

Instinet Europe receives FCA authorisation as a Payment Institution

LONDON – August 18, 2015 – Instinet Europe Limited (Instinet) today announced that it has received regulatory authorisation from the FCA as a Payment Institution. This authorisation allows Instinet to offer a new safeguarded cash management and payment service solution to clients looking to purchase investment research through ‘hard dollar’ research payments.

Instinet applied for the registration in March 2015 with the aim of complementing its market leading Commission Management business. Instinet’s first clients are expected to go live in August 2015, through their integrated cash management and broker review platform, Plazma. The payment service solution, available to investment firms throughout the EU, will provide long term optionality, continuity and stability in how they manage the consumption and payment of investment research.

“As an authorised Payment Institution, we can offer our clients the flexibility to choose a solution that works best for them,” said Adam Toms, CEO of Instinet Europe Limited. “Optionality is the key, as we still firmly believe that Commission Sharing Agreements (CSA) can offer the necessary tools for Asset Managers to effectively manage their research payments. We have seen strong growth in the CSA platform at Instinet, notably in our CSA Aggregation services. Our hope is that the regulators and politicians find the common ground necessary to allow our Clients to choose the model that works best for them, whilst keeping investor’s best interests at the heart of their business”.

Working with Instinet’s highly regarded Commission Management support team, Clients are able to track research budgets, instruct research payments, generate sophisticated management reporting, and utilise the broker voting functionality, all through the integrated Plazma platform. The use of CSA Aggregation has become more widespread, offering a holistic view of multiple CSA programs in one system, simplifying the administrative control whilst enhancing the governance framework.

Instinet is at the forefront of innovation, providing clients with Commission Management solutions to effectively manage their investment research payments through CSAs. With heightened regulatory focus on the consumption and payment of those services, some asset managers are seeking alternative mechanisms to pay for the investment research they consume. As a Payment Institution, Instinet will appeal to firms who may choose to use their own resources, or more commonly, the assets of the underlying investors through direct fund charges, to pay for investment research.

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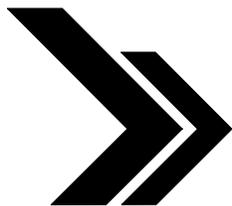
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About Instinet

As the equity execution services arm of the Nomura Group, Instinet Incorporated’s subsidiaries provide independent, agency-only brokerage services to clients throughout the world. Through its advanced suite of electronic trading tools, experienced high-touch trading group and unparalleled access to insightful content and

unique agency-only liquidity, Instinet helps institutions lower overall trading costs and ultimately improve investment performance. Over the course of its 40+ year history, Instinet has introduced a range of now industry-standard trading technologies as well as the world's first major electronic trading venue, one of the first U.S. ECNs and, most recently, the Chi-X businesses. For more information, please visit instinet.com.



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