**Reply** **form**

on the Consultation Paper on the Manual on post-trade transparency

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Responding to this paper

ESMA invites comments on all matters in the Consultation Paper and in particular on the specific questions in this reply form. 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 **31 March 2023.**

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:

* Insert your responses to the questions in the Consultation Paper in this reply form.
* Please do not remove tags of the type <ESMA\_QUESTION\_MPTT\_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 responses, save the reply form according to the following convention: ESMA\_CP MANUAL post-trade transparency\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_CP MANUAL post-trade transparency\_ABCD.

* Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

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 publicly 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 headings ‘Legal notice’ and heading ‘[Data protection](https://www.esma.europa.eu/about-esma/data-protection)’..

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | FIX Trading Community  |
| Activity | Investment Services |
| Are you representing an association? |[x]
| Country/Region | International |

# Questions

Published Q&As moved to the Manual

1. Please share any feedback you may have on the additional topics highlighted in section 3.1. Do you believe that other specific technical topics shall be addressed on top of those described in Sections 3.1 and 3.2 above and presented in the rest of this CP.

<ESMA\_QUESTION\_MPTT\_1>

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<ESMA\_QUESTION\_MPTT\_1>

CFI code – MiFIR identifier mapping analysis

1. Do you agree with ESMA’s proposed amendments to the CFI code – MiFIR identifier mapping?

<ESMA\_QUESTION\_MPTT\_2>

There are issues with CFI-MIFIR ID mapping in respect of Money Market Instruments, as the current mapping which is restricted to DY CFIs does not include all the CFI codes which are being assigned for these instruments. We would recommend revising the CFI-MIFIR ID mapping to allow other CFI prefixes to be considered money market instruments, provided they are compatible with the definition.

Relating to ETCs and ETNs, according to the current CFI-MiFIR ID mapping, ETFs should be identified with a CFI code starting with ‘CE’ and ETCs and ETNs with a CFI code starting with ‘EY’. However, ETCs, ETNs and ETFs are often assigned a CFI code starting with ‘D’, which would result in the instruments being classified as ‘BOND’ or ‘SFPS’. We therefore agree with ESMA’s proposal to expand the scope of instruments that can be reported with a CFI code starting with ‘DA’ to include ‘ETCS’ and ‘ETNS’. However, as ‘ETCS’ and ‘ETNS’ have different characteristics from ‘SFPS’, we recommend that the existing FIRDS-CFI validation rules for ‘DA’ instruments are relaxed accordingly. The current FIRDS CFI validation rules mandate the population of fields 14 to 17 when reporting ‘DA’ instruments. However, this information would not be available in the case of ETNs and ETCs.

On mortgage bonds, further guidance could be beneficial to clarify that instruments that are assigned a ‘DA’ or ‘DG’ CFI code, and are clearly covered bonds, should be classified as ‘BOND’, and not as ‘SFPS’.

The allocation of ‘DM’ CFI codes to instruments other than bonds (e.g., to structured finance products and securitised derivatives) is fairly commonplace. On that basis, ESMA’s suggestion of opening the mapping to include SFPs as well as bonds makes sense. However, given that securitised derivatives can also be assigned ‘DM’ CFI codes, and the fact that the ‘DM’ code is defined in the ISO CFI standard as corresponding to ‘debt instruments that do not fit into any of the groups of debt instruments’, ESMA could consider extending the mapping to include both SFPs and SDRVs.

ESMA could consider broadening the CFI-MiFIR ID mapping to allow the ‘DT’ code to be mapped to MiFIR identifiers other than ‘BOND.’<ESMA\_QUESTION\_MPTT\_2>

1. Referring to the section “Distinction among the different bond types”, do you see the need for further clarification to be included, or further refinements to the existing CFI-MiFIR Identifier mapping?

<ESMA\_QUESTION\_MPTT\_3>

It would be beneficial if ESMA could provide further details in the Q&A on bond type, to:

a) Reconcile the Q&A with the amended definitions in Table 2.2, Annex 3 of the reviewed RTS 2;

b) Clarify how market participants should proceed in cases where there are overlaps between categories. Whilst overlap is clearly not expected between categories such as ‘sovereign bond’ and ‘convertible bond’, there are cases of covered bonds issued by entities which would usually be classified under the ‘sovereign’ or ‘other public’ categories.<ESMA\_QUESTION\_MPTT\_3>

1. Do you see the need for further clarification to be included, or further refinements to the existing CFI-MiFIR Identifier mapping not presented in the previous answer?

<ESMA\_QUESTION\_MPTT\_4>

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<ESMA\_QUESTION\_MPTT\_4>

Equity - Reporting fields: table 3 of Annex I, RTS 1

1. Do you agree with ESMA’s Level 3 guidance for table 3 of Annex I of RTS 1?

<ESMA\_QUESTION\_MPTT\_5>

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<ESMA\_QUESTION\_MPTT\_5>

Non-equity - Reporting fields: table 2 of Annex II, RTS 2

1. Do you agree with the guidance provided for bonds? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_6>

Yes, unless deferrals no longer require aggregation of trades and publication of aggregated values.<ESMA\_QUESTION\_MPTT\_6>

Bonds

1. Do you agree with the guidance provided for bonds? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_7>

No.

**Price –** With regards to Price (#3), the FIX Trading community believe that, where possible, this field should **always** be populated with a price expressed as a percentage unless it is not possible to calculate the percentage. If it is not possible to calculate the percentage, then market convention should be used.

**Quantity –** With regards to Quantity (#7), this field should never be populated.

The point of the recommendations above are to help the market standardise on common formats where possible.<ESMA\_QUESTION\_MPTT\_7>

SFPs

1. Do you agree with the guidance provided for SFPs? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_8>

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<ESMA\_QUESTION\_MPTT\_8>

ETCs and ETNs

1. Do you agree with the guidance provided for ETCs and ETNs? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_9>

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<ESMA\_QUESTION\_MPTT\_9>

Interest rate derivatives

1. Do you agree with the guidance provided for bond futures, bond forwards and bond options? Do you think that it is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_10>

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<ESMA\_QUESTION\_MPTT\_10>

1. Do you agree with the guidance provided for IR futures, FRAs and IR options? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_11>

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<ESMA\_QUESTION\_MPTT\_11>

1. Do you agree with the guidance provided for interest rate swaps (IRS), IR, futures and IR swaptions? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_12>

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<ESMA\_QUESTION\_MPTT\_12>

1. Concerning IRS (section 6.5.1.5), do you consider that a second “spread” field for the spread on the second floating leg would be necessary or in the case of swaps with two floating rates there is always one leg with the spread, if any

<ESMA\_QUESTION\_MPTT\_13>

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<ESMA\_QUESTION\_MPTT\_13>

1. Concerning IRS (section 6.5.1.5), do you consider that a second “price” field for the fixed rate of the second leg in the case of fixed-to-fixed swaps even if such contracts have not been identified to be TOTV at this stage?

<ESMA\_QUESTION\_MPTT\_14>

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<ESMA\_QUESTION\_MPTT\_14>

1. Concerning Bond forwards (section 6.5.1.1), do you consider that further guidance is needed? If, so please provide concrete examples and proposals.

<ESMA\_QUESTION\_MPTT\_15>

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<ESMA\_QUESTION\_MPTT\_15>

Equity derivatives

1. Do you agree with the guidance provided for equity derivatives? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_16>

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<ESMA\_QUESTION\_MPTT\_16>

1. For equity derivatives with an index as underlying (sections 6.5.2.3 and 6.5.2.4) how would you populate the price notation filed until the second RTS 2 review? After the second RTS 2 review, would you agree with ESMA’s proposal to define an appropriate code for this field?

<ESMA\_QUESTION\_MPTT\_17>

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<ESMA\_QUESTION\_MPTT\_17>

Credit derivatives

1. Do you agree with the guidance provided for credit derivatives (CDS and options on CDSs)? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_18>

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<ESMA\_QUESTION\_MPTT\_18>

1. Concerning options on Index CDSs and single-name CDSs (section 6.5.3.2), do you consider that further guidance is needed? If, so please provide concrete examples and proposals.

<ESMA\_QUESTION\_MPTT\_19>

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<ESMA\_QUESTION\_MPTT\_19>

FX derivatives

1. Do you agree with the guidance provided for FX derivatives (forwards, options and swaps)? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_20>

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<ESMA\_QUESTION\_MPTT\_20>

Commodity derivatives

1. Do you agree with the guidance provided for commodity derivatives (futures, options and swaps)? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_21>

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<ESMA\_QUESTION\_MPTT\_21>

Emission allowances and derivatives thereof

1. Do you agree with the guidance provided for emission allowances and derivatives thereof? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_22>

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<ESMA\_QUESTION\_MPTT\_22>

Securitised derivatives

1. Do you agree with the guidance provided for securitised derivatives? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_23>

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<ESMA\_QUESTION\_MPTT\_23>

Contract for difference (CFDs) and spread bets

1. Do you agree with the guidance provided for CFDs and spread bets? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA\_QUESTION\_MPTT\_24>

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<ESMA\_QUESTION\_MPTT\_24>

Flags

1. Do you believe that further guidance is needed? Is there any specific use case for which you deem it necessary to provide further guidance?

<ESMA\_QUESTION\_MPTT\_25>

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<ESMA\_QUESTION\_MPTT\_25>

1. Would you agree with ESMA’s proposal to further specify the differences between portfolio transactions and portfolio trades? What are the main differences between a package transaction and a portfolio transaction involving? Please provide details.

<ESMA\_QUESTION\_MPTT\_26>

The FIX Trading Community agrees that a Portfolio Transaction is a “Transaction in five or more different financial instruments where those transactions are traded at the same time by the same client and against a single lot price and that is not a ‘package transaction’ as referred to in Article 1(1).”

A package transaction has an additional criterion, where the financial instruments in the transaction have “meaningful economic and financial risk related to all the other components.” Providing examples of where mefrroc applies (e.g. a transaction where all the constituent trades are in bonds from the same issuer) would be helpful in the manual.

The FIX Trading Community disagrees that the Portfolio Transaction flag should have preference over the Package Transaction Flag where both applies. It believes Package Transaction flag should take preference as a Package Transaction also has specific deferral rules that apply to all constituent trades. An example might be a Package Transaction which has a mixture of Liquid and Illiquid bonds: It may be useful for consumers to know why a trade in a liquid bond below the SSTI threshold was not published in real-time, if it was part of a package transaction that also included bonds that qualified for deferred publication.

Finally, the FIX Trading Community believe that the Portfolio Transaction should not be further restricted to just corporate bonds – this should apply to any bond to simplify the implementation. <ESMA\_QUESTION\_MPTT\_26>