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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 | ASSOGESTIONI |
| Activity | Asset Manager Association |
| Are you representing an association? |  |
| Country/Region | Italy |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_BEEX\_1>

Assogestioni[[1]](#footnote-2) welcomes this opportunity to express views on the proposed reform on best execution reports.

We understand ESMA’s work to improve the adequacy of the current RTS 28 to make the content of such report more meaningful for the public and market participants. However, under the proposed reform doubts remain to obtain a meaningful reporting to support investors in making informed choices when choosing a firm for the execution of their orders.

We would remind that the transactions are rarely originated by end clients but rather through professional intermediaries that should be able to “translate” their clients’ requirements into investments and be able to explain the principles applied to manage their assets. For a retail investor, information requested are overly complex compared to his interest or technical-specialized, even if aggressive and passive orders are removed. Instead, for an institutional investor, the regulatory format could not reflect the data of interest or how they would prefer the data to be reported.

Therefore, there is some scepticism that the revised RTS 28 will make a material difference to their usability by retail and institutional clients.

Since the man-hours to produce the reports seems no way justified with the extremely low ‘clicks’ observed on the download of these reports and their revision will entail additional implementation costs, we reiterated our views to repeal RTS 28 as already expressed in the response to the European consultation on the review of the MiFIDII/MiFIR regulatory framework.

<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>

TYPE YOUR TEXT HERE

<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>

We do not believe that publishing the top five execution venues where client orders are executed (including trading venues and names of affiliates where place orders are put) is at all useful to existing or potential investors. Even with the proposed changes, the RTS 28 remains overly prescriptive and meaningless report. Today most asset managers run their own summaries already which are far more suited for allowing assessment of best execution.

On the specific proposed changes, our members do not see any real simplification of reporting duties under the proposal, apart the deletion of passive/aggressive order percentage requirement. Furthermore the reporting becomes more complex and costly as:

1. presentation and quality analysis of data for execution and RTO services become distinct and subject to different requirements;
2. machine readable data requirement will require additional IT development.

From a professional investor’s perspective, our members would not expect availability of revised reports to be an improvement to their analysis.

<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>

Since there is some scepticism that the revised RTS 28 will make a material difference to their usability by retail and institutional clients and the man-hours to produce the reports seems no way justified with the extremely low ‘clicks’ observed on the download of these reports and its review will entail further implementation costs, we reiterated our views to remove RTS 28 already expressed in the response to the European consultation on the review of the MiFIDII/MiFIR regulatory framework.

<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>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_BEEX\_9>

1. Assogestioni is the trade body for Italian asset management industry and represents the interests of members who manage funds and discretionary mandates around € 2.5 billion (as of October 2021). [↑](#footnote-ref-2)