

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

ESMA has today started to 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 1,493 liquid shares and 788 liquid equity-like instruments other than shares, subject to MiFID II/MiFIR transparency requirements.

As usual, market participants are invited to monitor the release of the transparency calculations for equity and equity-like instruments on a daily basis, to obtain the calculations for newly traded instruments. Furthermore, in the next weeks ESMA will release the annual transparency calculations for additional instruments not published today as they are subject to specific data quality review.

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 2019.

These calculations shall be applicable from 1 April 2020, until then the 2019 annual transparency calculations continue to apply.

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 28 February 2020 and through the Register [web interface](#).

## **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 28 February 2020 for equity and equity-like instruments will apply from 1 April 2020 until 31 March 2021. From 1 April 2021, the next annual transparency calculations for equity and equity-like instruments to be published by 1 March 2021, will become applicable.