Reply to the Discussion Paper concerning ESMA's policy orientations on possible implementing measures under the Market Abuse Regulation

FOR PUBLICATION

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UniCredit is a major international financial institution with strong roots in 17 European countries, active in approximately 50 markets, with more than 9.000 branches and circa 150.000 employees. UniCredit is among the top market players in Italy, Austria, Poland, CEE and Germany. UniCredit operates a large international banking network outside Italy with around 4,800 branches.

GENERAL REMARKS

UniCredit is strongly in favor of a greater harmonization and reinforcement of the European market abuse framework. Due to technological, market and regulatory developments, an update of the existing legislation is therefore now an initiative even more appropriate.

As proved by the global financial crisis, market integrity represents a crucial condition for the well-functioning of financial markets as a whole. Investors need to be assured of the fairness in the marketplace and of the practices of financial institutions. The European regulators have the chance to restore public confidence in the markets. We are firmly convinced that the Commission's proposals on Market Abuse go in the right direction.

We have particularly appreciated the introduction of a new Regulation which is automatically applicable all over the European Union ("MAR") as it is the most appropriate legal instrument to avoid any gaps resulting from differences in the implementation of the rules across Member States. As reported also in the impact assessment of the European Commission , an evaluation of how the MAD options and discretions are exercised by Member States shows that they have resulted in divergences and ambiguities in the rules applicable in the Member States. We strongly believe that differences in applicable legislation should remain limited as much as possible in order to avoid any regulatory arbitrage. Furthermore, the implementing technical standards which can be amended time by time without amending (as it has happened so far) the relevant EU legislative framework, ensure a more extended harmonization and speed in detecting market abuses.

Finally, UniCredit greets the regulatory effort carried out by the European Securities and Markets Authority concerning its policy orientations on possible implementing measures under the MAR as a chance to contribute making the coming regulatory framework more effective and efficient.

The position expressed in this paper is mainly based on contributions coming from the Group Compliance functions, involved according to their tasks and related responsibilities. Thus, essentially a regulatory standpoint has been considered in drafting this reply.

FEEDBACK

Our feedback to the questions of the discussion paper are developed throughout a three-column table where the first one lists each question and the second conveys UniCredit responses.

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Buyback Programmes and Stabilisation (Article 3 MAR)

QUESTION	FEEDBACK
Q1: Do you agree that the mechanism used in the Transparency Directive or comparable mechanism should be used for public disclosure regarding buy-backs?	Yes, the mechanism used in the Transparency Directive or comparable mechanism should be used for public disclosure regarding buy-backs.
Q2: Do you agree that aggregated figures on a daily basis would be sufficient for the public disclosure of buy-back measures? If so, should then the details of the transactions be disclosed on the issuer's web site?	Yes, disclosure of aggregated figures on a daily basis and on the issuers web site is sufficient for the concerned public disclosure.
Q3: Do you agree to keep the deadline of 7 market sessions for public disclosure or to reduce it?	UniCredit thinks that the current system is well-functioning and that there are no major complains from market participants. For this reason, we agree to keep the deadline of 7 market sessions for public disclosure.
Q4: Do you agree to use the same deadline as the one chosen for public disclosure for disclosure towards competent	Yes, UniCredit agrees to use the same deadline as the one chosen for public disclosure for disclosure towards competent authorities.

authorities?	
Q5: Do you think that a single competent authority should be determined for the purpose of buy-back transactions reporting when the concerned share is traded on trading venues in different Member States? If so, what are your views on the proposed options?	Yes, UniCredit believes that a single competent authority should be determined for reporting when the concerned share is traded on a different Member State in order to avoid potential duplication of information to be reported.
Q6: Do you agree that with multi-listed shares the price should not be higher than the last traded price or last current bid on the most liquid market?	UniCredit agrees with the restriction proposed.
Q7: Do you agree that during the last third of the regular (fixed) time of an auction the issuer must not enter any orders to purchase shares?	*No specific comments*
Q8: Do you agree with the above mentioned cumulative criteria for extreme low liquidity? If not, please explain and, if possible, provide alternative criteria to consider.	*No specific comments*
Q9: Do you think that the volume-limitation for liquid shares should be lowered and three different thresholds regarding liquid, illiquid and shares with extreme low liquidity should be introduced?	*No specific comments*

Q10: Do you think that for the calculation of the volume limit the significant volumes on all trading venues should be taken into account and that issuers are best placed to perform calculations?	*No specific comments*
Q11: Do you agree with the approach suggested to maintain the trading and selling restrictions during the buy-back and the related exemptions? If not, please explain.	UniCredit agrees with the suggested approach.
Q12: Do you agree with the above mentioned specifications of duration and calculation of the stabilisation period?	Yes, UniCredit agrees with the specifications of duration and calculation of the stabilisation period.
Q13: Do you believe that the disclosure provided for under the Prospectus Directive is sufficient or should there be additional communication to the market?	UniCredit believes that disclosure provided under the Prospectus Directive is already sufficient and that overload of disclosure should be avoided.
Q14: Do you agree with these above mentioned details which have to be disclosed?	UniCredit agrees with the proposed disclosure details.
Q15: Do you agree that there should be an exclusive responsibility with regard to transparency requirements? Who should be responsible to comply with the transparency obligations: the issuer, the offeror or the entity which is actually undertaking the stabilisation?	*No specific comments*

Q16: Do you agree that there should be an exclusive responsibility with regard to reporting obligations? Who should be responsible for complying with the reporting requirements: the issuer, the offeror or the entity, which is actually undertaking the stabilisation?	*No specific comments*
Q17 Do you think that in the case of bi- or multinational stabilisation measures a centralised reporting regime should be established to exclusively one competent authority? If so, what are your views on the proposed options?	Yes, UniCredit thinks that in the case of bi- or multinational stabilisation measures a centralised reporting regime should be established to exclusively one competent authority.
Q18: Do you agree with these price conditions for shares/other securities equivalent to shares) and for securitised debt convertible or exchangeable of shares/other securities equivalent to share?	*No specific comments*
Q19: Do you consider that there should be price conditions for debt instruments other than securitised debt convertible or exchangeable of shares/other securities equivalent to share?	*No specific comments*
Q20: Do you agree with these conditions for ancillary stabilisation?	*No specific comments*

Q21: Do you share ESMA's point of view that sell side trading cannot be subject to the exemption provided by Article 3(1) of MAR and that therefore "refreshing the green shoe" does not fall under the safe harbour?	*No specific comments*
Q22: Do you agree that "block-trades" cannot be subject to the exemption provided by Article 3(1) of MAR?	*No specific comments*

Market Soundings (Article 7c MAR)

QUESTION	FEEDBACK
Q23: Do you agree with ESMA's proposals for the standards that should apply prior to conducting a market sounding?	UniCredit does not agree. We think that some of the technical rules around agreements with other syndicate members are unnecessarily prescriptive and their purpose is not clear. Specifically, there seems little utility in requiring syndicate members to agree to exactly what each will disclose, which investors they disclose to and to come to a collective agreement on whether the information is inside information. On selecting investors this is likely to arise in any case and requiring a collective decision on inside information and imposing liability on those that do not agree that the information is inside information, particularly where it isn't, means generating potential regulatory risk for one syndicate member due to the improper analysis of another. This argument is largely academic since most soundings will involve inside information. Nevertheless, in principle the logic of the argument stands and there seems little upside to these rules when benchmarked against the objectives of creating stable and reliable markets.
Q24: Do you have any view on the above?	UniCredit agrees with ESMA's analysis in paragraphs 77 to 79. There is little practical utility in limiting market soundings to outside market hours. The scope for it to mitigate market abuse is limited but the scope for it to impede the efficient execution of a capital markets transaction is not insignificant.
Q25: Which of the 3 options described above in paragraph 82 do you think should apply? Should any other options be considered?	From a commercial perspective, option 1 is clearly the most convenient. Option 2 is not particularly onerous but still places an undue administrative burden on the sell side. Option 3 would generate unnecessary administration and is likely to lead to inadvertent breaches.
Q26: Do you agree with these proposals for scripts? Are there any other elements that you think should be included?	If there is to be no disclosure of inside information why should there be a need for a wall crossing script? For inside information based wall crossing scripts there is no need to inform the recipient of the consequences of misusing inside information. They should know of their obligations in this context and it should not be on the discloser of the information to remind them of it. The reference to cleansing strategies is welcome but needs to be clearer.
Q27: Do you agree with these proposals regarding	UniCredit broadly agrees, however the recipient should also maintain lists detailing who the information was disclosed to since

sounding lists?	there is no way of knowing from the sell side who might be listening in to a call. Rather, the sell side should just record the main contact(s) on the buy side whom the information was disclosed to.
Q28: Do you agree with the requirement for disclosing market participants set out in paragraph 89?	UniCredit disagrees since all relevant information is captured by the 'Sounding List' requirement. If there is such a burden it should be placed on the buy side.
Q29: Do you agree with these proposals regarding recorded lines?	Yes, they provide a useful evidential source and will have a beneficial normative impact on the industry.
Q30: Are you in favour of an ex post confirmation procedure? If so, do you agree with its proposed form and contents?	UniCredit is in favor of this procedure since it provides an efficient way of demonstrating compliance with a relatively low administrative burden. There is no need to draw attention to the liability arising from misuse of the inside information disclosed; the recipient should be aware of their own obligations in this regard. Sell side parties should not be regarded as technically in breach of the regulation for failing to inform the recipient of their legal obligations.
Q31: Do you agree with the approach described above in paragraph 96 with regard to confirmation by investors of their prior agreement to be wall-crossed?	UniCredit agrees with the described approach. It provides useful protection for sell side parties from claims of improper and unwanted disclosures.
Q32: Do you agree with these proposals regarding disclosing market participants' internal processes and controls?	Yes, UniCredit broadly agrees. However, others within a sell side financial institution will have a legitimate need to know of the inside information, particularly senior managers of the relevant banking team, compliance officers responsible for advising the banking team, compliance officers responsible for record keeping, compliance officers responsible for monitoring the sell side institution's trading activities against the inside information, lawyers reviewing the documentation and where appropriate relevant members of the Credit Department that authorise the transaction and any concomitant underwriting accompanying it. The section should be drafted with this in mind.

Q33: Do you have any views on the proposals in paragraphs 102 to 104 above?	*No specific comments*
Q34: Do you agree with this proposal regarding discrepancies of opinion?	*No specific comments*
Q35: Do you think that the buy-side should or should not also inform the disclosing market participant when it thinks it has been given inside information by the disclosing market participant but the disclosing market participant has not indicated that it is inside information?	UniCredit thinks the buy-side should inform the disclosing market participant in these circumstances. We think that the buy side should inform the sell side whatever the divergence of opinion. Thought should be given to whether, if there is evidence that a disclosure was made in good faith, it should be considered improper if there is compelling arguments either side for divergence of opinion. So long as the matter is documented and compelling arguments for why the information was not classified as inside information are recorded a sell side discloser should not be held liable for an improper disclosure because of a divergent and, for instance, significantly conservative opinion of a buy side recipient.
Q36: Do you agree with the proposal for the buy side to report to the competent authorities when they suspect improper disclosure of inside information, particularly to capture situations where such an obligation does not already otherwise arise under the Market Abuse Regulation?	UniCredit does not agree with this proposal. However, disclosures to competent authorities should only occur where the buy side is certain rather than has a potential suspicion that an improper disclosure and wall crossing has occurred. A large volume of wall-crossing challenges that ultimately turn out to be legitimate is likely to have reputational damage for the buy side, give rise to a substantial burden on them when having to deal with their competent authority and potentially give rise to a chilling effect on market sounding which could impact the efficiency of markets, the efficacy of successful capital markets transactions and a sub-optimal service for issuing clients.
Q37: Do you have any views on the proposals in paragraphs 113 to 115 above?	There should be an obligation on the discloser to provide an indication of when they buy side will be cleansed. The buy side can either accept this or seek to negotiate the point. If agreement can be achieved then disclosure can occur. If it cannot then no disclosure should occur. Option 1 is not necessary since the sell side can simply refuse or agree to the proposed cleansing 'strategy'. Only if there is no agreement need a discussion and agreement take place.

Q38: Do you think there are any other issues that should be included in ESMA guidelines for the buy-side?	*No specific comments*
Q39: What are your views on these options?	*No specific comments*

Specification of the indicators of market manipulation – Annex I of MAR (Article 8(5) MAR)

QUESTION	FEEDBACK
Q40: Which practices do you think are more related to manipulation of benchmarks?	Given the broader scope of MAR UniCredit believes that specific practices should be developed in relation to the manipulation of benchmarks by focusing on the different benchmark settings activities as recently defined in ESMA and EBA "*Principles for Benchmark-Setting Processes in the EU*" as well as the Commission Proposal 2013/0314 for a "*Regulation on indices used as benchmarks in financial instruments and financial contracts*".
Q41: Are there other examples of practices of market manipulation that should be added to the list presented in Annex III, that are more focused, for instance, on OTC derivatives, spot commodity contracts or auctioned products based on emission allowances or that are more related with persons who act in collaboration with others to commit market manipulation?	See our previous feedback.
Q42: In your view, what other ways exist to measure order cancellations?	*No specific comments*
Q43: What indicators are the most pertinent to detect cross-venue or cross-product manipulation and which would cover the greatest number of situations?	*No specific comments*
Q44: Are there other indicators/signals of market manipulation that should usefully be added to this list	*No specific comments*

appearing in Annex IV?	
Q45: Which of the indicators of manipulative behaviour manipulation in an automated environment listed in Annex IV would you consider to be the most difficult to detect? Are there other indicators/signals of market that should be added to the list? Please explain.	*No specific comments*
Q46: From what moment does an inflow of orders become difficult to analyse and thus potentially constitute an indicator of quote stuffing?	*No specific comments*
Q47: What tools should be used or developed in order to allow for a better detection of the indicators of manipulative behaviour in an automated trading environment?	*No specific comments*

Accepted Market Practices (Article 8a(5) MAR)

QUESTION	FEEDBACK
Q48: Do you agree with the approach suggested in relation to OTC trading?	Yes, UniCredit agrees with the approach suggested in relation to OTC trading.
Q49: Do you agree with ESMA's approach in relation to entities which can perform or execute an AMP?	Yes, UniCredit agrees with ESMA's approach in relation to entities which can perform or execute an AMP.
Q50: Does ESMA need to account for situations where some disclosure obligations might be exempted?	*No specific comments*
Q51: Do you consider there is specific additional information that should be disclosed when executing an AMP?	*No specific comments*
Q52: Do you agree that the factors listed seek to ensure a high degree of safeguards and proper interplay of forces of supply and demand?	*No specific comments*
Q53: Do you agree with the fact that AMPs may in some instances protect specific market participants (retail clients)?	Yes, UniCredit agrees with the fact that AMPs may in some instances protect specific market participants.

Q54: Do you agree with the principle of persons performing an AMP to act independently? In which situations should this principle be adapted?	UniCredit agrees with the proposed approach.
Q55: Do you think persons performing AMPs should be members of the trading venue in which they execute the AMP?	UniCredit agrees in principle but suggests to also provide exemptions by taking into account both the possibility of those persons to trade in other trading venues and the existence of multi-listed financial instruments.
Q56: Should an ex ante list of situations when the AMP should be temporarily suspended or restricted be established (e.g. takeover bids)?	Yes, UniCredit believes that an ex-ante list of situations when the AMP should be temporarily suspended or restricted be established may be a reasonable solution given the need to be promptly aware of such suspensions or restrictions.
Q57: Do you agree with the above mentioned principles that seek to ensure that AMPs do not create risks for the integrity of related markets and would you consider adding others?	UniCredit agrees with the proposed principles.
Q58: What kind of records of orders, transactions etc. should a person that performs an AMP have?	UniCredit believes that there are no specific needs to introduce details further than those already required by MiFID provisions.
Q59: Do you agree with the above mentioned principles that take into account the retail investors' participation in the relevant market? Would you consider adding others?	*No specific comments*

Suspicious Transaction and Order Reports (Article 11 MAR)

QUESTION	FEEDBACK
Q60: Do you agree with this analysis? Do you have any additional views on reporting suspicious orders which have not been executed?	UniCredit agrees with the performed analysis and has no further comments.
Q61: Do you agree that the above approach to timing of STR reporting strikes the right balance in practice?	UniCredit agrees in principle with the suggested approach to the timing of STR. However, we propose to supplement the quoted CESR Guidance with specific examples through which the requirement "*without delay*" has to be interpreted.
Q62: Do you agree that institutions should generally base their decision on what they see and not make unreasonable presumption unless there is good reason to do so?	*No specific comments*
Q63: Do you have any views on what those reasons could be?	UniCredit preliminarily points out that unreasonable presumption should always be avoided. However, we guess that also the opposite concept of "*reasonable presumptions*" could be difficult to interpret and apply.
Q64: Do you have a view on whether entities subject to the reporting obligation of Article 11 should or shouldn't be subject to a requirement to establish automated surveillance systems and, if so, which firms? What features as a minimum should such systems cover?	UniCredit does not agree with the proposed requirement as automated surveillance systems have high costs of implementation. To this respect, we strongly support the introduction of a proportionality principle for the setup of processes/procedures for the suspicious transactions and orders monitoring and detection.

Q65: Do you consider that trading venues should be required to have an IT system allowing ex post reading and analysis of the order book? If not, please explain.	UniCredit agrees with the proposed requirement since it can usefully support the suspicious transactions and orders monitoring and detection.
Q66: Do you have views on the level of training that should be provided to staff to effectively detect and report suspicious orders and transactions?	UniCredit suggests that the training should be focused on relevant regulatory framework as well as internal processes and procedures.
Q67: Do you agree with the proposed information to be included in, and the overall layout of the STRs?	*No specific comments*
Q68: Do you agree that ESMA should substantially revise existing STR templates and develop a common electronic template? Do you have any views on what ESMA should consider when developing these templates?	UniCredit agrees with the proposed approach and suggests to consider those electronic formats which are more frequently used in the market as well as the provision of a blank field for notes/comments in the common electronic template to be developed.
Q69: Do you agree with ESMA's view for a five year record-keeping requirement, and that this should also apply to decisions regarding "near misses"?	*No specific comments*

Public Disclosure of inside information and delays (Article 12 MAR)

QUESTION	FEEDBACK
Q70: Do you agree with this general approach? If not, please provide an explanation.	UniCredit agrees with the proposed approach.
Q71: Do you agree that, in order to ensure an appropriate dissemination of inside information to the public (i.e. enabling a fast access and a complete, correct and timely assessment of the information), applying similar requirements to those set out in the TD for the dissemination of information to all issuers of RM/MTF/OTF financial instruments would be adequate? If not, please explain and, if possible, provide alternative approaches to consider in due respect of article 12 paragraph 1 of MAR.	UniCredit agrees with the proposed approach (in this respect, also see our previous feedback to the question 1).
Q72: Do you agree to include the requirement to disclose as soon as possible significant changes in already published inside information? If not, please explain.	UniCredit agrees in principle even if it has to be noted that the content of the proposed new requirement might be unclear given that only inside information referring to occurred events or existing circumstances must be disclosed and therefore it is difficult to identify which types of "*possible significant changes*" will fall under it. In light of the above, we suggest to refer this disclosure obligation exclusively to those changes which are in themselves inside information.
Q73: Do you agree with the suggested criteria	Unicredit agrees with the proposed approach.

applicable to the website where the issuer is posting inside information? Should other criteria be considered?	
Q74: What are your views on the options for determining the competent authority for the purpose of notifying delays in disclosure of inside information by issuers of financial instruments?	UniCredit supports the option which more allows a uniform application. Therefore, a criterion to determine the competent authority for the purpose of notifying delays in disclosure of inside information distinguishing between different trading venues should be avoided. In this respect, we point out that a simple "territorial approach" could be adopted due to the circumstance that both the Prospectus Directive and the Transparency one do not cover trading venues different than the RMs. In light of the above, the approach suggested for financial instruments traded only on MTFs or OTFs could be extended for RMs. In other words, the authority to which the notification of delays have to be addressed would be the one of the RM/MTF/OTF where the financial instrument was first traded with the consent of the issuer. We also note that this suggested approach would be valid also for multi-listed instruments.
Q75: What are your views on the options for determining the competent authority for the purpose of notifying delays in disclosure of inside information by emission allowances market participants?	*No specific comments*
Q76: Do you agree with the approach to the ex post notification of general delays and the ways to transmit the required information? If not, please	UniCredit agrees with the proposed approach.

explain.	
Q77: Do you agree with the approach to require issuers to have minimum procedures and arrangement in place to ensure a sound and proper management of delays in disclosure of inside information? If not, please explain.	UniCredit agrees with the proposed approach as we recognize the need for clear procedures and arrangements set up to ensure a sound and proper management of delays in disclosure of inside information.
Q78: Do you agree with the proposed content of the notification that will be sent to the competent authority to inform and explain a delay in disclosure of inside information? If not, please explain.	UniCredit strongly agrees with the proposed approach.
Q79: Would you consider additional content for these notifications? Please explain.	UniCredit does not consider additional content for the notification of delays.
Q80: Do you consider necessary that common template for notifications of delays be designed?	UniCredit considers highly recommendable a common template for notifications of delays.
Q81: Do you agree with the approach suggested in relation to the notification of intent to delay disclosure to preserve financial stability?	UniCredit agrees with the proposed approach but suggests to provide that - only in specific cases of urgency - even the issuer should be enabled to orally communicate (by means of recorded lines) the intention of delaying disclosure of inside information which could be confirmed through an *ex post* written communication.
Q82: Do you agree with the approach followed by	UniCredit agrees with the proposed approach with respect to

ESMA with respect to legitimate interests for delaying disclosure of inside information? Do you consider that CESR examples are still appropriate? If not, please explain and provide circumstances and/or examples of what other legitimate interests could be considered.	legitimate interests for delaying disclosure of inside information and considers that CESR examples are still appropriate.
Q83: Do you agree with the main categories of situations identified? Should there be other to consider?	UniCredit agrees with the proposed approach to identify the main categories of situations where the delay cannot be applied. However, we guess that the "contradiction of market expectations" is, on the one hand, difficult to identify (as a mere negative expectation) and, on the other hand, is not an event misleading in itself.

Insider list (Article 13 MAR)

QUESTION	FEEDBACK
Q84: Do you agree with the information about the relevant person in the insider list?	UniCredit wholly agrees with the key information required under Article 13. However, we fundamentally disagree with ESMA's proposals for additional information provided to 'identify' the insider. The name and company they work for should be sufficient. All other ancillary information can be gleaned later on when a competent authority wishes to investigate a potential case of market abuse. There is absolutely no point in obtaining an insider's date of birth, home postcode, National Identity Number and personal email address and many of the other proposed details. The additional information serves no practical purpose and will generate an overwhelming burden on financial institutions that have to process and update hundreds of these records daily. The burden will also be costly since it will necessarily require more staff to provide this unnecessary data entry function. If a competent authority knows the name and company an insider works for, they know enough to identify them and to pursue them should concerns over market abuse arise.
Q85: Do you agree on the proposed harmonised format in Annex V?	UniCredit strongly agrees with the principal of a harmonised format but not on the fields in Annex V. As set out in our feedback to the question 84, many if not most of these fields are entirely unnecessary and will generate an overwhelming administrative burden on financial institutions that manage hundreds if not thousands of insider lists.
Q86: Do you agree on the proposal on the language of the insider list?	UniCredit has no objections to this proposal.
Q87: Do you agree on the standards for submission? What kind of acceptable electronic formats should be incorporated?	UniCredit agrees on the proposed standards. However, it would be convenient for those that store insider lists on bespoke electronic platforms to provide information by way of screen shots sent in an email.

Q88: Should ESMA provide a technical format for the insider list including the necessary technical details about the information to be provided (e.g. standards to use, length of the information fields…)?	More information on the proposed technical format is needed to be able to answer this question. Anything that is too prescriptive and would require disproportionate modifications of existing insider list electronic storage software would not be welcome.
Q89: Do you agree on the procedure for updating insider lists?	UniCredit agrees with the procedure for updating insider lists.
Q90: Do you agree on the proposal to put in place an internal system/process whereby the relevant information is recorded and available to facilitate the effective fulfilment of the requirement, or do you see other possibilities to fulfil the obligation?	*No specific comments*

Managers' Transactions (Article 14 MAR)

QUESTION	FEEDBACK
Q91: Are these characteristics sufficiently clear? Or are there other characteristics which must be shared by all transactions?	UniCredit agrees in principle with the proposed characteristics. However, we point out that transactions executed by asset managers for the account of the PDMRs (*e.g.* by providing the portfolio management service under MiFID or by managing collective investment schemes under UCITS or AIFs) should have a different treatment taking into consideration the discretion exercised by those asset managers. Indeed, the PDMRs are not in a position to be promptly aware of reportable transactions which are not ordered by them but only discretionally decided, and thus executed, by the asset managers. For this, we suggest that at least those types of transactions can be reported separately and with a different timing (*e.g.* three business days from the date in which the asset manager communicates the reportable transaction to PDMRs).
Q92: What are your views on the minimal weight that the issuer's financial instrument should have for the notification requirement to be applicable? What could be such a minimal weight?	With reference to reportable transactions in derivatives on indices or baskets UniCredit deems that the minimal weight of the financial instruments of the concerned issuer should be at least the 20% of the value of the index/basket.
Q93: For the avoidance of doubt, do you see additional types of transactions that should be mentioned to the non-exhaustive of examples of transactions that should be notified?	UniCredit does not see additional transactions that should be mentioned.
Q94: What are your views on the possibility to aggregate transaction data	UniCredit strongly supports the suggested possibility of data aggregation.

for public disclosure and the possible alternatives for the aggregation of data?	Regarding the proposed options, we guess that the aggregation (without netting) of all transactions on a financial instrument carried out on the same day is the preferable one.
Q95: What are your views on the suggested approach in relation to exceptional circumstances under which an issuer may allow a PDMR to trade during a trading window?	UniCredit agrees with the proposed approach.
Q96: What are you views on the suggested criteria and conditions for allowing particular dealings and on the examples provided? Please explain.	UniCredit agrees with the suggested criteria.

Investment Recommendations (Article 15 MAR)

QUESTION	ANSWER
Q97: Do you have suggestions on how to determine when an investment recommendation is "intended for distribution channels or for the public"?	UniCredit suggests that an investment recommendation should be intended for distribution channels or for the public when it is intended or expected to be made available to the public, and when it is intended or expected to be distributed to clients or to a specific segment of investors or potential investors whatever their number is undeterminable *a priori*, and thus the recommendation is not a personal recommendation as defined by MiFID.
Q98: Do you think that there should be a threshold for what constitute "large number of persons" for the purpose of determining that an investment recommendation is intended for the public?	UniCredit believes that ESMA should convey sure and firm principles to be followed in order to make clear what constitutes "*large number of persons*" for the purpose of determining that an investment recommendation is intended for the public.
Q99: Do you agree that the existing requirements on the identity of producers of recommendations should be maintained?	UniCredit has no objection to these requirements since they are generally necessary for branding purposes and require little in the way of an administrative burden. We also acknowledge the utility of having them from a normative perspective for the publisher: if an individual's name is on the document they are likely to take greater care in the preparation of the material published. We also acknowledge the utility this requirement provides in assisting clients and regulators in identifying authors and publishers of the material.
Q100: Do you agree that, as a starting point, ESMA should keep the approach adopted in the existing level 2 rules, with respect to objective presentation of investment recommendations?	UniCredit agrees and deems that, for the sake of clarity, as regards the objective presentation of investment recommendations, ESMA should keep the approach already adopted in the existing MAD level 2 rules.
Q101: Do you agree with the suggested approach	UniCredit does not agree with the proposed approach since methodologies used to evaluate a financial instrument or

aiming at increasing transparency on the methodologies used to evaluate a financial instrument or issuer compared to the current situation?	issuer are often based on quantitative assumptions not understandable for investors.
Q102: Do you agree that, as a starting point, ESMA should keep the approach adopted in the existing level 2 rules with respect to disclosure of particular interests or indications of conflicts of interest?	*No specific comments*
Q103: Should the thresholds for disclosure of major shareholdings be reduced to 2- 3% of the total issued share capital, or is the current threshold of 5% sufficient where the firm can choose to disclose significant shareholdings above a lower threshold (for example 1%) than is required? Or, do you have suggestions for alternative approaches to the disclosure of conflict of interests (e.g. any holdings should be disclosed)?	*No specific comments*
Q104: Do you agree on the introduction of a disclosure duty for net short positions? If yes, what threshold do you consider would be appropriate and why?	*No specific comments*

Q105: Do you agree on the introduction of a disclosure duty for positions in debt instruments? If yes, what threshold do you consider would be appropriate and why?	*No specific comments*
Q106: Do you think that additional specific thresholds should be specified with respect to other 'non-equities' financial instruments?	*No specific comments*
Q107: Do you think that further disclosure on previous recommendations should be given?	UniCredit believes that further disclosure on previous recommendations is pointless and may simply result in an information overload.
Q108: If so, do you think that an analysis of the gap between market price and price target should also be required in this additional disclosure on previous recommendations?	UniCredit does not believe that an analysis of the gap between market price and price target will add value.
Q109: Do you agree with the suggested approach to the content of the disclaimer in relation to the disclosure of conflicts of interest?	*No specific comments*
Q110: Do you think a case-by-case assessment for non-written recommendations is appropriate or that specific	*No specific comments*

rules should be developed?	
Q111: Do you think that the rules on recommendations produced by third parties set forth in implementing Directive 2003/125/EC should be updated?	UniCredit believes there is no reason to update rules on recommendations produced by third parties already set forth by Directive 2003/125/EC.

Reporting of violations (Article 29 MAR)

QUESTION	ANSWER
Q112: Do you agree on the proposed approach and the suggested procedures for the receipt of reports of breaches and their follow-up? Do you see other topics to be addressed?	*No specific comments*
Q113: Do you agree on the proposed approach to the protection of the reporting and reported persons? Do you see other topics to be considered?	*No specific comments*

Contact people (name.surname@UniCredit.eu)

Please find below the list of the key people involved in this work, whose contribution made possible to coordinate and provide UniCredit answers to this Consultation. Some other experts have been involved alongside the UniCredit Group, but are not listed below.

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