

**Submission Date**

18/11/2016

## ESMA\_QA\_1626

Status: Answer Published

### **Additional Information**

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#### **Level 1 Regulation**

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

#### **Topic**

Tick size regime

#### **Subject Matter**

Recalculation of ADNT

#### **Question**

Which types of corporate actions for an instrument may trigger a recalculation of ADNT?

## ESMA Answer

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18-11-2016

Original language

[ESMA 70-872942901-38 MiFID II MiFIR market structures Q&A, Q&A 4.2]

Any corporate actions that the relevant NCA anticipates will lead to a material change in the average daily number of trades after the event may initiate the recalculation process per Article 4 of RTS 11. Normally such a circumstance may arise when the issuer plans to undertake, amongst other things, share buybacks or share issuance which will result in the instrument continuing to trade in a liquidity band that would not be optimal unless a recalculation is undertaken.