

# MiFID II: ESMA makes new bond liquidity data available

ESMA will start today to make available the third quarterly liquidity assessment for bonds available for trading on EU trading venues at the end of October. For this period, there are currently 470 liquid bonds subject to MiFID II transparency requirements.

ESMA's liquidity assessment for bonds is based on a quarterly assessment of quantitative liquidity criteria, which include the daily average trading activity (trades and notional amount) and percentage of days traded per quarter. ESMA updates the bond market liquidity assessments quarterly. However, additional data and corrections submitted to ESMA may result in further updates within each quarter, published in FITRS (which shall be applicable the day following publication).

The full list of assessed bonds will be available through ESMA's Financial Instruments Transparency System (FITRS) in the XML files with [publication date from 31 October 2018](#) and through the [Register web interface](#).

In addition, as first [communicated on 27 September 2018](#), ESMA is publishing for the first time the [completeness indicators](#) related to bond liquidity data.

## **Background**

MiFID II became applicable on 3 January 2018 introducing, amongst others, pre- and post-trade transparency requirements for equity and non-equity instruments, including for bonds. Post-trade, MiFID II requires real-time publication of the price and quantity of trades in liquid bonds. It is possible to defer the publication of post-trade reports if the instrument does not have a liquid market, or if the transaction size is above large-in-scale thresholds (LIS), or above a size specific to the instrument (SSTI). In order to assist market participants to know whether a bond should be considered as liquid or not, ESMA publishes these quarterly liquidity assessments for bonds.

## **Next steps**

The transparency requirements for bonds deemed liquid today will apply from 16 November 2018 to 15 February 2019. From 16 February, the next quarterly assessment, to be published on 1 February 2019, will become applicable.