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| 30 September 2021 |

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| Response form for the Consultation Paper on Review of the MiFID II framework on best execution reports |
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| Date: 30 September 2021 |

**Responding to this paper**

ESMA invites responses to the questions set out throughout this Consultation Paper and summarised in Annex II. Responses are most helpful if they:

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

ESMA will consider all comments received by **Thursday 23th December 2021.**

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 steps below when preparing and submitting their response:

* Insert your responses to the consultation questions in this form.
* Please do not remove tags of the type <ESMA\_QUESTION\_BEEX\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* 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.
* When you have drafted your response, name your response form according to the following convention: ESMA\_BEEX\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_BEEX\_ABCD\_RESPONSEFORM.
* 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 Review of the MiFID II framework on best execution reports’).

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. If you do not wish for your response to be publicly disclosed, please clearly indicate this by ticking the appropriate box on the website submission page. 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 ‘[Data protection](https://www.esma.europa.eu/about-esma/data-protection)’.

**Who should read this paper?**

This document is of interest to execution venues, investment firms and their associations, investors, consumer associations, as well as any market participant engaged in the execution of orders under the MiFID II framework.

# General information about respondent

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| Name of the company / organisation | AFTI |
| Activity | Non-governmental Organisation and Other Associations |
| Are you representing an association? |  |
| Country/Region | France |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_BEEX\_1>

AFTI, business association of French post trade activities operators, has only analyzed questions with a direct impact on post trade activities (i.e. RTS 28), questions related to investors protection, in the field of RTO investment service.

AFTI has conducted this review in due collaboration with AMAFI, FBF and AFG, who will respond to the consultation.

AFTI is in solidarity with the responses made by this association on his respective perimeter

<ESMA\_COMMENT\_ BEEX\_1>

1. **: Do you agree with the proposed scope in terms of execution venues for the reporting under a possible new RTS 27?**

<ESMA\_QUESTION\_BEEX\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_BEEX\_1>

1. **: Do you agree with the proposed level of granularity by types of financial instruments instead of individual financial instruments under a new potential reporting regime? In particular, do you agree with the two proposed categories concerning shares (i.e., shares considered to have a liquid market and shares not considered to have a liquid market)? If not, please state the reasons for your answer and clarify what alternative categorisations you would propose in order to have a meaningful level of granularity for a new reporting regime.**

<ESMA\_QUESTION\_BEEX\_2>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_BEEX\_2>

1. **: Do you agree with the proposed metrics to report the execution quality obtained by execution venues?**

<ESMA\_QUESTION\_BEEX\_3>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_BEEX\_3>

1. **: Have you observed good or bad practices of reporting by execution venues under the current RTS 27 that can be relevant for the elaboration of proposals to enhance access and user-friendliness of this information? Please provide specific examples if possible.**

<ESMA\_QUESTION\_BEEX\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_BEEX\_4>

1. **: Have you observed good or bad practices of reporting by investment firms under the current RTS 28 that can be relevant for the elaboration of proposals to enhance access and user-friendliness of this information? Please provide specific examples if possible.**

<ESMA\_QUESTION\_BEEX\_5>

The RTS28 remains a cumbersome document to produce and does not really achieve its objective of providing quantitative and qualitative information understandable by a non-professional in the MiFID sense on the execution of orders by investment firms.

* Non-professionals are not using these reports to choose their service provider since most of them contracts with their current bank.
* Professionals could have a use of these reports since they provide information that was not communicated before. However, the current format does not allow real comparisons between providers, a lighter format with only information about the top 5 venues and brokers (nominal only) could be easier to understand and to handle (and it would definitely improve transparency and comparisons on the market). On the contrary, elements as passive and aggressive orders have never been defined by regulation and are therefore dependent on what the platforms and markets want to transmit. As a result they are impossible to calculate reliably and unusable since there are as many ways to fill and calculate as investment firms on the market.

<ESMA\_QUESTION\_BEEX\_5>

1. **: Do you agree with the classification for reporting proposed in Annex I of the possible new RTS 28, especially with regard to the suggested methodology for the reporting on equity instruments? If not, what alternative categorisations would you propose?**

<ESMA\_QUESTION\_BEEX\_6>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_BEEX\_6>

1. **: Do you agree with the proposals for a possible review of RTS 28?**

<ESMA\_QUESTION\_BEEX\_7>

AFTI agrees with ESMA's review proposal, in particular when it comes to simplifying and clearly differentiating the obligation to disclose the identity of the top 5 of execution venues in terms of trading volume and information on the quality of execution obtained (to avoid confusion between the two obligations). AFTI also agrees with ESMA on the reduction of the figures to remove what is irrelevant or impossible to calculate.

-More generally, AFTI is in phase with ESMA’s review proposal on RTS 28 and will support its further implementation.

<ESMA\_QUESTION\_BEEX\_7>

1. **: Do you agree with the cost benefit analysis as it has been described in Annex II?**

<ESMA\_QUESTION\_BEEX\_8>

Given that AFTI’s members currently have the obligation to provide an RTS 28 report, AFTI supports ESMA’s willingness to review it in order to simplify it and make it more meaningful for its activities and therefore agrees with the cost-benefit analysis described in Annex II.

<ESMA\_QUESTION\_BEEX\_8>

1. **: Are there any additional comments that you would like to raise and/or information that you would like to provide?**

<ESMA\_QUESTION\_BEEX\_9>

AFTI still calls for the abolition of those reports which have been proven burdensome and unable to reach the original objectives they were designed for. However, the latest ESMA’s review proposal goes in the right direction for the industry and could prove to be more useful once implemented.

<ESMA\_QUESTION\_BEEX\_9>