

ESMA provides interim transparency calculations for MiFID II

These calculations specify the transparency regime applicable to trading in secondary markets from 3 January 2018, when MiFID II will enter into force.

Steven Maijor, ESMA Chair, stated:

“Six months from today, the transparency of EU financial and commodities markets will start to improve significantly. Including non-equity products into MIFID II’s scope is a major step forward. It will better help to protect against market abuse and better mitigate systemic risks”

MiFID II introduces transparency requirements for bonds, structured finance products, emission allowances and derivatives with powers for national competent authorities (NCAs) to waive or defer transparency obligations if instruments do not have a liquid market or if an order or transaction exceeds a certain size.

Therefore, ESMA is publishing information on the liquidity classification of financial instruments and the sizes of large in scale (LIS) compared to normal market size and the size specific to the instrument (SSTI). ESMA issues these transparency calculations for all non-equity instruments, except for bonds, which have been classified as liquid in accordance with the MIFID/MIFIR [RTS 2](#). The transparency calculations are based on data submitted by EU trading venues.

The publication of LIS and STTI thresholds per bond type, planned for 3 July 2017, has been delayed as ESMA needs to perform an additional quality review of the information submitted by third parties for this exercise. These interim calculations for bonds will be published in August 2017.