



## **Traction Fintech Launches Trade Reporting Services to UK CFD Brokers**

Following on its impressive growth and dominance of the derivatives trade reporting sector for CFD and FX brokers in Australia, TRAction Fintech has launched in the UK and Europe to meet the demand there for extra competition in service offerings to assist brokers with reporting trades under the EMIR and MiFID legislation.

When asked how TRAction Fintech planned to differentiate themselves in the competitive UK marketplace Quinn Perrott, General Manager, responded *“there are 2 key areas where we think TRAction Fintech really distinguishes itself from other offerings in the market:*

**1. Pricing structure.** *TRAction Fintech is unique in having a monthly fee cap. It’s quite common in the UK for brokers to be subject to high trade reporting fees but with a reasonable yearly cap. In effect the brokers end up paying for a year’s worth of trade reporting in the first month and then get the subsequent 11 months for free. That’s why TRAction Fintech listened to the industry and got a sense of the frustration at being locked into a provider.*

**2. Service level and holistic understanding.** *The other thing that really sets us apart is our holistic approach AND specialisation. There are plenty of companies out there that can provide trade reporting software or provide consulting on how to set things up. However there are a very select few who take on the whole puzzle, end to end, as their core business, like TRAction Fintech do.”*

Sophie Gerber added

*“With MiFID 2 just around the corner we believe we’ve entered the UK market at the right time when most brokers will be re-evaluating their trade reporting setups. We’ve also found that even as we come up to the 3 year anniversary of the EMIR reporting start date there is still a fair amount of confusion in the market place.*

*Here are 2 key examples we’ve come across:*

### **1. Brokers assuming FX isn’t reportable under EMIR due to the spot FX exemption.**

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*FX derivatives (like that generally traded on MT4 or similar platforms) often do have their underlying price feed from spot FX. However they aren't exempt as they don't 'settle' and don't meet the 'commercial purposes' test.*

## **2. Spread betting not being reportable because it's gambling.**

*Yes spread betting is gambling but it's also a reportable OTC derivative if it is based on a reportable financial product. Basically if it's reportable as a CFD it's also reportable as a spread bet.*

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## **Background**

TRAction Fintech is headed by Quinn Perrott, former GM at AxiTrader and Sophie Gerber who also operates a well-known compliance and legal consultancy firm for financial services businesses. TRAction Fintech is already a major provider of regtech solutions to the Australian market and currently works for over 30 CFD and FX providers.

TRAction Fintech is a full service trade reporting business, with the following core services:

1. Data extraction and conversion to then trade repository format.
2. Understanding the trade reporting rules and how they practically apply.
3. On-boarding and submission of trades to an approved trade repository.

Products required to report include:

- Margin foreign exchange derivatives (also known as rolling spot)
- Contracts for Difference (CFDs)
- Financial Spread Bets
- Commodities