

ESMA updates its Q&As on MiFID II and MiFIR market structure and transparency topics

The new Q&As provide clarification on the following topics:

- Classification of derivatives on derivatives for transparency purposes;
- Default liquidity status of bonds (amendment to an existing Q&A);
- Scope of the pre-trade transparency waiver provided under Article 9(1)(c) of MiFIR;
- Market Making activities and incentives to be provided during stressed market conditions;
- Treatment of bulk quotes for the calculation of the Order to Trade Ratio;
- Scope of Article 17(6) of MiFID II and Chapter IV (Articles 24-27) of Delegated Regulation (EU) 2017/589 (RTS 6);
- Arranging of transactions that are ultimately formalised on another trading venue;
- Registration of a segment of an MTF as an SME growth market; and
- Maker Taker schemes.

The purpose of these Q&As is to promote common supervisory approaches and practices in the application of MiFID II and MiFIR. They provide responses to questions posed by the general public and market participants in relation to the practical application of level 1 and level 2 provisions relating to transparency and market structures issues.

ESMA will continue to develop these Q&As in the coming months and will review and update them where required.