ESMA_QA_1543

Submission Date
23/09/2022

Status: Answer Published

Additional Information

Level 1 Regulation
Markets in Financial Instruments Directive II (MiFID II) Directive 2014/65/EU- Secondary Markets

Topic
Position reporting

Subject Matter
Position reporting

Question
In cases where an OTC contract is economically equivalent to more than one ETD contract traded on an EU trading venue and where those ETD contracts are not falling under the coordination procedure set out in Article 57(6) of MiFID II, to which NCA should the reporting of the EEOTC contracts be addressed?

ESMA Answer

23-09-2022

Original language

[ESMA 70-872942901-36 Commodity derivatives Q&A, Q&A 4.21]

In cases where an OTC contract is economically equivalent to more than one ETD contract traded on a trading venue in the EU and where those ETD contracts do not fall under the coordination procedure established in Article 57(6) of MiFID II, positions in the EEOTC contract should be reported to the NCA of the trading venues where the ETD contract with the largest volume of trading is traded.

For aggregation purposes, in order to calculate “net positions” according to Article 57(1) of MIFID II and Article 3 of RTS 21a, the EEOTC contract should be considered only once and be aggregated only once with the ETD contract with the largest volume of trading.