

MiFID II: ESMA issues latest double volume cap data

The number of new breaches is 58 equities for the 8% cap, applicable to all trading venues, and 10 equities for the 4% cap, that applies to individual trading venues. Trading under the waivers for all new instruments in breach of the DVC thresholds should be suspended from 14 May 2018 to 14 November 2018. The instruments for which caps already existed from previous periods will continue to be suspended.

In addition, ESMA highlights that some trading venues in the meantime have submitted corrected data that affects past DVC publications. For a limited number of 12 instruments, this means that previously identified breaches of the 8% and 4% caps prove to be incorrect. For these instruments, the suspensions of trading under the waivers should be lifted.

New overview file for suspensions

In this publication, ESMA is changing slightly the way it presents the DVC files to facilitate access by national competent authorities (NCAs), market participants and the public in general. The ESMA publication now comprises a separate consolidated [Suspensions File](#), which includes all those instruments for which a suspension has been issued, and the corresponding suspension dates. The Suspensions File also identifies the instruments on which suspensions should be revoked due to data corrections.

The goal is to present all information in one place so that NCAs and market participants can identify the instruments affected by the caps in order to take the necessary actions. In addition, ESMA will continue to publish all monthly DVC files providing information on trade volumes for those instruments within the DVC scope for which complete data exists.

Background

MiFID II introduced the DVC to limit the amount of dark trading in equities allowed under the reference price waiver and the negotiated transaction waiver. The DVC is calculated per instrument (ISIN) based on the rolling average of trading in that instrument over the last 12 months.