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| Response Form to the Consultation Paper  |
| MiFID II/MiFIR review report on the development in prices for pre- and post-trade data and on the consolidated tape for equity instruments |

**Responding to this paper**

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **06 September 2019.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

**Instructions**

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA\_QUESTION\_MDA\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_MDA\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_MDA\_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open consultations” 🡪 “Consultation on Position limits and position management in commodities derivatives”).

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should read this paper**

All interested stakeholders are invited to respond to this consultation paper. This consultation paper is primarily of interest to users of market data and trading venues, but responses are also sought from any other market participant including trade associations and industry bodies, institutional and retail investors.

**General information about respondent**

|  |  |
| --- | --- |
| Name of the company / organisation | COSSIOM |
| Activity | Choose an item. |
| Are you representing an association? |[x]
| Country/Region | France |

**Introduction**

***Please make your introductory comments below, if any***

<ESMA\_COMMENT\_MDA\_1>

COSSIOM : COmité chargé des Services et Systèmes d'Informations destinés aux Opérateurs de Marchés​ (Market Data Information Systems and Services Committee for Market Operators)

Based in Paris, Cossiom is the national non-profit market data user group aiming at developing and promoting best practices across the Market Data industry.

Cossiom Members are Market Data Managers, Experts, IT and Sourcing Managers from investment banks, asset managers, security services and other financial institutions.

Cossiom actively collaborates with other market data users group across Europe.

<ESMA\_COMMENT\_MDA\_1>

**Questions**

1. : Have prices of market data increased or decreased since the application of MiFID II/MiFIR? Please provide quantitative evidence to support your answer and specify whether you are referring to equity and/or non-equity instruments.

<ESMA\_QUESTION\_MDA\_1>

COSSIOM Members believe that MiFID II has so far not yet delivered on its objective to lower the prices of market data.

Most Trading Venues acknowledge that the revenue they make from market data services is at least stable or has just increased by low single digit percent every year.

This acknowledgement must be analysed in the context of very significant redundancies and optimizations done across financial institutions over recent years. Total number of front office users requiring real time market data services is significantly lower than some years ago and most financial institutions have been implementing cost optimization programs to review and remove non indispensable market data services to remaining users.

Despite significant reduction in the number of users, Trading Venues have managed to increase their revenue on market data services over the same period of time. For instance:

- According to Deutsche Borse Group Q4 and FY/2018 Preliminary Results, data subscriptions (number of users) went down 18% between Q4/17 and Q4/18 when related revenue remained stable over the same period of time.

According to Deutsche Borse financial reports, Deutsche Borse revenue on Data increased from 145.3 M€ in 2013 to 170.4 M€ in 2018 i.e +17.3% over a period of 5 years.

- According to Euronext financial reports, Euronext revenue on Market Data & Indices increased from 84 M€ in 2013 to 118.3 M€ in 2018 i.e +41% over a period of 5 years.

- According to BME financial reports, BME revenue on Market Data & VAS increased from 59 M€ in 2016 to 66.7 M€ in 2018 i.e +13.1% over a period of 2 years.

- According to LSEG Financial reports, London Stock Exchange Group (including Borsa Italia) real time market data revenue increased +14% in a period of 3 years between 2015 (82.2 M£) and 2018 (94 M£) whereas number of accesses decreased by -16% over the same period of time (from 207k to 174k).

Annual reports or analyst presentation sources for those figures:

- euronext\_full\_year-2014\_results\_final\_0 - see page 24 for FY 2013 revenue on Market data and Indices

- euronext\_4q18\_analysts\_presentation\_0\_0 - see page 24 for FY 2018 revenue on Advanced Data services

- BME 4Q17 V2 - see page 17 for FY2016 revenue on Market Data and VAS

- BME 4Q18 - see page 18 for FY 2018 revenue on Market Data and VAS

- LSEG Annual Report - 31Dec2016 - see page 21 for FY 2015 revenue on Real time data

- LSEG Annual Report 31 December 2018 - see page 22 for FY 2018 revenue on Real time data

- DBG-annual-report-2014\_en - see page 120 for FY 2013 revenue on Information

- DBG-annual-report-2018 - see page 52 for FY 2018 revenue on Data

COSSIOM Members believes that such revenue increases (depiste massive reduction of number of users and significant cost optimization programs in most Financial Institutions) can be explained by price increases imposed by Trading Venues. Price increases could be in the form of pure increases of the unit price but also be the form of service changes or repackaging, far less obvious to spot.<ESMA\_QUESTION\_MDA\_1>

1. : If you are of the view that prices have increased, what are the underlying reasons for this development?

<ESMA\_QUESTION\_MDA\_2>

COSSIOM Members strongly believe that there is no competition across Trading Venues on market data services.

Each Trading Venue, notably each Regulated Market, provides indispensable datasets that cannot be replaced notably because:

* Alternative trading venues (MTFs) only provide real time quotes on most liquid stocks. Many instruments listed or trading on stock exchanges are not trading (or trading with insignificant volumes) on alternative venues.
* Volumes (order sizes or traded volumes) are also different from a Regulated Market to alternative trading venues. Many pre-trade (notably real time) or post-trade analytics require the most comprehensive views possible of available or traded volumes and liquidity.
* Real time quotes from Regulated Markets on their listed equities are used by such stock exchanges and most index data vendors to calculate their indices in real time. It is then indispensable to use exact some real data from stock exchanges to replicate such indices in real time.
* Same issue with End of Day prices from Regulated Markets that are also considered as market benchmarks. Such End of Day prices are indispensable to properly replicate end of day value of indices and funds. Furthermore, many funds need to be valued using end of day value from Regulated Markets. MTFs do not provide alternative end of day prices for such valuation.
* Regulated very often represent a significant fraction of the liquidity available on some equities. It is then indispensable to access their market data to assess that liquidity, analyze the market and trading opportunities notably for best execution requirements. Access to real time data from a stock exchange is indispensable to analyze the market and then trade on this stock exchange or on an alternative venue.

In a market with no competition where MiFID II reasonable commercial basis principles still have to be taken seriously into account by Trading Venues, prices naturaly increase. Trading Venues have not yet changed their commercial practises on market data service under MiFID II and expect to be able to continue to grow their market data revenue that is now a core for them.

<ESMA\_QUESTION\_MDA\_2>

1. : Following the application of MiFID II/MiFIR, are there any market data services for which new fees have been introduced (i.e. either data services that were free of charge until the application of MiFID II or any new types of market data services)?

<ESMA\_QUESTION\_MDA\_3>

Following the application of MIFID, COSSIOM Members have indeed noted the introduction of new market data licenses and also the transformation of existing licenses by Trading Venues. For instance:

Many Trading Venues have introduced new market data fees to cover usage of their data by Systematic Internalisers or other Trading Venues. Trading Venues leverage regulation to invent new data licenses without any new content being delivered or without any new usage.

Most Trading Venues have also created many additional licenses to comply with MIFID II disaggregation requirements.

Many Trading Venues have also fine tuned their derived data and non-display licenses (slicing them into many sub-packages by type of usage).

It is important to note that those new licenses are not new services or new dataset being made available. There is no additional data delivered by Trading Venues (hence no additional costs incurred by Trading Venues ) but only new licenses invented and imposed to charge for existing and obvious usage.

<ESMA\_QUESTION\_MDA\_3>

1. : Do you observe other practices that may directly or indirectly impact the price for market data (e.g. complex market data policies, use of non-disclosure agreements)? Please explain and provide evidence.

<ESMA\_QUESTION\_MDA\_4>

Market data licensing agreement imposed by Trading Venues are getting extremelly complex. Regulated Markets for instance have market data licensing agreement that are more than 100 pages long with complex terms, definitions, usage rights, restriction, exceptions, packages, prices list, etc… that they can change unilaterally whenever they want with 90 days notice.

Trading Venues can leverage that unilateraly imposed complexity to audit whether financial institutions comply with all those usage terms and make additional revenue via back billing. In practice, market data audits by Trading Venues is a profitable business. Some Trading Venues can even charge back the cost of running the audit to financial institutions.

Trading Venues will also tend to impose commercial practices or licenses similar to the ones already implemented by other Trading Venues. Every time a new type or concept of license is invented by a Trading Venue, other Trading Venues would tend to believe that it is then legitimate and acceptable that they also imposed similar licensing terms as if an unreasonable commercial practise could become reasonable if it become a market practise.

<ESMA\_QUESTION\_MDA\_4>

1. : Do you agree that trading venues/APAs/SIs comply with the requirement of making available the information with respect to the RCB provisions? If not, please explain which information is missing in your view and for what type of entity.

<ESMA\_QUESTION\_MDA\_5>

Market Data licensing policy and terms are being made available by most Trading Venues on their websites. In this respect, most Trading Venues comply with requirement of making available the information with respect to RCB provisions.

It is sometimes not possible to find Market Data licensing policy and terms from smaller APAs or MTF/OTFs on their website and they must be directy requested for such information.

On the requirement to charge market data on a per user basis, COSSIOM Members believe that, while Trading Venues and APAs introduced the possibility to charge on a per user basis, in practice it is indeed very difficult to benefit from it as it requires that a direct reporting in put in place with each Trading Venues across multiples market data vendors, trading platforms and direct feed accesses whereas currently reporting is mostly done with each Data Vendors across multiples Trading Venues.

COSSIOM Members can understand the reason why Trading Venues request a direct reporting to them in order to control proper netting of users across multiples data vendors or platforms. However, all Trading Venues should be able to propose that a “per user fee” is available by default on a per source basis (per data vendor or per trading platform). On a per source basis, it is possible and easy to properly identify and control that a user is unique and not charge several times for the same users without the need to put in place a complicated direct reporting to each Trading Venue.

For instance, a user with a personal login on Refinitiv/Reuters feed accessing real time data from a Trading Venue with 3 simultaneous accesses possible on Reuters should pay the fee to the Trading Venue via Reuters 1 time and not 3 times (without the need to put in place a direct reporting with the Trading Venues to do the neeting across vendors). This is the “single source netting” concept.

Many Trading Venues already propose this “single source netting” for user fee that is simple to implement and that does not requiring any change in reporting processes. ESMA should issue a guidance so that this is “single source netting” is proposed by default in good faith by all Trading Venues and APAs.

Trading Venues such as Deustche Borse, Wiener Borse or Nasdaq OMX (an many others) do not propose this “single source netting” and charge several time for the same user knowing it is the same user (as properly identified on only one source or platform).

There are many commercial practises currently implemented by Trading Venues where it could be worth to investigate whether they are reasonable and contribute to make data more available and at lower costs. Some examples:

- BME seems to impose a market data license for clients trading some specific orders on Spanish stocks on CBOE Europe. This seems quite unusal to have to pay for a market data license to a Regulated Market to trade on an alternative venue.

- Many Regulated Markets seem to impose new and expensive market data fees to Systematic Internaliser since the introduction of MIFID II. Those new fees seem to hamper competition across Trading Venues. Are they reasonable fees in the context and the objective of MIFID II to lower market data cost and increase fair competition across Trading Venues? Should Regulated Markets and MTFs be imposed to share their real time pre-trade data truly free of charge (direct or indirect) with and across all Trading Venues to ensure common level playing field? Otherwise, those SI licences imposed by Trading Venues are barriers to entry to the market.

- There seems to be very no significant or few pre-trade data from Tradeweb MTF being made available. At the same time, Tradeweb renewed in Nov-18 its exclusive data distribution agreement with Refinitiv (ex Thomson Reuters). How is it possible that Tradeweb seems to consider that its real-time pre-trade data that are widely used for pre-trade price discovery by both buy and sell sides should not be covered by MIFID II regulation? Real time pre-trade data not being made available publicly, discriminatory distribution, no published prices list… This might be worth further investigating.

Tradeweb Refinitiv exclusive data distribution annoucement: <https://www.tradeweb.com/newsroom/media-center/news-releases/refinitiv-and-tradeweb-markets-announce-extension-and-expansion-of-exclusive-redistribution-agreement/>

- Similar issue with Bloomberg Bond Trader MTF where real time pre-trade data (the ones that are valuable to users) seem to be only made available on Bloomberg fee liables services.

- Many OTFs under MIFID II (notably interdealer brokers such as TP ICAP, Tradition, BGC…) seems to be publish no significant or few real-time pre-trade data or made them available on reasonable commercial basis. Those OTFs do capture real-time data from their brokerage operation often used buy both buy and sell sides users for price discovery and instrument pricing but only made those data available as expensive packages notably via market data vendors. How is it possible that those OTFs seem to consider that their real-time pre-trade data made from their brokerage activities and that are widely used for pre-trade price discovery by both buy and sell sides should not be covered by MIFID II regulation? Real time pre-trade data not being made available publicly, discriminatory distribution, no published prices list… This might be worth further investigating.

<ESMA\_QUESTION\_MDA\_5>

1. : Do you share ESMA’s assessment on the quality of the RCB information disclosed by trading venues, APAs and SIs? If there are areas in which you disagree with ESMA’s assessment, please explain.

<ESMA\_QUESTION\_MDA\_6>

Some Trading Venues do publish information on their website about accounting and cost allocation methodologies used to calculate the cost of producing their market data services. However, those published information are very basic, much too vague and do not provide any kind of clarity on the proper implementation of reasonable commercial basis. Some Trading Venues for instance will just state in very few lines that they have a cost allocation model on market data services but will not provide any calculation or any example. It is then not possible for financial institutions nor for the Regulator to understand how the price of a market data service was set and whether this complies with the RCB principles (i.e cost of producing and disseminating the data + reasonable margin)

COSSIOM Members believe that RCB disclosure should include the exact and detailed total cost of producing and disseminating data service + the margin made on overall data services by each Trading Venue. The detailed calculation of cost and margin should be provided in a format allowing comparison across Trading Venues. The detailed calculation, margin and methodology should be published at least once a year and certified by an external auditing firm.<ESMA\_QUESTION\_MDA\_6>

1. : Do you agree that the usability and comparability of the RCB information disclosed could be improved by issuing supervisory guidance? If yes, please specify in which areas you would consider further guidance most useful, including possible solutions to improve the usability and comparability of the information.

<ESMA\_QUESTION\_MDA\_7>

COSSIOM Members believe that RCB disclosure should include the exact and detailed total cost of producing and disseminating data services + the margin made on such data services by each Trading Venue. The detailed calculation of cost and margin should be provided in a format allowing comparison across trading venues. The detailed calculation and methodology should be published at least once a year and certified by an external auditing firm.

As Trading Venues are already replicating each other when it comes to inventing new market data licenses and as there is no competition across Trading Venues on market data services, there would be no deterioration of competion at imposing better comparability and standardisation of RCB information across Trading Venue

The usability and comparability should be at first achieved through massive simplification of agreement, policies and prices list across Trading Venues.

Trading Venues should be given a year to agree on common template to describe their market data services, agreeing on common usage rights and definition and associated prices for each service (that could be different for each venue). If not provided within year, ESMA should impose its own template.

<ESMA\_QUESTION\_MDA\_7>

1. : Do you think that the current RCB approach (transparency plus) can deliver on the objective to reduce the price of market data or should it be replaced by an alternative approach such as a revenue cap or LRIC+ model? Please justify your position and provide examples of possible alternatives.

<ESMA\_QUESTION\_MDA\_8>

Trading Venues have not yet understood or don’t want to understand that under MIFID II that cannot continue to do what they want with their market data services. They cannot charge anymore for the perceived “value” of their market data services but only based on the cost of producing and disseminating the service + a reasonable margin.

Until now RCB approach seems not to be coercive enough and Trading Venues have ignored it. With proper and much stricter implemented, RCB approach and principles could deliver on the objective to reduce the price of market data but this requires dramatic changes in the monitoring of Trading Venues behaviors, clarification of RCB and real enforcement of RCB clarified rules.

If RCB active monitoring and coercive enforcement seem to complicated to achieve because of resource issues for example, COSSIOM Members would favour a revenue cap model.

<ESMA\_QUESTION\_MDA\_8>

1. : Do you consider that a revenue cap model as presented above might be a feasible approach to reduce the cost of market data? Which elements would be key for successfully implementing such a model?

<ESMA\_QUESTION\_MDA\_9>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_9>

1. : Did data disaggregation result in lower costs for market data for data users? If not, please explain why?

<ESMA\_QUESTION\_MDA\_10>

Data disaggregation did not result in lower the costs of market data services for data users.

All disaggregated packages (notably by asset classes) that were made available by most Trading Venues on their market data price list are actually not being made available by market data vendors (aggregators and redistributors such as Refinitiv/Reuters, Bloomberg, etc…) on their real time market data feeds or market data terminals.

As market data vendors are not regulated, they have no obligation to redistribute all disaggregated packages from Trading Venues and only provide main aggregated packages. Market Data vendors only provide main aggregated packages to avoid the complexity of maintaining mutiples disaggregated packages on their systems and because they often charge a mark up (around 10%) on market data fess imposed by Trading Venues to end users.

By only providing main aggregated packages and not providing access to less expensive ones, market data vendors maintain revenues made through mark up and avoid complexity of managing multiples packages.

Trading Venues cannot impose market data vendors to redistribute all their disaggregated packages. Trading Venues are very pleased by that situation as it maintain their revenues and as a significant amount of their market data revenues is made through market data vendors charging end-users on their behalf.

It is COSSIOM Members understanding that more that 80% of Regulated Markets revenues on market data services are actually done via services distributed via market data vendors (no matter Regulated Markets charge users directly or indirectly for thoses services). As long as market data vendors are not regulated under MIFID II to contribute to RCB, there will be no success on the objective of lowering market data costs.

<ESMA\_QUESTION\_MDA\_10>

1. : Why has there been only little demand in disaggregated data?

<ESMA\_QUESTION\_MDA\_11>

COSSIOM Members believe that disaggregation between pre and post-trade data does not make much sense.

Most data users need to access at the same time to both post-trade data (last traded prices for instance with volumes) and pre-trade data (bid and ask quotes with related volumes) as part of standard business workflow to monitor and analyse real time prices on a financial instrument.

For the same data user, post-trade data (last prices) are typically used for charting purposes and comparing net or percent change versus previous close. Pre-trade data are useful for price discovery on less liquid instrument where there are only few trade a day and for pre-trade analytics. Using real time pre-trade data without real time post-trade data (or vice versa) remains very unfrequent or theoretical and standard business workflows require both at the same time.

There is demand for disaggregation between Level 1 and Level 2 services real time pre-trade data that could contribute lowering market data costs in the context of MiFID II objectives. Level 1 service means the Best Bid and Offer (BBO) i.e. the first top line of the orderbook. Level 2 service means Top 5 or Top 10 Best Limits of the orderbook.

Many data users only require access to real time pre-trade data on the BBO and should not be obliged to pay for Top 5 or Top 10 limits. Some Trading Venues do provide separated Level 1 and Level 2 packages allowing access to less expensive Level 1 packages. Some Trading Venues do not and impose the Level 2 more expensive subscriptions to all users.

COSSIOM Members noted that, in December-17, Deutsche Borse stopped provide the Eurex Level 1 pre and post-trade packages (that was available on most market data vendors) hence imposing all end users to upgrade to more expensive Eurex Level 2 package only to maintain access to Level 1 data. This clearly does not contribute to the objective of lowering market data costs in the context of MiFID II objectives.

COSSIOM Members believe that Level 1 (BBO) packages disaggregated from Level 2 should be made available by all Trading Venues on all real time pre+post trade market data services. Level 1 package price should be very significantly lower than current Level 2 one. This would contribute to lower market data costs and there is demand for such disaggegated Level 1 services.

<ESMA\_QUESTION\_MDA\_11>

1. : Do trading venues and APAs comply with the requirement to make available data free of charge 15 minutes after publication? If not, please explain in which areas you have identified deficiencies

<ESMA\_QUESTION\_MDA\_12>

COSSIOM Members indeed noted that a significant number of trading venues does currently not make 15 minutes delayed data free of charge.

Some examples:

- London Metal Exchange (LME) charges for end users for pre and post delayed data directly but also via vendors such as Refinitiv/Reuters or Bloomberg. LME seems to explain that free of charge delayed data under MIFID II are aggregated with data not covered by MIFID II and that market data vendors do not redistribute the LME free of charge only delayed data package. Is this MIFID II compliant?

- London Stock Exchange (LSE including Borsa Italiana) charges for delayed data licenses (many different kind of delayed data licenses). Is this MIFID II compliant?

- Idem from Luxembourg Stock Exchanges

<ESMA\_QUESTION\_MDA\_12>

1. : Do you consider it necessary to provide further supervisory guidance in this area (for instance by reviewing Q&As 9 and/or 10) Please justify your position and explain in which area further guidance may be needed? Please differentiate between pre- and post-trade data.

<ESMA\_QUESTION\_MDA\_13>

Further supervisory guidance is indeed needed in this area.

COSSIOM Members are not confortable at all with Q&As 9 and/or 10 provided by ESMA starting that “where a redistributor/third party charges fees for the distribution of (delayed) data - including a fee general fee for accessing its service – trading venues, APAs and CTPs may impose redistribution fees or other similar restrictions on this redistributor/third party”. This opens the door to much too many cases where Trading Venues could charge for delayed data.

First example, in Market Data agreements imposed by Trading Venues to Financial Institutions, Financial Institutions are also considered as market data redistributors although delayed data are accesses via a market data vendor. This could mean that a Financial Institution using delayed data in its normal course of business (calculating the Net Asset Value of a mutual fund using end of day / delayed data from a Trading Venue) would need to pay a delayed data market data fee. In that case, the Financial Institution redistributes delayed data to its clients as part of the calculation of the client’s fund Net Asset Value for which service the Financial Institution charges a general fee for accessing its service.

Second issue: most of time, delayed data (post trade, end of day close) are accessed by Financial Institutions via market data vendors (Bloomberg, Refinitiv/Reuters, Six…) that aggregate multiple Trading Venues and deliver such data into one consolidated data feed service. For such services, Market Data vendors build their own delayed data feed from the real time one received from Trading Venues. Trading Venues do not provide any delayed data feed to vendors where there will be a cost for creating, maintaining and distributing that delayed feed. There is absolutely no additional cost incurred by Trading Venues for market data vendors to actually create, aggregate, maintain and distribute such delayed data feed. In tha context, no delayed data is provided by Trading Venues and they should be no reason they can charge for it in the context of MIFID I objective to lower market data costs.

In this last example, the Financial Institution provides a service in its normal course of business. This is not an “added value service” in the sense of an another added value market data service. In that context the ESMA statement “where a redistributor/third party charges for added-value services created from such (delayed) data, trading venues, APAs and CTPs may impose ees or other similar restrictions on this redistributor/third party” should not apply.

COSSIOM Members believes that delayed data from Trading Venues and APAs should be really free of charge meaning could be used as public information with no IP rights. Players (Trading Venues or market data vendors) that directly provide a delayed data service (incurring specific and direct costs for that service) could charge for the service but not for the delayed data itself.

If the issue about free access to delayed data is not properly clarified, COSSIOM Members believe that Trading Venues could leverage this opportunity to start charging for delayed data or end of day data much more than what they do today and this will absolutely not contribute to the MIFID II objective to lower the prices of market data. There are very strong concerns from COSSIOM Members on this issue.

<ESMA\_QUESTION\_MDA\_13>

1. : Do you agree that the identified reasons, in particular the regulatory framework and competition by non-regulated entities, make it unattractive to operate an equity CT?

<ESMA\_QUESTION\_MDA\_14>

COSSIOM Members do agree that the current regulatory framework and competition by non-regulated enties make a Consolidated Tape unattractive to operate.

COSSIOM Members believe that main showstopper to a CT is that each Trading Venues can impose a different commercial model for the CT to access and distribute consolidated post-trade data. ESMA assessed that an equity CT under current MIFID II regulation would license (not buy) data from more than 150 Trading Venues and APAs resulting in cost about 10 million Euros per year. It is important to note that very presumably, for that cost, the CT would also have to deal with hundreds or even thousands of different licensing terms and usage restrictions imposed by Trading Venues and APAs…

In addition to technical connections, complexity of licensing terms imposed by sources, licensing costs and operating costs, the CT would also presumably have to manage, permission and collect (on behalf of most CT) end user fees for real time post-trade data and for delayed post trade data for Trading Venues charging for delayed data. Trading Venues and APAs can also impose end user of the CT to have direct market data agreements with them (as they do when an end user access their market data via a market data vendor). A CTP would then not make data easily accessible if multiples market data agreements must be signed with multiples Trading Venues and APAs by each client / end user.

COSSIOM Members believe that as long as Trading Venues and APAs can impose the licensing terms and fees they want, there will be no viable business model for a CT in Europe.

<ESMA\_QUESTION\_MDA\_14>

1. : Do you consider that further elements hinder the establishment of an equity CT? If yes, please explain which elements are missing and why they matter.

<ESMA\_QUESTION\_MDA\_15>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_15>

1. : Please explain what CTP would best meet the needs of users and the market?

<ESMA\_QUESTION\_MDA\_16>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_16>

1. : Do you agree that real-time post-trade data is available from both trading venues and APAs as well as data vendors and that the data is currently not covering 100% of the market, i.e. including all equity trading venues in the EU and all APAs reporting transactions in equity instruments? If not, please explain.

<ESMA\_QUESTION\_MDA\_17>

COSSIOM Members agree that post-trade data are available from both Trading Venues and APAs as well as data vendors. Those aggregated data are currently not covering 100% of the market as smaller and/or highly specialised equity trading venues or APAs may not be included.

In addition, commercial licensing terms to access such aggregated data services from market data vendors are extremelly complex and expensive as market data vendors must apply unreasonable conditions and fees to users imposed by each aggregated Trading Venues

<ESMA\_QUESTION\_MDA\_17>

1. : Do you agree that post-trade data is provided on a timely basis and meets the requirements set out in MiFID II/MiFIR and in the level 2 provisions? If not, please explain.

<ESMA\_QUESTION\_MDA\_18>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_18>

1. : Do you agree with the issues on the content of data and the use different data standards identified or do you consider that important issues are missing and/or not correctly presented?

<ESMA\_QUESTION\_MDA\_19>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_19>

1. : Do you agree that the observed deficiencies make it challenging to consolidate data in a real-time data feed? If yes, how could those deficiencies best be tackled in your view?

<ESMA\_QUESTION\_MDA\_20>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_20>

1. : What are the risks of not having a CTP and the benefits of having one?

<ESMA\_QUESTION\_MDA\_21>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_21>

1. : Would you be supportive of an industry-led initiative to further improve data quality and the use of harmonised standards or would you prefer ESMA guidance? Please explain.

<ESMA\_QUESTION\_MDA\_22>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_22>

1. : In addition to the standardisation of the reporting and format, as described before, did you identify any further relevant data quality issue to be considered for the successful establishment of CTPs?

<ESMA\_QUESTION\_MDA\_23>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_23>

1. : Do you agree that the mandatory contribution from trading venues and APAs to a CTP would favour the establishment of CT?

<ESMA\_QUESTION\_MDA\_24>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_24>

1. : Do you have preferences between the option of (i) requiring trading venues and APAs to contribute data to the CT, or, in alternative (ii) setting forth criteria to determine the price that CTPs should pay to TVs and APAs for the data? If so, please explain why.

<ESMA\_QUESTION\_MDA\_25>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_25>

1. : Do you agree that the mandatory consumption could favour the establishment of a CT? If not, please explain your concerns associated with the mandatory consumption.

<ESMA\_QUESTION\_MDA\_26>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_26>

1. : Would mandatory consumption impact other rules in MiFID II and if yes, how?

<ESMA\_QUESTION\_MDA\_27>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_27>

1. : Do you consider it necessary that the CT covers all trading venues and APAs and the whole scope of equity instruments or would you be supportive of limiting the coverage of the CT? Please provide reasons for your preference and explain your preferred approach.

<ESMA\_QUESTION\_MDA\_28>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_28>

1. : Do you agree with ESMA’s preferred model of real-time CT? If you consider that, on the contrary, the delayed or tape of record CT are preferable, please indicate the reasons of your preference.

<ESMA\_QUESTION\_MDA\_29>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_29>

1. : Are there any measures (either technical or regulatory) that can be taken in order to mitigate the latency impacts?

<ESMA\_QUESTION\_MDA\_30>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_30>

1. : Do you agree that the CT should be operated on an exclusive basis? To what extent should other entities (e.g. APA or data vendors) be allowed to compete with the CTP?

<ESMA\_QUESTION\_MDA\_31>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_31>

1. : Should the contract duration of an appointed CTP be limited? If yes, to how many years?

<ESMA\_QUESTION\_MDA\_32>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_32>

1. : Please indicate what would be, in your view and on the basis of your experience with TVs and data vendors, a fair monthly or annual fee to be charged by a CTP for the real-time consolidation per user?

<ESMA\_QUESTION\_MDA\_33>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_33>

1. : Would you agree with the abovementioned model for the CT to charge for the provision of consolidated date and redistribute part of the revenues to contributing entities? If not please explain.

<ESMA\_QUESTION\_MDA\_34>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_34>

1. : How would Brexit impact the establishment of a CT? Would an EU27 CTP consolidating only EU27 transactions be of added value or would a CT that lacks UK data not be perceived as attractive?

<ESMA\_QUESTION\_MDA\_35>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_35>

1. : In your view, how would an EU27 CT impact the level playing field between the EU27 and the UK? Please explain.

<ESMA\_QUESTION\_MDA\_36>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_36>