ESMA_QA_603

Submission Date
06/10/2022

Status: Answer Published

Additional Information

Level 1 Regulation
Markets in Financial Instruments Regulation (MiFIR) Regulation (EU) No 600/2014- MDP

Level 2 Regulation
RTS 22 - Regulation 2017/590 on the reporting of transactions to competent authorities

Level 3 Regulation
Guidelines on transaction reporting, order record keeping and clock synchronisation under MiFID II

Topic
* Transaction reporting

Additional Legal Reference
ESMA’s Q&As on MiFIR data reporting

Subject Matter
Concept of underlying - reverse convertible bonds and reverse convertible notes

Question
Does the concept of an underlying for the purposes of Article 26(2)(b) of MiFIR extend to convertible bonds, reverse convertible bonds and reverse convertible notes?

ESMA Answer

31-03-2023

Original language

Where a transaction takes place in a convertible bond, reverse convertible bond or reverse convertible note (the main instrument) and the instrument into which the bond can be converted is traded on a trading venue the transaction is reportable under Article 26(2)(b) of MiFIR. Where a transaction report is made on the basis of the instrument being in scope of Article 26(2)(b) of MiFIR the underlying instrument into which the main instrument can be converted should be reported in field 47 of RTS 22. Where the convertible bond, the reverse convertible bond or the reverse convertible note is also in scope of Article 26(2)(a) of MiFIR then the underlying does not need to be populated in the transaction report as only the ISIN of the convertible bond needs to be reported (in field 41 of RTS 22).