

## MiFID II: ESMA makes available the results of the annual transparency calculations for equity and equity-like instruments

ESMA has today started to make the annual transparency calculations for equity and equity-like instruments available. Those calculations include:

- the liquidity assessment as per Articles 1 to 5 of CDR 2017/567;
- the determination of the most relevant market in terms of liquidity (MRM) as per Article 4 of CDR 2017/587 (RTS 1);
- the determination of the average daily turnover (ADT) relevant for the determination of the pre-trade and post-trade large in scale (LIS) thresholds;
- the determination of the average value of the transactions (AVT) and the related the standard market size (SMS);
- the determination of the average daily number of transactions on the most relevant market in terms of liquidity relevant for the determination of the tick-size regime.

Currently, there are 1,344 liquid shares and 389 liquid equity-like instruments other than shares, subject to MiFID II/MiFIR transparency requirements.

ESMA's annual transparency calculations are based on the data provided to Financial Instruments Transparency System (FITRS) by trading venues and arranged publication arrangements (APAs) in relation to the calendar year 2018.

These calculations shall be applicable from 1 April 2018, until then the transitional transparency calculations ([TTC](#)) continue to apply.

Please be aware that due to late data submissions by some reporting entities and adaptations necessary should the UK leave the Union on 29 March, under a no-deal scenario, ESMA will likely have to update the results after 29 March. ESMA will make the public aware of such updates sufficiently in advance. As detailed by ESMA in its [public statement](#) on the use of UK data in ESMA databases in case of a no-deal Brexit, the current publication might require amendments to the MRM in terms of liquidity. ESMA therefore intends to adjust the MRM for those instruments for which the March calculations determine a UK trading venue as the MRM. ESMA is planning to determine as the MRM the EU trading venue with the highest turnover in the EU as early as possible after Brexit. For newly issued instruments, the MRM will be changed to the EU trading venue where that instrument was first admitted to trading or first

traded.

The full list of assessed equity and equity-like instruments will be available through ESMA's [Financial Instruments Transparency System \(FITRS\)](#) in the XML files with publication date from 1 March 2019 ([link available here](#)) and through the Register web interface ([link available here](#)).

## Background

MiFID II/MiFIR became applicable on 3 January 2018 introducing, amongst others, pre-trade and post-trade transparency requirements for equity and non-equity instruments.

Pre-trade transparency requirements may be waived for transactions, whose size is above large-in-scale thresholds (LIS), and systematic internalisers (SIs) have pre-trade transparency obligations for instruments traded on a traded venue which are liquid and when dealing with orders up to the standard market size (SMS).

The publication of post-trade information can be deferred for transactions whose size is above large-in-scale thresholds (LIS).

MiFID II/MiFIR introduce the tick-size regime to orders in shares, depositary receipts based on the average daily number of transactions in the most relevant market in terms of liquidity and to orders in exchange-traded funds (ETFs) on the basis of their price.

## Next steps

The transparency requirements based on the results of the annual transparency calculations published from 1 March for equity and equity-like instruments will apply from 1 April 2019 until 31 March 2020. From 1 April 2020, the next annual transparency calculations for equity and equity-like instruments to be published by 1 March 2020, will become applicable.