

# MiFID II: ESMA makes new bond liquidity data available

ESMA has started, since July 30, to make available the second quarterly liquidity assessment for bonds. However, this assessment, which is dependent on the data submitted to ESMA, experienced data quality issues. ESMA will proceed to update the publication in the following days ahead of the day of application of the liquidity classification on August 16.

This issue is also affecting the [Systematic Internalisers regime publication for non-equity](#), published on 1 August. The content of the non-equity file has now been updated, by removing the affected instruments.

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 will update its bond market liquidity assessments quarterly. However, additional data and corrections submitted to ESMA may result in further updates within each quarter, published in FITRS.

The list of assessed bonds is available through ESMA's [Financial Instruments Transparency System \(FITRS\)](#) in the XML files with publication date from 30 July 2018. The information will also be available through the [Register system](#) in due course.

## **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).