

ESMA PROVIDES FOR THE OPTION TO APPLY THE ANNUAL TRANSPARENCY CALCULATIONS FOR NON-EQUITY INSTRUMENTS FROM 21 SEPTEMBER

This decision also applies to the quarterly calculations for the purpose of the systematic internaliser (SI) regime for non-equity instruments other than bonds.

ESMA published the [results](#) of the liquidity assessment for non-equity instruments other than bonds and the determination of the pre- and post-trade sizes specific to the instrument (SSTI) and large in scale (LIS) thresholds for non-equity instruments on 15 July 2020. Furthermore, ESMA published on 31 July the [first calculations](#) for the SI regime for non-equity instruments other than bonds. The application date for both calculations is 15 September 2020.

Since the publication of these results, ESMA has been approached by stakeholders raising concerns that the application of the non-equity transparency calculations coincides with the quarterly expiry week of many equity derivatives, a week characterised by high trading volumes and a higher level of volatility due to the rolling over of many contracts. In order to avoid technical issues that might be exacerbated by high market volatility during the current sensitive period, ESMA agreed that trading venues and investment firms may apply the non-equity transparency calculations from 21 September instead of 15 September 2020.

As announced on 15 July 2020, ESMA will provide the annual transparency calculations for non-equity instruments at instrument (ISIN) basis, both liquid and illiquid ones, as of 14 September 2020. This information will be made available through the Financial Instruments Transparency System (FITRS) both by [publishing XML files](#) and through the [Register web interface](#).

In addition, in order to avoid potential misalignments between the application of the non-equity transparency calculations and the start of the mandatory SI-regime for non-equity instruments other than bonds, investment firms, applying the non-equity transparency calculations on 21 September instead of 15 September 2020, may perform the SI-test for non-equity instruments other than bonds by 21 September 2020.

Next steps

The transparency requirements based on the results of the annual transparency calculations for non-equity instruments will apply from 15 September 2020, with the option to delay application to 21 September 2020, until 31 May 2021. From 1 June 2021, the results of the next annual transparency calculations for non-equity instruments, to be published by 30 April 2021, will become

applicable.

ESMA will publish the next quarterly publication of data for the purpose of the SI regime by 1 November 2020 with an application date of 15 November 2020 for equity and equity-like instrument, bonds and non-equity instruments.