**Reply** **form: MiFIR Review**

Technical Standards related to Consolidated Tape Providers and DRSPs, and assessment criteria for the CTP selection procedure

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 **28 August 2024.**

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\_CP2\_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\_CP2\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_CP2\_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

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# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | Electronic Debt Markets Association |
| Activity | Regulated markets/Exchanges/Trading Systems |
| Are you representing an association? |[x]
| Country/Region | Europe |

# Questions

Section 3 – RTS on input and output data of CTPs:

**Q1: Do you agree with grounding the assessment framework of the quality of transmission protocols on the identified categories of technical criteria?**

<ESMA\_QUESTION\_CP2\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_1>

**Q2: Do you believe that additional categories of technical criteria should be considered for the definition of minimum requirements of the quality of transmission protocols?**

<ESMA\_QUESTION\_CP2\_2>

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<ESMA\_QUESTION\_CP2\_2>

**Q3: Do you agree with the proposal of introducing a single set of requirements across the three asset classes (equity, bonds, derivatives), or do you believe that different requirements should be tailored for each asset class?**

<ESMA\_QUESTION\_CP2\_3>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_3>

**Q4: Do you consider that the proposed minimum requirements for the technical criteria related to performance are technically feasible, coherent with the objective of high-quality data transmission to the CTP and in line with international standards? Please elaborate your response.**

<ESMA\_QUESTION\_CP2\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_4>

**Q5: Do you consider that the proposed minimum requirements for the technical criteria related to reliability are technically feasible, coherent with the objective of high-quality data transmission to the CTP and in line with international standards? Please elaborate your response.**

<ESMA\_QUESTION\_CP2\_5>

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<ESMA\_QUESTION\_CP2\_5>

**Q6: Do you consider that the proposed minimum requirements for the technical criteria related to security are technically feasible, coherent with the objective of high-quality data transmission to the CTP, and in line with international standards and other EU regulatory frameworks on information security (e.g. DORA)? Please elaborate your response.**

<ESMA\_QUESTION\_CP2\_6>

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<ESMA\_QUESTION\_CP2\_6>

**Q7: Do you consider that the proposed minimum requirements for the technical criteria related to compatibility are technically feasible, coherent with the objective of high-quality data transmission to the CTP and in line with international standards? Please elaborate your response.**

<ESMA\_QUESTION\_CP2\_7>

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<ESMA\_QUESTION\_CP2\_7>

**Q8: Do you agree with the proposed definition of “transmission of data as close to real time as technically possible”? If not, please explain.**

<ESMA\_QUESTION\_CP2\_8>

EDMA believes the ‘one-size-fits-all’ approach proposed by ESMA for the 100 ms post-trade data transmission latency is inappropriate to reflect the different nature, scale and complexity of market data for non-equities. From para. 40 and 41 of the consultation paper, we understand that the current proposal is based on the APA statistics, so we would really appreciate a follow-up meeting with ESMA to explain the technical difficulty of fulfilling this proposed 100 ms transmission speed from fixed income trading venues to the selected bond CTP.

Further, we would like to highlight and reiterate the difference between RTS 1 and RTS 2 markets as it pertains to speed and latency requirements. Submissions of 100ms or 200ms that may be in line with the requirements of equity markets are not in line with non-equity. The cost of developing systems to guarantee delivery of messages within these time frames likely outweighs the benefits considering the frequency of trading instruments in the RTS 2 space. The latency requirements outlined in the Consultation Package are at odds with the definition of “as close to real time as technically possible”, which provides a different set of requirements for RTS 1 and RTS 2, seemingly recognising the differences in market structure between equities and non-equities.

More specifically, we would like to point out two technical difficulties caused by proposed Article 3(2) of the draft RTS on input and output data of CTPs :

* ‘*The timestamp of the execution of the relevant transaction*’ is not a proper stamp to define the transmission speed from data contributors to CTPs. Article 22b(3)(c) mandates ESMA to define ‘*what constitutes the transmission of data as close to real time as technically possible*’, so the proper timestamp to calculate the transmission speed should be based on the timestamp that trading venues transmit the post-trade input data to the CTP.
* ‘*100 milliseconds*’ is not in line with the market expectation in non-equity environment. It is worth highlighting that, as per Article 7(4)(b) of RTS 2, the market expects the difference between the execution timestamp and the publication timestamp in non-equity space is within 5 minutes, so we do not believe the proposed 100ms is necessary and will definitely result in unnecessary cost to the market. EDMA would suggest that in the context of non-equity markets the definition of real time would be best set at 5 minutes.

<ESMA\_QUESTION\_CP2\_8>

**Q9: Should ESMA consider specific rules for real-time transmission of transactions subject to deferred publication?**

<ESMA\_QUESTION\_CP2\_9>

Rules for transmission of data should be pragmatic and focused on how best to ensure data quality, as per the goal of Article 22. For this reason, rules should not require all data provision to be provided real-time. Deferred data is not time-sensitive and should therefore be subject to an appropriate time limit. We note Article 22 requires ESMA to specify measures and standards for data quality; and attempting to impose real time transmission risks reducing, not ensuring, data quality.

<ESMA\_QUESTION\_CP2\_9>

**Q10: Do you agree with the baseline proposal of adopting JSON as standards and format of data to be transmitted to the CTPs, or do you prefer alternative proposals? Please justify your answer and, if needed, provide additional advantages and disadvantages related to each proposal.**

<ESMA\_QUESTION\_CP2\_10>

EDMA urges ESMA to further distinguish pros and cons of different data formats in various occasions: (i) the newly designed input data transmission between trading venues and CTPs, which requires some interaction and amendment functionalities; (ii) the newly designed output data transmission between the CTPs and data users, which need a stable and faster streaming functionalities; and (iii) reference data submitted by trading venues to ESMA, which is already built based on XML in the existing RTS 23. We therefore do not believe JSON is a one-size-fits-all solution.

<ESMA\_QUESTION\_CP2\_10>

**Q11: Do you believe that the proposed standards and formats (baseline and any alternatives) are coherent with other CTP requirements (transmission protocols, real-time transmission and presentation of output data)? Please justify your answer.**

<ESMA\_QUESTION\_CP2\_11>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_11>

**Q12: Do you find more suitable to prescribe one single format across the 3 CTPs (equity, derivatives, bonds) or to prescribe distinct formats according for different asset classes?**

<ESMA\_QUESTION\_CP2\_12>

EDMA prefers one single data format across the 3 CTPs .

<ESMA\_QUESTION\_CP2\_12>

**Q13: Do you support the proposals on core and regulatory data? In particular, are there other relevant fields to be added to the regulatory data? Furthermore, would you propose the inclusion of supplementary fields for input core market data beyond those intended for dissemination by the CTP?**

<ESMA\_QUESTION\_CP2\_13>

No, EDMA does not fully support the proposals on regulatory data.

The aim of the dissemination of regulatory data, as outlined by Recital 13 of the MiFIR Review, is “to keep investors informed of the status of the system matching orders, for example in the event of a market outage, and of the status of the financial instrument, for example in the event of suspensions or trading halts.”

This requirement should only be relevant for shares, where price discovery is typically derived from the primary exchange and where trading activity is therefore very much linked to the availability of the instrument for trading on the primary exchange.

This is not relevant for bonds where trading activity is instead distributed widely across several trading venues and OTC. The status of financial instruments or matching systems is not linked in the same way to trading activity.

In addition, the universe of bonds is very large when compared to shares, which would mean:

* Data providers would have to submit and manage a very large dataset of instrument statuses; and
* The CTP would have to consume, manage and publish a very large dataset of regulatory data for bonds.

This would come with no value to investors but would involve significant resources for data providers and the CTP to develop and maintain this flow of information, which would likely detract from the core aim of the CTP to consolidate market data.

The regulatory data as proposed is also likely to be misleading in certain instances. For example, some trading venues may admit both bonds and equities to trading under the same segment MIC but sit on different trading platforms that may have different statuses during the trading day. It would be better for trading venues to manage communications about the availability of financial instruments and system statuses with their participants.

We also note that regulatory data is defined as ‘*data related to the status of systems matching orders in financial instruments and data related to the trading status of individual financial instruments*’ in Article 2(1)(36c) of MiFIR level, so the field ‘*Trading system type*’ proposed by ESMA in RTS 2 might be beyond the level 1 mandate.

<ESMA\_QUESTION\_CP2\_13>

**Q14: Do you support the proposal of machine-readable and human-readable formats outlined in this section?**

<ESMA\_QUESTION\_CP2\_14>

EDMA understands that a “Graphical User Interface” (GUI) is related to providing access to the CT data by retail investors. This GUI should be limited to the audience for which it is required, i.e. retail and non-professional users. It should not provide any additional value added services beyond the provision of core and regulatory data and should not be available to professional clients.

<ESMA\_QUESTION\_CP2\_14>

**Q15: Do you agree with the proposal of data quality measures and enforcement standards for input data?**

<ESMA\_QUESTION\_CP2\_15>

EDMA agrees that the CTP is not responsible, nor allowed (unless under “exceptional circumstances” and for technical reasons” to correct data itself. The CTP should publish the data as received and work with data contributors as it pertains to discussions on data quality.

<ESMA\_QUESTION\_CP2\_15>

**Q16: Do you agree with the proposal of data quality measures for output data?**

<ESMA\_QUESTION\_CP2\_16>

Yes, EDMA agrees with the proposal of data quality measures for output data .

<ESMA\_QUESTION\_CP2\_16>

Section 4 – RTS on the revenue distribution scheme of CTPs:

**Q17: On the basis of the issue presented in the above paragraph, what do you think is the right approach to identify a trading venue and group? How could a trading venue and a group be identified? How should the links with investment firms be determined?**

<ESMA\_QUESTION\_CP2\_17>

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<ESMA\_QUESTION\_CP2\_17>

**Q18: Do you agree with the above assessment? If not, please explain.**

<ESMA\_QUESTION\_CP2\_18>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_18>

**Q19: For the identification of the venue of first admission to trading, do you prefer option (A) use of FIRDS, option (B) the CTP collects the relevant information itself? Please explain and provide any alternative option you consider more appropriate.**

<ESMA\_QUESTION\_CP2\_19>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_19>

**Q20: Do you agree that a flag indicating that the transaction was subject to an LIS waiver should be information to be sent to (but not published by) the CTP? If not, please explain.**

<ESMA\_QUESTION\_CP2\_20>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_20>

**Q21: Could the determination of the pre-trade volume be done differently by the CTP (e.g. proxy this volume with the pre-trade data received) but at the same time sufficiently accurately? If yes, please explain.**

<ESMA\_QUESTION\_CP2\_21>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_21>

**Q22: Do you agree that the methodology to distribute the revenues should require the conversion of the values into percentages? If not, please explain.**

<ESMA\_QUESTION\_CP2\_22>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_22>

**Q23: Do you agree with the transactions to include and exclude for the determination of the volume for criteria #1 and #2? If not, please explain.**

<ESMA\_QUESTION\_CP2\_23>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_23>

**Q24: What would be your view on the frequency of redistribution? Which issues do you foresee in the redistribution process? How could those issues be solved? Please explain.**

<ESMA\_QUESTION\_CP2\_24>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_24>

**Q25: Do you agree with the proposed timeline for the update of the list of data contributors and the identified issues? How could the issues be solved? Please explain.**

<ESMA\_QUESTION\_CP2\_25>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_25>

**Q26: What would be your view on the issues for the first year of operations of the CTP? How could those issues be solved? Please explain.**

<ESMA\_QUESTION\_CP2\_26>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_26>

**Q27: Do you agree with ESMA preferred proposal to set the weights of the revenue redistribution scheme to 4.5, 4.0 and 1.5 for the small trading venue criterion, the young instruments criterion and the transparent instruments criterion, respectively? If not, please explain.**

<ESMA\_QUESTION\_CP2\_27>

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<ESMA\_QUESTION\_CP2\_27>

**Q28: Would you consider appropriate that the weight (percentages) sum to 10 (100%)? If not, please explain and provide your alternative proposal for the weights (percentages).**

<ESMA\_QUESTION\_CP2\_28>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_28>

**Q29: Do you agree with the proposed (i) frequency of the determination of the weights (ii) timing of determination of the weights (iii) timing of application of the weights? If not, please explain.**

<ESMA\_QUESTION\_CP2\_29>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_29>

**Q30: Do you agree with the proposed text? Have you identified any missing points or issues?**

<ESMA\_QUESTION\_CP2\_30>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_30>

**Q31: Do you agree with ESMA’s proposal on the criteria for a potential suspension of redistribution in case of serious and repeated breach by the CTP? If not, which alternative or/and additional criteria would you consider relevant?**

<ESMA\_QUESTION\_CP2\_31>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_31>

**Q32: Do you agree with ESMA’s proposal on the procedure for the suspension and the resumption of redistribution? If not, which alternative approach would you consider suitable?**

<ESMA\_QUESTION\_CP2\_32>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_32>

**Q33: Do you agree with ESMA’s proposal on the timing of the procedure for the suspension and the resumption of redistribution? If not, which alternative approach would you consider suitable?**

<ESMA\_QUESTION\_CP2\_33>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_33>

**Q34: Do you agree with ESMA’s proposal regarding a one-week timeframe for data contributors to furnish evidence of non-breaches? If you disagree, could you suggest an alternative approach that you find appropriate?**

<ESMA\_QUESTION\_CP2\_34>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_34>

**Q35: Do you agree with ESMA’s expectation on the notification to be made by the CTP to the competent authority of the data contributor once a suspension has been triggered?**

<ESMA\_QUESTION\_CP2\_35>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_35>

**Q36: Do you agree with ESMA’s proposal on the approach to the retained revenue? In your view, which rate should apply to compound the interest on retained revenue?**

<ESMA\_QUESTION\_CP2\_36>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_36>

Section 5 – RTS on the synchronisation of business clocks

**Q37: Do you agree with the proposed approach on synchronisation to reference time? If not, please explain.**

<ESMA\_QUESTION\_CP2\_37>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_37>

**Q38: Do you support a timestamp granularity of 0.1 microseconds for operators of trading venues whose gateway-to-gateway latency is smaller than 1 millisecond? If not, please explain. Would you argue for an even smaller granularity? If yes, please explain.**

<ESMA\_QUESTION\_CP2\_38>

No, EDMA does not support a timestamp granularity of 0.1 microseconds for operators of trading venues whose gateway-to-gateway latency is smaller than 1 millisecond. We believe a timestamp granularity of 1 microsecond is the right level for this type of traffic. This is reflected by the timestamp granularity for post-trade transparency being limited to the microsecond. Changing the level of granularity to 0.1 microseconds would require significant changes for trading venues to manage and distribute the new granularity and for participants to consume and manage the new timestamps, without any clear benefit.

<ESMA\_QUESTION\_CP2\_38>

**Q39: Do you support the proposed approach on the level of accuracy for trading venue members, participants or users? If not, please explain.**

<ESMA\_QUESTION\_CP2\_39>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_39>

**Q40: Do you agree with the proposed approach on traceability to UTC? If not, please explain.**

<ESMA\_QUESTION\_CP2\_40>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_40>

**Q41: Do you agree with the proposed accuracy levels for APAs, SIs, DPEs and CTPs? If not, please explain.**

<ESMA\_QUESTION\_CP2\_41>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_41>

**Q42: Do you think that more stringent requirements should be set for SIs compared to DPEs considering they have pre-trade transparency obligations? If not, please explain.**

<ESMA\_QUESTION\_CP2\_42>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_42>

Section 6 – RTS/ITS on the authorisation and organisational requirements for DRSPs

**Q43: Do you agree with the approach proposed by ESMA?**

<ESMA\_QUESTION\_CP2\_43>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_43>

**Q44: Do you agree to include new authorisation provisions on ownership structure and internal controls for APAs and ARMs?**

<ESMA\_QUESTION\_CP2\_44>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_44>

**Q45: Do you have any further comments or suggestions on the draft RTS? Please elaborate your answer.**

<ESMA\_QUESTION\_CP2\_45>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_45>

**Q46: Do you agree with the approach proposed by ESMA?**

<ESMA\_QUESTION\_CP2\_46>

Yes EDMA broadly agrees with the points and observations made by ESMA. We would like to particularly highlight the reference to DORA, given the importance of the CTP to financial markets it is imperative that the CTP is operationally resilient and in compliance with the requirements laid out in DORA.

<ESMA\_QUESTION\_CP2\_46>

**Q47: Do you foresee specific conflicts of interests that may arise between (i) CTP and data contributors and (ii) CTP and clients and users?**

<ESMA\_QUESTION\_CP2\_47>

EDMA would like to highlight that Article 27b(2) of MiFIR level 1 leaves room for the selected CTP to offer trading venue services via the same legal entity. Given the obvious conflict of interest between the CTP and data contributors, we believe this situation (if any) should be properly verified by ESMA during the authorisation process.

<ESMA\_QUESTION\_CP2\_47>

**Q48: What other elements, if any, should be included in the RTS on authorisation of CTPs?**

<ESMA\_QUESTION\_CP2\_48>

EDMA understands that ESMA is planning to create a new RTS on CTP authorisation with an aim to cover those CTP-related requirements that are currently under RTS 13 (para. 222 of the CP). We therefore really appreciate Recital 3 of the draft RTS (P. 179 of the consultation package) which secures the existing Article 13 of RTS 13 regarding ‘Other services provided by CTPs’. We believe any other services offered by the selected CTPs should be properly controlled due to the monopoly position.

<ESMA\_QUESTION\_CP2\_48>

**Q49: What other elements, if any, should be included in the RTS on authorisation of CTPs?**

<ESMA\_QUESTION\_CP2\_49>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_49>

Section 7 – Criteria to assess CTP applicants

**Q50: How would you define retail investors, academics and civil society organisations for the purpose of the CTP?**

<ESMA\_QUESTION\_CP2\_50>

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<ESMA\_QUESTION\_CP2\_50>

**Q51: What are in your view the most important elements that should be taken into account when defining the governance structure of the CTP?**

<ESMA\_QUESTION\_CP2\_51>

As mentioned in Q48, we strongly support that the selected CTP should only be allowed to conduct the activities listed in Article 27h(1), with the following reasons:

1. As the CTP will always have an unfair advantage given its dominant position in the financial markets (more specifically, the CTP will have contractual and business relationship with all financial market participants for the provision of CTP data), its remit to provide additional services beyond that of the regulated CTP should be heavily regulated to ensure fair competition.
2. Since the sentence in the existing Article 27h(6) of MiFIR, ‘identifying additional services the CTP could perform which increase the efficiency of the market’, will be removed, we do need a more stringent governance framework to control the forthcoming CTPs (who will accordingly have a time-limited monopoly position granted by Regulation (EU) 2024/791, such as no requirement to provide 15 minute delayed data without charge, mandatory contribution by data providers to the CTP, etc).

Any other services that are not listed in Article 27h(1) can therefore only be offered by a separate legal entity.

The CTP should be separate and independent from any affiliate or group entities without the ability to cross sell or cross subsidise between entities within the same group as the CTP core service providing entity. The CTP’s governance should be representative of the whole market with significant independent board representation.

The de facto monopoly position of the CTP (which means a lack of substitutability), given the importance of the CT towards the EU’s CMU objective, requires a robust governance framework where any outsourcing arrangements planned by the CTP to be highly scrutinised by regulators during the tender process.

We agree that the advisory committee should consist of data providers (contributors to the tape) and consumers. However, we suggest that the requirements could go further to ensure that the CTP has wider independence from other intra group actions when setting fees for market data, license types, technical standards and data quality factors.

However, ESMA should go further than suggesting an advisory committee, by requiring the CTP’s Board to consist of majority external, independent non-executive directors with the appropriate experience will ensure that the consolidated tape is delivered with a priority focus on the tape itself and not be subject to conflicts of interest that may arise with the CTP’s wider group actions<ESMA\_QUESTION\_CP2\_51>

**Q52: Should the CTP include representation of other stakeholders within their governance structure?**

<ESMA\_QUESTION\_CP2\_52>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_52>

**Q53: Do you agree with the proposed approach on the assessment of necessity of joint application?**

<ESMA\_QUESTION\_CP2\_53>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_53>

**Q54: Which minimum requirements on identifying and addressing potential conflicts of interest would you consider relevant?**

<ESMA\_QUESTION\_CP2\_54>

As explained in Q47 and Q51 respectively, we believe a proper legal separation is a practical solution to address potential conflicts of interest. Also the core CTP provider entity must have a majority of independent board representatives to appropriately address conflicts of interest that may arise between data contributors, the CTP and data consumers.

<ESMA\_QUESTION\_CP2\_54>

**Q55: To score the applicants on their development expenditure and operating costs, ESMA intends to look at the costs the applicant will need to cover on an annual basis. Do you agree with this approach? If not, which alternative approach would you deem more appropriate?**

<ESMA\_QUESTION\_CP2\_55>

ESMA should consider differentiating the costs for CTP applicants that have in-house development of infrastructure (which will be directly regulated by ESMA) versus development that is outsourced to a third party or to another group entity that is not regulated as a DRSP.

<ESMA\_QUESTION\_CP2\_55>

**Q56: The simplicity of the fee structure and licensing models can be scored by taking into account the number of tiers, fee types and licensing models. Does this accurately reflect simplicity? If not, would you propose a different approach to assess simplicity? Please elaborate.**

<ESMA\_QUESTION\_CP2\_56>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_56>

**Q57: The approach proposed for the assessment of the ability of CTP applicants to process data is grounded on the assessment of the technological infrastructure in ensuring scalability, low-latency, accuracy and security throughout the data lifecycle. Do you agree with this approach, or would you consider additional elements to be assessed?**

<ESMA\_QUESTION\_CP2\_57>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_57>

**Q58: Which is the minimum speed of dissemination you would consider appropriate for the CTP? Please distinguish between asset classes (and for the case of the equity CTP, between pre- and post-trade date).**

<ESMA\_QUESTION\_CP2\_58>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_58>

**Q59: The proposed approach to data quality would reward additional commitments and measures that CTP applicants intend to put in place. Do you agree with this approach ? What additional commitments and measures would you consider appropriate?**

<ESMA\_QUESTION\_CP2\_59>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_59>

**Q60: The proposed approach to modern interface and connectivity is grounded on the assessment of the interface technology in terms of reliability, scalability, low latency and security. Do you agree with this approach, or would you consider additional elements to be assessed?**

<ESMA\_QUESTION\_CP2\_60>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_60>

**Q61: Do you agree with the proposed approach to record keeping, based on the provision of document supporting intended compliance?**

<ESMA\_QUESTION\_CP2\_61>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_61>

**Q62: The proposed approach to resilience, business continuity and cyber risks is grounded in assessing mandatory DORA requirements applicable to CTPs as a first step (selection criterion), to then reward additional commitments and measures CTPs applicants intended to put in place to mitigate and address outages and cyber-risk . Do you agree with this approach? What additional commitments and measures would you consider appropriate?**

<ESMA\_QUESTION\_CP2\_62>

Due to the key role played by the selected CTP, we would like to propose that the CTPs (in addition to the DORA framework) should be considered as ‘Financial market infrastructures’ in Annex of NIS 2 Directive (Directive (EU) 2022/2555) and CER Directive (Directive (EU) 2022/2557). Thus, both ‘digital’ resilience and ‘physical’ resilience of CTPs should be considered in the selection criteria. This is also in line with ESMA’s final report on market outages (para. 65, ESMA70-156-6458).

<ESMA\_QUESTION\_CP2\_62>

**Q63: Do you agree with the use of the Power Utilisation Effectiveness (PUE) as the metric to assess the energy consumption of the CTP? If not, which alternative approach would you favour?**

<ESMA\_QUESTION\_CP2\_63>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_63>

Annex II – Cost Benefit Analysis:

**Q64: What costs do you expect in order to comply with the proposed minimum requirements for the quality of transmission protocols? What benefits do you expect? Please indicate to what role (data contributor, CTP, or CT user) your response refers.**

<ESMA\_QUESTION\_CP2\_64>

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<ESMA\_QUESTION\_CP2\_64>

**Q65: What costs do you expect in order to comply with the proposed data format for input and output data? What benefits do you expect? Please indicate to what role (data contributor, CTP, CT user) your response refers.**

<ESMA\_QUESTION\_CP2\_65>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_65>

**Q66: Do you expect the benefits from the proposed real time data transmission requirement for input data to outweigh the operational costs borne by data contributors?**

<ESMA\_QUESTION\_CP2\_66>

EDMA would like to reemphasise our response to Q8. ‘100 milliseconds’ is not in line with the market expectation in non-equity environment. It is worth highlighting that, as per Article 7(4)(b) of RTS 2, the market expects the difference between the execution timestamp and the publication timestamp in non-equity space is within 5 minutes, so we do not believe the proposed 100ms is necessary and will definitely result in unnecessary cost to the market.

<ESMA\_QUESTION\_CP2\_66>

**Q67: Do you think that the input and output data fields strike a balance between reporting burden for data contributors/CTPs and benefits for CT users?**

<ESMA\_QUESTION\_CP2\_67>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP2\_67>

**Q68: Do you think that the proposed data quality requirements are sufficient to achieve the CT’s objectives without generating excessive compliance burdens? Please explain.**

<ESMA\_QUESTION\_CP2\_68>

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<ESMA\_QUESTION\_CP2\_68>

**Q69: Which costs do you expect to implement the revenue distribution scheme? Please differentiate between one-off and on-going costs, between fixed and variable costs as well as between direct and indirect costs.**

<ESMA\_QUESTION\_CP2\_69>

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**Q70: Which costs do you expect to implement the suspension and the resumption of the revenue distribution scheme? Please differentiate between one-off and on-going costs, between fixed and variable costs as well as between direct and indirect costs.**

<ESMA\_QUESTION\_CP2\_70>

TYPE YOUR TEXT HERE

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