. These prices must be readily available to intermediaries to help prove that they are achieving ‘best execution’ for their clients. However, they will be reluctant, if not unable, to collect all the prices from all the SIs. Therefore data aggregators will be required ‘in the middle’ to ingest, normalise and redistribute data. These prices must also be available to other sell-side firms to ensure that their prices are close to the market.

All trades must also be reported “as close to real-time as possible”. This means that integration technology is required across the board. However, under MiFID firms can choose not to publish via exchanges. If sufficient firms chose an alternative route, the cost of real-time data could plummet as data becomes available free of exchange fees from alternative sources.

Miller again “StarNet addresses each area and adds value in the total supply chain. It is one of the most flexible contributions products available, so we’ll make publishing data simple for impacted firms. It is likely that one or more ‘utilities’ will emerge at the centre. StarNet is capable of taking in contributions from hundreds of sources and aggregating to form a single data feed, so its ideal for a MiFID utility. It also supports many publishing paradigms, including legacy feeds and web distribution, so is perfect for data distribution. For the receiver it has interfaces to platforms like RMDS, Excel, databases etc. and an API in various languages for custom integration, making life as easy as possible for all sizes of firm.”