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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 | Związek Banków Polskich |
| Activity | Non-governmental Organisation and Other Associations |
| Are you representing an association? |[x]
| Country/Region | Poland |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_BEEX\_1>

About Polish Bank Association: Polish Bank Association is a self-government organization of banks, established in 1991, founded on the Chambers of Commerce Charter. Membership in the PBA is voluntary and open for all banks created under the Polish law as well as for foreign credit institutions branches operating in the Republic of Poland. Currently 103 banks operating in Poland are the members of the PBA. The organisation represents the interests of the whole Polish banking community to Parliament, Government and general public.

<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>

The idea to report seven metrics which directly disclose information on key features of the venues’ obtained execution quality is a step in good direction.

<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>

 The proposed level of granularity by type of financial instrument rather than individual financial instrument in the new potential reporting system seems to be a better solution. But the main problem to solve is which financial instrument has a liquid market. In our opinion, under the current regime, there are doubts in the interpretation of the post-trade SSTI and LIS limits for bonds published every year. It is not known from when they apply, whether the dates refer to the date on which we publish the report or the period for which we publish the data. This issue in the new system should be resolved in a way that helps to avoid ambiguities and allows for easy retrieval of relevant information. Otherwise we can encounter a situation where each entity will report in a non-different way and comparing reports on the market will still be very difficult.

<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>

Something that should help the market to use those reports is further specify the structure of the file to be published and specifies the level of granularity of each report, to avoid that files are broken down into a series of smaller files. Important issue is also publishing obligation report in CSV format. For today there are many types of files used to publish those information.

In order to case of proposed metrics it is hard to say if we agree with that because as it is sad in the consultation paper in point 48 "core elements of the reporting methodology proposed in a potential new regime, could be aligned with existing reporting standards under MiFID II/MiFIR. This encompasses inter alia that:

* the content and format of the reporting fields under RTS 27 are aligned, where possible, with the content and format used in RTS 1 (transparency for equity instruments) and RTS 2 (transparency for non-equity instruments); and that
* the typology of trading systems established under RTS 1 and 2 is also applicable to venues under the pro-posed new RTS 27.

But at the same time in point 49 it is sad that - "It should be noted that ESMA has recently launched a re-view of RTS 1 and 2, the outcome of which may have consequences on the drafting of the new RTS 27." So it is difficult to say we agree with this statement if it may be changed in some near future.

<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>

It seems that the amount of work required to complete the new information is still far too much in relation to the interest in this data on the market - taking into account the current regulations.

<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>

Steps towards greater uniformity of these reports over the long term should have a positive impact on the costs incurred by investment firms. It should be noted that the analysis is based on the assumption that companies are already preparing reports in this area. However, there is no analysis whether these reports are necessary for the market and whether the costs incurred for their creation exceed the benefits for the market.

<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>

It seems that due to the low interest of recipients (based on history) in the data published on the basis of RTS 27 and 28, shortening the date of publication of new data to only one month after the end of the quarter seems too short a period. Especially because in the new reality it will be necessary to adapt to completely new reporting conditions.

<ESMA\_QUESTION\_BEEX\_9>