

ESMA updates plan for systematic internaliser regime calculations and publications

ESMA was required to amend its action plan as data completeness for various non-equity asset classes has not yet reached adequate levels. ESMA therefore considers it premature to publish the SI calculations for non-equity instruments other than bonds at this stage. ESMA will focus in the coming months on further improving the quality and completeness of those asset classes to ensure the publication of the SI-calculations takes place as soon as possible.

Next steps

In order to ensure the publication of the SI-calculations for derivatives and other non-equity instruments as quickly as possible, additional work is required by ESMA, NCAs and trading venues to further improve the quality and completeness of submitted data.

Background

The SI regime requires investment firms to assess whether they are SIs in a specific instrument (for equity, bonds, ETCs and ETNs and SFPs) or for a (sub-) class of instruments (for derivatives, securitised derivatives and emission allowances) on a quarterly basis based on data from the previous six months. For each specific instrument/sub-class, an investment firm is required to compare the trading it undertakes on its own account compared to the total volume and number of transactions executed in the European Union (EU). If the investment firm exceeds the relative thresholds determined in the Commission Delegated Regulation (EU) No 2017/565 it will be deemed an SI and will have to fulfil the SI-specific obligations. ESMA decided to compute the total volume and number of transactions executed in the EU in order to help market participants as that data is essential for the operation of the SI regime and is not otherwise easily available.