



European Securities and  
Markets Authority

## Reply form for the Addendum Consultation Paper on MiFID II/MiFIR



## Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in the ESMA Addendum Consultation Paper on MiFID II/MiFIR, published on the ESMA website.

### *Instructions*

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, ESMA will only be able to consider responses which follow the instructions described below:

- use this form and send your responses in Word format (pdf documents will not be considered except for annexes);
- do not remove the tags of type <ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
- if you do not have a response to a question, do not delete it and leave the text "TYPE YOUR TEXT HERE" between the tags.

Responses are most helpful:

- if they respond to the question stated;
- contain a clear rationale, including on any related costs and benefits; and
- describe any alternatives that ESMA should consider

### **Naming protocol**

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA\_CP\_TR\_ORK\_CS\_NAMEOFCOMPANY\_NAMEOFDOCUMENT.

E.g. if the respondent were XXXX, the name of the reply form would be:

ESMA\_CP\_TR\_ORK\_CS\_XXXX\_REPLYFORM or

ESMA\_CP\_TR\_ORK\_CS\_XXXX\_ANNEX1

To help you navigate this document more easily, bookmarks are available in "Navigation Pane" for Word 2010 and in "Document Map" for Word 2007.

### **Deadline**

Responses must reach us by **23 March 2016**.

All contributions should be submitted online at <https://www.esma.europa.eu/> under the heading 'Your input/Consultations'.



### ***Publication of responses***

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that a confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA's Board of Appeal and the European Ombudsman.

### ***Data protection***

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the headings 'Legal notice' and 'Data protection'.



## Introduction

***Please make your introductory comments below, if any:***

<ESMA\_COMMENT\_CP\_TR\_ORK\_CS\_1>

Nasdaq welcomes the opportunity to respond to the ESMA consultation on transaction reporting, reference data, order record keeping and clock synchronization. The requirements regarding, in particular, order record keeping and transaction data are amongst the most onerous parts of the proposed regulation, both in terms of system and operational impact for trading venues and market participants. Nasdaq appreciates the provided guidelines on the implementation of these areas and is pleased to see a harmonization of the client to be identified under RTS 22 and 24 for trading venues (1.3.12.2), that sequence numbers should be unique per matching engine of a trading venue (2.2), and the provided examples and validation rules provided in the guidelines and its annexes. With that said, we still believe that there is room for further clarity in the guidelines, most notably around the timing requirement to collect data for order record keeping purposes, a trading venue's requirement to validate the data collected under RTS 24 and to what extent validation rules under RTS 22 for investment firms also applies to trading venues. These are the areas that we have focused on in our response below.

It should be noted that the response to this consultation is made on behalf of the trading venues\* that Nasdaq operate which are subject to MiFIR. Nasdaq also operates an investment firm that provides transaction reporting services to other investment firms, to be organized as an ARM, which has responded to the consultation separately together with the Swedish Dealers Association.

\*List of trading venues:

Nasdaq Copenhagen (XCSE)

Nasdaq Stockholm (XSTO)

Nasdaq Helsinki (XHEL)

Nasdaq Iceland (XICE)

Nasdaq Tallinn (XTAL)

Nasdaq Riga (XRIS)

Nasdaq Vilnius (XLIT)

Nasdaq Commodities (NORX)

Nasdaq NLX (XNLX)

<ESMA\_COMMENT\_CP\_TR\_ORK\_CS\_1>



**Q1: Are there any other scenarios which you think should be covered?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_1>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_1>

**Q2: Are there any areas in Part I covered above that require further clarity? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_2>

**Identifiers for parties**

Could you please confirm which validations of identifiers for natural persons (including for members' clients) need to be performed by trading venues reporting transactions on behalf of members who are not required to report themselves in accordance with MiFIR Article 26(5)?

Could you also please clarify to what extent trading venues and other reporting parties need to keep track of the nationality of natural persons, e.g. if a person acquires a second nationality?

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_2>

**Q3: Are there any other situations on reportable transactions or exclusions from transactions where you require further clarity?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_3>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_3>

**Q4: Are there any specific areas covered by the mechanics section where you require further clarity? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_4>

Please specify the deadline for correcting a transaction report which has been rejected.

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_4>

**Q5: Do you require further clarity on the content of Article 1 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_5>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_5>

**Q6: Do you require further clarity on the content of Article 2 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_6>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_6>

**Q7: Do you require further clarity on the content of Article 3 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_7>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_7>



**Q8: Do you require further clarity on the content of Article 4 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_8>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_8>

**Q9: Do you require further clarity on the content of Article 5 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_9>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_9>

**Q10: Do you require further clarity on the content of Article 6 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_10>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_10>

**Q11: Do you require further clarity on the content of Article 7 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_11>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_11>

**Q12: Do you require further clarity on the content of Article 8 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_12>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_12>

**Q13: Do you require further clarity on the content of Article 9 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_13>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_13>

**Q14: Do you require further clarity on the content of Article 10 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_14>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_14>



**Q15: Do you require further clarity on the content of Article 11 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_15>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_15>

**Q16: Do you require further clarity on the content of Article 12 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_16>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_16>

**Q17: Do you require further clarity on the content of Article 13 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_17>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_17>

**Q18: Do you require further clarity on the content of Article 14 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_18>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_18>

**Q19: Do you require further clarity on the content of Article 15 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_19>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_19>

**Q20: Do you require further clarity on the content of Article 16 of RTS 22? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_20>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_20>

**Q21: Do you require further clarity or examples for population of the fields covered in Block 1? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_21>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_21>



**Q22: Do you require further clarity or examples for population of the fields covered in Block 2? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_22>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_22>

**Q23: Do you require further clarity or examples for population of the fields covered in Block 3? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_23>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_23>

**Q24: Do you require further clarity or examples for population of the fields covered in Block 4? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_24>  
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<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_24>

**Q25: Do you require further clarity or examples for population of the fields covered in Block 5? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_25>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_25>

**Q26: Do you require further clarity or examples for population of the fields covered in Block 7? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_26>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_26>

**Q27: Do you require further clarity or examples for population of the fields covered in Block 8? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_27>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_27>

**Q28: Do you require further clarity or examples for population of the fields covered in Block 10? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_28>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_28>

**Q29: Do you require further clarity or examples for population of the fields covered in Block 11? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_29>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_29>

**Q30: Do you require further clarity or examples for population of the fields covered in Block 12? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_30>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_30>

**Q31: Do you require further clarity or examples for the scenarios in section 1.3.1? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_31>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_31>

**Q32: Do you require further clarity or examples for the scenarios in section 1.3.2? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_32>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_32>

**Q33: Do you require further clarity or examples for the scenarios in section 1.3.3? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_33>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_33>

**Q34: Do you require further clarity or examples for the scenarios in section 1.3.4? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_34>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_34>

**Q35: Do you require further clarity or examples for the scenarios in section 1.3.5? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_35>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_35>

**Q36: Do you require further clarity or examples for the scenarios in sections 1.3.6 and 1.3.7? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_36>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_36>

**Q37: Do you require further clarity or examples for the scenarios in section 1.3.8? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_37>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_37>

**Q38: Do you require further clarity or examples for the scenario in section 1.3.9? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_38>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_38>

**Q39: Do you require further clarity or examples for the scenario in section 1.3.10? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_39>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_39>

**Q40: Do you require further clarity or examples for the scenario in section 1.3.11? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_40>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_40>

**Q41: Do you require further clarity or examples for the scenarios in sections 1.3.12 and 1.3.13? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_41>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_41>

**Q42: Are there any other equity or equity like instruments scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_42>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_42>

**Q43: Are there any other bonds or other form of securitised debt scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_43>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_43>

**Q44: Are there any other options scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_44>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_44>

**Q45: Are there any other contract for difference or spreadbet scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_45>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_45>

**Q46: Are there any other credit default swaps scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_46>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_46>

**Q47: Are there any other swap scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_47>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_47>

**Q48: Are there any other commodities based derivatives scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_48>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_48>

**Q49: Are there any other strategy trades scenarios which require further clarification?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_49>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_49>

**Q50: Is the difference between aggregated orders and pending allocations sufficiently clear?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_50>  
We would like to receive further clarity and definition of what is referred to as “exceptional cases” for the use of PNAL in 2.7.2



Please clarify if the scenario where a fund manager submits allocation to funds post order submission, as discussed in the Final Report (section 7.3 § 11), suggests the use of AGGR or PNAL for the participant that submits the order to the trading venue.

Is there any expectation on trading venues to validate the use of PNAL by its market participants based on the jurisdiction of the participant?

We would also encourage ESMA to clarify how it expects participants to identify its client (field 3, table 2) when the order is on behalf of a co-owned account with multiple beneficial owners. The use of “AGGR” in 2.7.1 only mentions cases where an order is aggregated and is accompanied with allocation to multiple clients but in the case of co-owned accounts, aggregation and allocation would not apply. Please clarify if participants are expected to identify multiple physical persons with NATIONAL\_ID’s in field 3 for co-owned accounts or specify alternative designation for this case.

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_50>

**Q51: Do you require further clarity on the proposals made in sections 2.1 to 2.11? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_51>

#### **Timing requirement of order data**

We strongly urge ESMA to clarify the timing requirement of order data for record keeping purposes. Are trading venues required to obtain and have available all required data in table 2 of RTS 24 at the time when it receives the order or is it acceptable to allow participants to supply enrichment of the order data after the order has been received and processed by the matching engine of the trading venue? In various industry forums that addresses MiFID II related issues, there has been numerous proposals circulated that aims to address concerns regarding system impact, system performance and data privacy for participants and trading venues with the order record keeping requirements in RTS 24. Some of these proposals have suggested the use of short codes at order submission to reference client and personal data and some other fields in section A of table 2 in RTS 24, with subsequent end-of-day enrichment by the participants of mapping between used short codes and actual data in the format mandated in the RTS. We seek clarity if ESMA accepts that orders can be enriched after order submission with the consequence that full record details may not be available intraday or potentially in rare cases not at all if the participant fails to supply additional order details post order submission.

If ESMA accepts that order data is enriched after order submission, we also ask for clarity on how trading venues should handle and report missing data if certain fields have not been supplied by the participants at the time of request for order data from a national competent authority.

We kindly ask ESMA to clarify expectations of turnaround time for trading venues to respond to requests for order data records from national competent authorities. Are trading venues expected to be able to respond with full records intraday, within minutes, hours, days, etc? The question should be read in conjunction with the question on timing to collect all relevant data for the order records.

#### **Correction of order data records**

We ask ESMA to clarify if market participants are expected to rectify erroneous values on previously transmitted orders. For example, if a participant submits an erroneous client identification code, investment decision maker, execution decision maker, DEA flag, etc should trading venues expect and facilitate a correction of order data records? If the answer is yes, please clarify how far back (days? months? years?) that participants should be able to correct their order data records with trading venues.

#### **Validation of fields**

While it may not be directly related to the order record keeping requirements, we ask that ESMA clarifies if it expects trading venues to validate the provided value for certain fields in section A of table 2 in RTS 24, more specifically:

- Client identification code

- Legal entities – Are trading venues expected to validate submitted LEI’s as client identification codes? If so, format validation or also validity of LEI against global LEI database?
- Natural Persons – Are trading venues expected to validate submitted NATIONAL\_ID’s as client identification codes? If so, what formatting requirements should apply? Any other validation requirements for NATIONAL\_ID’s that would apply?
- PNAL – as stated under Q50, we ask for clarity if trading venues are expected to validate if the submitting participant is eligible to use PNAL as client identification code.
- Investment decision within firm and Execution within firm
  - Natural Persons - Are trading venues expected to validate submitted NATIONAL\_ID’s as client identification codes? If so, what formatting requirements should apply? Any other validation requirements for NATIONAL\_ID’s that would apply?
  - Algorithms – Are trading venues expected to validate the values submitted to identify algorithms against algorithms that have undergone conformance testing according to article 9 in RTS 7?

If EMSA is of the view that any of the fields listed above should be validated by the trading venue, please clarify if such validation should be performed at the point of order entry, i.e. should orders be rejected if they do not meet set format or value criteria or could validation of the data fields be performed end of day?

#### **Reported trades**

Please clarify if negotiated trades reported to trading venues are subject to the order record keeping requirements. If yes, please provide examples of one sided and two sided trade reports for record keeping purposes.

#### **Sequence Numbers**

We seek further guidance in section 2.2 on the application of sequence numbers for orders that are yet not active in the electronic order book or matching engine, e.g. stop orders, since orders that are not present in the order book would not interact with the matching engine of Nasdaq’s cash equity trading system before they are activated or triggered. Consequently it would present considerable difficulties to maintain a linear sequence number across separate system partitions.

On a similar note, we seek further clarity on the order record keeping requirements of rejected orders. For the stated purposes of the order record keeping requirements in the RTS, to identify potential market abuse, persisting all rejected orders in the order records does not seem relevant. In Nasdaq’s system architecture for its trading systems, orders may be rejected at the gateway where the participant connects to access the trading venue. Such rejected orders would never be presented to the matching engine and would hence pose a significant challenge from a sequence number perspective as described above.

#### **Non-executing brokers**

In section 2.9, please clarify if the first sentence implies that non-executing brokers must be investment firms.

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_51>

**Q52: Do you agree require further clarity on the proposals made in section 2.12? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_52>

#### **Receipt of an order**

Referring to RTS 24, article 4(1), we assume the date and time (field 9) should be recorded in the matching engine, not in the gateway as specified here in section 2.12.1.1 (“Information is received by the gateway of Trading Venue M at 08:05:32.278932(UTC)”). Please clarify.

#### **Modification of order by a member or participant**

We propose that a modification of quantity example is added to show the expected values for fields 36-38 (e.g. an order originally for 1000, then modified to 800 and later to 600.) It is assumed that the ESMA model follows FIX protocol scenarios and that the original quantity is reduced with a cancel down (see e.g. C.3.a on page 67 of FIX 5.0 SP2 Volume 4: <http://www.fixtradingcommunity.org/pg/structure/tech-specs/fix-version/50-service-pack-2>).

The guideline does not follow the FIX protocol model of relaying the cumulative trade quantity and thereby does not support the rule that “initial quantity – cumulative quantity = remaining quantity”. (The ESMA “Traded quantity” [field 39] corresponds to FIX LastQty [32].) We propose that ESMA adheres to the FIX protocol standard of recording the status of an order as opposed to inventing its own logic.

#### **Peg (or Pegged) Orders (2.12.4)**

The Priority time stamp (field 13) in event 2 and 3 is presumably a typo regarding the seconds. Else, the pegged order would have priority against the incoming orders that it pegs against. The description column also states “unchanged” which does not seem logic or accurate. Please correct or clarify logic.

#### **Routed orders (2.12.6)**

On Nasdaq Nordic’s equity market, a routable order will first “ping” the book (i.e. use an IOC condition, irrespective of what the client sent). Unclear whether the order message should relay the IOC instruction or the client entered validity period.

ESMA seems to regard order routing as a single event where all quantity is removed from the book. Further guidance is needed on how to handle a case where partial quantity is routed with the residual remaining in the book. (A quantity decrease does not lead to new ranking, but if any quantity is returned from the away venue, that would constitute a quantity increase and a new ranking time stamp.)

When the away market trade is represented in the routing venues records, what timestamp [9] is to be used? The timestamp of the away venue or the routing venue.

#### **Priority (2.12.8)**

The guideline describes two matching priority models; Price-visibility time priority and Size-time priority. Nasdaq’s cash equity markets deploys a matching priority model of Price- Internal-Visibility-Time, i.e. where matching orders for the same participant will match ahead of Visibility and Time priority of orders at the same price level. Since it is clearly stated in the guidelines that ESMA wishes to use fields 13 and 14 (Priority time stamp and Priority size) to be able to reconstruct the order book, we observe that the available fields are not sufficient to allow such reconstruction without the separate knowledge of the market model.

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_52>

**Q53: Do you require further clarity on the proposals made in section 2.13? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_53>

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<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_53>

**Q54: Are there any further clarifications required on the concept of ‘reportable event’? If yes, please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_54>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_54>



**Q55: Is it sufficiently clear at what point OTC transactions shall be time-stamped? If not, please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_55>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_55>

**Q56: Do you require further clarity on the content of Article 4 of RTS 25? Please elaborate.**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_56>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_56>

**Q57: Do you agree with the proposals made in sections 3.2 to 3.4? Please elaborate. Are there any further clarifications required?**

<ESMA\_QUESTION\_CP\_TR\_ORK\_CS\_57>  
TYPE YOUR TEXT HERE  
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