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Additional Information

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

Topic
Pre-trade transparency waivers

Subject Matter
Reference price waiver and multi-listed shares

Question
How will the reference price waiver be applied for shares listed on multiple venues and traded in different currencies? Should those shares be regarded as separate financial instruments, which may only be traded in the currency in which they are listed?

ESMA Answer

18-12-2017

Original language

[ESMA 70-872942901-35 MiFIR transparency Q&A, Q&A 5.10]

The concept of financial instrument in MiFID II / MiFIR is independent of the currency that it is traded in. Therefore, instruments should not be considered as different financial instruments, just because they are traded on multiple venues and/or in multiple currencies.

According to Article 4(2) of MiFIR, the reference price is to be “derived” from the trading venue where that financial instrument was first admitted to trading or the most relevant market in terms of liquidity and not replicated. This leaves open the possibility to transact in currencies other than the currency that is used on the trading venue from which the price is derived. The methodology used for converting the reference price should be set out in the trading venue’s rule book. The exchange rate used should be derived from a reliable source (e.g. European Central Bank) and be updated regularly and at least on a daily basis.