



Notes : **Notes from the EVIA/LEBA MiFID2/R Working Group**
Date: **Wednesday, 6th June 2018**
Time: **10.30am**
Venue: **Conference call**

1. MiFIR Issues Log

New items added to the log:

- i. Cross Border/Brexit impact to EU based firms trading on MTF and OTF authorised in the UK. EVIA continues to have ongoing discussions with ESMA Head of Securities Markets, Tilman Lueder with a view to another meeting next week.
- ii. Post Trade Transparency requirement by APA's. ESMA recent Q&A further clarifies APA's obligation to comply with Article 20 and 21.
- iii. FX NDF reference prices possible implications to BMR.

2. ESMA Q&A: What are the implications to consider?

a. Transparency – General Q&A

- i. Q7 RFQ systems and Q12 voice trading to provide pre-trade transparency to a quote provided on request and AIOI, even when not acted upon.

ESMA response to Q7 and Q12 were discussed in detail as the guidance suggests that indication of interest (IOI's) are subject to pre-trade transparency. This raises the issue that in most cases, details of IOI's constantly change as the market moves or decision of the client changes, therefore not all of the components of the trade are firm so providing pre-trade transparency of unknowns may have its constraints.

- ii. Q10 APA to make data freely available free of charge 15 minutes after publication.

There were no views expressed on ESMA's guidelines towards APA's as TV's are already subject to providing market data free

of charge within 15 minutes and have no concerns with complying with this obligation.

b. Data Reporting

i. *Complex trades transparency requirements*

ESMA guidelines brings in transparency requirements to complex trades when there is a single transaction in multiple financial instruments simultaneously for one single price. We will need to review this definition as most complex trades traded on a venue are LIS or illiquid therefore not subject to the transparency requirements. Also, firms will need to assess for those complex trades that are subject to the transparency requirements, how these are identified in their static data.

c. Market Structures

i. *Q22 Can an OTF arrange or trade strategies including an equity leg*

No views expressed on this clarification from ESMA.

3. Follow up topics to raise with Tilman for the next session week commencing 11 June.

Aim is to have this session early in the day so will confirm date and time but, in the meantime, can we have names of those who wish to participate in this discussion.

4. AMFE GFMA questions on whether there is a reporting requirement on TV treatment of trades with multiple applications

No views were expressed on the draft response but will be collate views from other forums.

5. Feedback response to ANNA DSB consultation paper

Agreed that EVIA/LEBA should respond to this consultation paper as new fee model indicates there will be additional services added and an increase of fees for TV's.



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6. Best Execution reporting of RTS 27

It was raised at the last FIX Trading Best Execution call on 1st June that negotiated trades/processed trades are to be reported by the execution venue under RTS 27. This raises the question around Block trades which are arranged, negotiated OTC and then registered on the venue as a Block. On the call it was clarified that under Recital 5:

To ensure an accurate picture of the quality of execution that effectively occurred, trading venues should not publish among executed orders those traded over the counter and reported onto the trading venue.

EVI A agree that Blocks fall under Recital 5 and, as such, not subject to RTS 27.