

BIPPS Roundtable
Discussion Regarding Unit-of-Count Recommendations
June 21, 2006

The FISD BIPPS (Business Issues Policy and Practice Standards) Working Group offers the following discussion on two potential standard policy approaches that Content Providers can take to regarding the unit of count for the measurement, pricing, and reporting of traditional market data Usage. In March 2005, the working group members developed a recommendation for a standard definition for unit of count for the measurement, pricing, and reporting of traditional market data Usage which was based on counting End-users who are understood to be individual human beings. In December of 2005, after participating in BIPPS discussions and in response to the BIPPS recommendations, a group of major European exchanges identified a different policy for unit of count that was agreed to by all of those European exchanges. The two policies are stated below.

BIPPS Unit-of-Count Recommendation:

The standard unit of count for the measurement, pricing, and reporting of traditional market data Usage that is delivered by a single Distributor should be the End-user. Content Providers are asked to support the recommendation in their pricing structures and policies and offer reporting, billing and administrative arrangements that permit traditional market data usage to be recorded, reported and paid for on an End-User basis.

Working Group Comments:

- *Situations exist where a Distributor provides market data to a single End-user (i.e., a single human being) through multiple products or multiple instances of the same product (a multiple access configuration). In order to report and pay for its usage on an End-user basis in these instances, the Distributor must be able to effectively limit access to the multiple access configuration to the designated End-user.*
- *A Content Provider will generally require that a Distributor demonstrate and/or describe, to the Content Provider's satisfaction, how the multiple access configurations can be controlled.*
- *Effective controls that limit access to multiple access configurations can be purely technical or based on a mixture of technical controls, contract, and business incentives.*
- *This recommendation applies to any given instance of a single market data distributor providing market data access to an End-user. It does not extend to situations where an End-user is receiving market data access from multiple distributors.*

Exchanges currently supporting this model:

Chicago Mercantile Exchange

European Exchanges' Consolidated Policy Statement:

The following is a statement to the BIPPS working group on behalf of the following European exchanges: Deutsche Boerse, Euronext, EXFEED, London Stock Exchange, OMX Exchanges, Oslo Bors, and Sociedad de Bolsas.

The 'unit of count' to measure the internal and external distribution and reporting of European exchanges' market data should be unique user ID.

The sharing of a unique user ID between devices is permitted provided the user cannot access more than one device simultaneously (e.g. terminal and PDA). Users should not share unique user IDs between themselves though. Simultaneous access by unique user ID should be prohibited unless the vendor or user firm is able to record, track and then report the number of simultaneous accesses to the exchange. Where a vendor or user firm entitles, but is unable to track and record, more than one simultaneous access to a unique user ID the maximum number of potential accesses should be reported to the exchange. We do not accept the current BIPPS concept of the entitled 'physical user' to form the basis of the entitlement and reporting of exchange market data as we feel it differs from the above stated policy. Please also note that data charges should be reported and are payable per unique user ID, per data source (REUTERS, Bloomberg, Thomson, etc.).

October 3, 2006

This model is currently supported by the following exchanges:

American Stock Exchange
Amman
Australian Securities Exchange
Chicago Board of Trade
Deutsche Börse
Euronext
EXFEED
Iceland Stock Exchange
JSE Limited
London Stock Exchange
Mexican Stock Exchange
NASD
Oslo Børs ASA
Sociedad de Bolsas, S.A.
TSX Datalinx
Warsaw

November 17, 2010

Budapest Stock Exchange

Position of the BIPPS Working Group:

The BIPPS recommendation remains the first choice for the working group (at least the consumer and vendor members) as it is seen as most compatible with the existing and emerging technical capabilities and customers' needs for flexibility. But the entire working group wishes to emphasize that ***a valuable second choice would be for other exchanges to move from their diverse policy statements and adopt the European policy statement.***