

Understanding Financial Markets and Services

SEMINAR 4: High Frequency Trading (HFT)

9 February 2012, 16:00-18:00, European Parliament, Room A5G1

High frequency trading is the subject of considerable debate and is one of the key topics to be addressed in the MiFID Review. This seminar will explain what constitutes HFT, discuss its impact on market liquidity and functionality and the extent to which it is susceptible to market misbehaviours. It will also outline the kinds of systems and controls that are in place within exchanges and trading houses for the purposes of managing market, operational and credit risk and mitigating market misbehaviour.

PROGRAMME

- 16:00 **Introduction**
- 16:10 **High Frequency Trading**
- What is high-frequency trading?
 - What are the market benefits of high-frequency trading and what are the risks posed by it?
 - How are orders processed?
- 16:40 **What are the systems and controls for managing the risks of high-frequency trading? Are they adequate? How could they be strengthened?**
- 17:00 **What do customers feel about high-frequency trading? Does it work to their benefit and, if so, how?**
- 17:15 **Discussion on the impact of the current proposals in the MiFID review for closer regulation of high-frequency trading and their impact on market integrity and market functionality**
- 17:25 **Q & A**
- 18:00 **End of session**

Chairperson: Anthony Belchambers, *Chief Executive, Futures & Options Association (FOA)*

Panel of speakers:

Fod Barnes, *Senior Adviser, Oxera*

Mark Northwood, *Equity Trading, Fidelity Worldwide Investment*

Paul O'Donnell, *Chief Operating Officer, BATS Chi-x Europe*

Antonio Reyes Miras, *Global Head of Electronic Execution, Listed Derivative Products, Citi Group*

Piebe B. Teeboom, *Strategy, Policy & International Affairs Division, Netherlands Authority for the Financial Markets*

Vassiliki Veliou, *Assistant Vice President at Clearing Initiatives, Eurex*