**Reply** **form**

on the Consultation Paper 3

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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 **30 September 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\_CP3\_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\_CP3\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_CP3\_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 | Non-financial counterparty |
| Are you representing an association? |  |
| Country/Region | International |

# Questions

# 2.1 CDR 2017/567

1. Should the use of alternative data to perform the calculations (i.e. as described under Option 2 above) be feasible, what would be the costs and the benefits of such a change for different categories of market participants, including in relation to the change and run costs of reporting systems, data quality assurance and other relevant aspects? Do you have other comments on this potential change, e.g. on specific issues, challenges or alternatives that could be considered by ESMA in its assessment?

<ESMA\_QUESTION\_CP3\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP3\_1>

1. Do you agree with the proposal on the start day of application of the transparency calculations? Please explain.

<ESMA\_QUESTION\_CP3\_2>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP3\_2>

1. Do you agree with the proposal on the denominator of the (i) ADT, (ii) ADNTE and (iii) for specifying daily traded parameter? Please explain.

<ESMA\_QUESTION\_CP3\_3>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_CP3\_3>

1. Do you agree with the proposal on the liquidity determination for shares? Please explain.

<ESMA\_QUESTION\_CP3\_4>

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<ESMA\_QUESTION\_CP3\_4>

1. Do you agree with the proposal on the liquidity determination for other similar financial instruments? Please explain.

<ESMA\_QUESTION\_CP3\_5>

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<ESMA\_QUESTION\_CP3\_5>

1. Do you agree with the proposal to remove the field “holdings exceeding 5% of total voting rights” from the legal text but keeping it in the XML schema of the reporting without being obliged to report such information? Pease explain.

<ESMA\_QUESTION\_CP3\_6>

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<ESMA\_QUESTION\_CP3\_6>

# 2.2 RTS 1

1. Do you in general agree with the content of the proposed Tables 1a and 1b? Please specify (i) which fields you consider as not necessary (ii) any amendments that you consider necessary to the columns “Description and details to be published”, “Type of execution or publication venue”, “Type of trading system” to ensure that the information to be provided is clear and unambiguous (iii) the instruments and the circumstances when it is necessary to report the field price with a price notation different from “MONE” – Monetary value.

<ESMA\_QUESTION\_CP3\_7>

For the avoidance of doubt, all references to Table 1a or Table 1b are for Annex I of RTS 1, and references to Table 5 are for Annex III of the Draft RTS on input/output data for shares and ETFs CTP.

We find the examples in sections 4.1.3.1 and 8.2.2 to be helpful but have some comments (which provide some context for some of our comments on the contents of Table 1a and 5). Some of this material is replicated in our response to Q58 where relevant. Our main comments, covered in detail below, are:

* Pre-trade transparency for unmatched auctions.
* Clarification on timestamps.
* Addition of ‘place of listing’ to uniquely identify instruments.
* “Reset” messages to handle changes in trading phase
* Definition of ‘trading system type’ and implications for markets that operate multiple trading models.

We believe there is an error in figure 3 which shows the bid and offer sizes in the example to be different. On the basis that this example reflects a matched periodic auction (based on the bid and offer prices being equal), the description of the data to be made public from RTS 1 Annex 1 Table 1 implies that the bid and offer sizes should be equal. We also note that these prices and sizes are typically referred to as the indicative price and indicative volume and recommend that this terminology be used to aid understanding.

We note that section 8.2.2 contains examples of both matched and unmatched periodic auctions (figures 15 and 16 respectively) with only a matched auction example provided in section 4.1.3.1 (figure 3). We note that there is no language in RTS 1 Annex 1 Table 1 catering for unmatched periodic auctions. On this basis, we recommend that wording and examples that refer to CTP input or output data for unmatched periodic auctions be removed, for example in Table 1b field 4, removing “or the best bid and ask prices when the trading algorithm pending the identification of two matching orders satisfying the trading algorithm” and in field 7 “When the system is pending the identification of two matching orders satisfying the trading algorithm, the aggregated quantity the respective side at the best price of each side.”

We would also like to suggest that, given the usefulness of the examples given in figures 1-4 and 14-16, that they be included in Q&A.

With regards to comments on Tables 1a and 1b, we have no comments on Table 1a and would like to make the following comments on Table 1b.

Figure 2 (quote driven markets) requires that the identity of the market maker be provided. This would appear to be missing from Table 1b. We recommend that this be added to both tables and furthermore recommend that the identity of the market maker use a common standard (e.g., LEI) to allow market makers to be identified in a consistent way across trading venues.

We also recommend the inclusion of “Place of listing”, noting a desire from members not to aggregate data across instances of an instrument listed in different places. This would be the segment MIC of the listing venue. Examples of such instruments include FI0009000681 (a share, listed on XPAR and XHEL) and IE000I8KRLL9 (an ETF, listed on XETR, ETFP and XPAR).

Comments on individual fields in Table 1b are as follows:

Field 1:

The updated MiFIR level 1 text (article 2 36b point vii) requires a number of timestamps that, together, can be read as ‘the timestamp of an event that causes the best bid price or volume, offer price or volume, or auction indicative price or volume to change):

— the execution of the transaction and any amendment thereto,

— the entry of the best bids and offers into the order book,

— the indication, in an auction trading system, of the prices or volumes,

Additionally, we believe the term “trading venues operating an auction trading system” is referring specifically to periodic auction trading activity, and we recommend this be made clearer in the text

Noting the various market models and associated requirements for aggregated and disaggregated data, we believe it would be clearer to call this field ‘Update time’ in both Table 1b and Table 5.

Given the comments made above, we recommend changing the “Description and details to be published” for Table 1b and Table 5 as follows:

* “*For trading systems, where the orders and quotes do not have to be published on an aggregated basis, the date and time when the order or quote was received by the trading system.*
* *For trading systems, where the orders and quotes do have to be published on an aggregated basis, the date and time of the generation by the trading system of an updated best bid price and/or volume, offer price and/or volume.*
* *For trading venues operating an auction trading system the date and time of the generation by the trading venue of an updated value of the auction’s indicative price and/or volume.*

*The level of granularity shall be in accordance with the requirements set out in Article 2 of Delegated Regulation (EU) 2017/574*”

Field 3:

As for field 1, we believe the term ‘auction trading systems’ refers specifically to periodic auctions, and we believe this should be clearly stated. We also note that the concept of ‘bids’ and ‘offers’ in a matched periodic auction could be confusing and recommend that field 3 supports a value to represent the indicative price (and volume), for example ‘INDX’. This would correlate with the inclusion of specific ‘auction’ price and volume fields in Table 5 for CTP output (fields 10 and 11 respectively). We further recommend clarification that a single message would be used to represent both sides of a matched auction.

Fields 4 and 7:

Our experience of pre-trade market data feeds has highlighted an important point regarding the behaviour when an instrument moves from one trading phase to another. Specifically, the ability to ‘reset’ the price and size is critical, particularly where the new trading phase does not immediately generate a price. We specifically recommend the following:

* At the end of continuous trading, the venue should send both a field 3 = BUY1 and a field 3 = SELL message with a Price and Quantity of zero (while noting that a zero price is theoretically possible for certain instruments, particularly where expressed in basis points). No further messages should be provided until the auction generates an indicative price and size, at which point the venue would start to get field 3 = INDX records with the Price and Quantity fields expressing the indicative price and size.
* At the end of a periodic auction, venue should send a field 3 = INDX message with P price and Quantity of zero. There would be no further messages if either a) there is no further active trading phase, or b) if the market has moved to continuous trading until such time as bids and/or offers become available.

With reference to our response to Q56, we are recommending the inclusion of trading phase at an instrument level in the regulatory data feed.

Field 5:

We note that some instruments may in theory trade in minor currencies and end users will expect to continue to see this (while noting we do not believe this to be a current problem). We also note that field 8 does not explicitly state the same requirement for major currencies.

Field 11:

With reference to our response to Q1 and Q8 in the consultation on the Review of RTS 2 (consultation pack 1) and Q56 in this consultation, we believe that the pre-trade data transparency requirements are a factor of the type of trading activity taking place on a system rather than the system itself and as such recommend that the field name be changed to ‘type of trading’. Given this, we recommend that this field include a value for ‘continuous order trading’ and not refer to a CLOB. This aligns closely with the types of trading system as listed in RTS 1 Annex I Table 1.

We are supportive of the definition of CLOB used in the RTS 2 consultation and recommend that definition be used in RTS 1:

*“A Central Limit Order Book Trading system means either of the following:*

*a) a continuous auction order book trading system that by means of an order book and a trading algorithm operated without human intervention matches sell orders with buy orders on the basis of the best available price on a continuous basis;*

*(b) a trading system combining elements of a continuous auction order book trading defined in subparagraph (a) and of periodic auction trading system.”*

*In response to the RTS 2 consultation, we also recommend that a ‘periodic auction trading system’ be defined as being a system that only supports periodic auction trading.*

We believe that it makes sense for the CTP output data to be split out based on type of trading system (we expand on this in our response to Q58) such that pre-trade data from CLOBs (as defined above) be separated from data from periodic auction trading systems, but that data across trading models within CLOBs (e.g. continuous trading and periodic auction trading) be combined.

Field 12:

We recommend that the first sentence be extended to reference the relevant MiFIR article as follows: “Date and time when the information was published in line with the fourth clause of MiFIR article 2 36b point vii”

<ESMA\_QUESTION\_CP3\_7>

1. Do you agree with the proposed amendments to Article 4? Please explain.

<ESMA\_QUESTION\_CP3\_8>

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<ESMA\_QUESTION\_CP3\_8>

1. Do you agree with the proposed amendment to Article 6 of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_9>

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1. Do you agree with the proposed amendments to Article 7 of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_10>

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<ESMA\_QUESTION\_CP3\_10>

1. Do you agree with the proposed amendments to Article 8 of RTS 1? Please explai.

<ESMA\_QUESTION\_CP3\_11>

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<ESMA\_QUESTION\_CP3\_11>

1. How could ESMA take into account international best practices and competitiveness for the determination of the threshold up to which SIs have to be pre-trade transparent? Please explain.

<ESMA\_QUESTION\_CP3\_12>

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<ESMA\_QUESTION\_CP3\_12>

1. Do you agree with the new AVT buckets and related SMS? Would you set a higher SMS for the AVT bucket [0-10000) (e.g. 10,000)? Please explain.

<ESMA\_QUESTION\_CP3\_13>

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<ESMA\_QUESTION\_CP3\_13>

1. Do you agree with ESMA’s proposal of the new threshold#1 for shares? Please explain.

<ESMA\_QUESTION\_CP3\_14>

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<ESMA\_QUESTION\_CP3\_14>

1. Do you agree with ESMA’s proposal of the new threshold#2 for shares? Please explain.

<ESMA\_QUESTION\_CP3\_15>

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<ESMA\_QUESTION\_CP3\_15>

1. Do you agree with the new AVT buckets and related SMS? Would you set a lower SMS for the AVT bucket [0-10000) (e.g. 5,000)? Please explain.

<ESMA\_QUESTION\_CP3\_16>

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<ESMA\_QUESTION\_CP3\_16>

1. Do you agree with ESMA’s proposal of the new threshold#1 for DRs? Please explain.

<ESMA\_QUESTION\_CP3\_17>

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<ESMA\_QUESTION\_CP3\_17>

1. Do you agree with ESMA’s proposal of the new threshold#2 for DRs? Please explain.

<ESMA\_QUESTION\_CP3\_18>

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1. Do you agree with the new AVT buckets and related SMS? Please explain.

<ESMA\_QUESTION\_CP3\_19>

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<ESMA\_QUESTION\_CP3\_19>

1. Do you agree with ESMA’s proposal of the new threshold#1 for ETFs? Please explain.

<ESMA\_QUESTION\_CP3\_20>

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<ESMA\_QUESTION\_CP3\_20>

1. Do you agree with ESMA’s proposal of the new threshold#2 for ETFs? Please explain.

<ESMA\_QUESTION\_CP3\_21>

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<ESMA\_QUESTION\_CP3\_21>

1. Do you agree with the proposed amendments to Article 11 of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_22>

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<ESMA\_QUESTION\_CP3\_22>

1. Do you agree with the proposed new Article 11a of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_23>

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<ESMA\_QUESTION\_CP3\_23>

1. Do you agree with the proposed new Article 11b of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_24>

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<ESMA\_QUESTION\_CP3\_24>

1. Do you agree with the proposed amendments to Article 12 of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_25>

We support the proposal to use a consistent field naming convention for final distribution, though also recommend that, for the purpose of transmitting data between firms, those firms should be free to choose field names and formats that best facilitate the rapid and efficient transfer of information, so long as those field names and formats can unambiguously be mapped to the public format.

<ESMA\_QUESTION\_CP3\_25>

1. Do you agree with the proposed amendments to Table 3 of Annex I of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_26>

With reference to our response to Q1 and Q8 in the consultation on the Review of RTS 2 (consultation pack 1) and Q7 and Q56 in this consultation we are supportive of the addition of this field. However, we would like to refer to our response to Q7 in this consultation, specifically that this field should include a value for ‘continuous order trading’ and not refer to a CLOB, this aligning closely with the types of trading system as listed in RTS 1 Annex I Table 1.

With reference to our response to Q14 in the consultation on the Technical Standards related to Consolidated Tape Providers and DRSPs, we note that use of commas as a separator would cause a problem with the ability to produce post-trade CTP data in CSV format, given that inclusion of a comma-delimited field in a comma-delimited file or message format will result in the “flags” field being split up at the point of encoding. We therefore suggest that the “flags” field uses an alternative delimiter such as space or semicolon.

<ESMA\_QUESTION\_CP3\_26>

1. Do you agree with the proposed amendments to Table 4 of Annex I of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_27>

Our analysis of post-trade data indicates that the DUPL flag is not used in practice. We therefore support its removal, also noting this would closer align EU reporting with UK rules, which we support in principle.

We note a number of differences in the post-trade transparency scope and flags lists between the EU and the UK. Where the UK supports flags not on the EU list (specifically flags CLSE and NTLS), we believe it to be useful for industry participants to use them regardless and would like to propose that, where use of such additional flags does not contend with EU regulatory requirements, participants be permitted to use them.

Furthermore, we have previously made recommendations on additional trade flags to aid transparency, provide more granularity and assist with the accurate identification of addressable liquidity. These flags are:

* GIVE – for the identification of RfMD give-up transactions
* IGRP – for the identification of transactions between entities of a single group undertaken for risk management purposes
* ENAV – for the identification of ETF net asset value (NAV) transactions
* IFND – for the identification of inter-fund transfer transactions
* XBDT – for the identification of potential duplicate post-trade transparency reports arising from cross-border activity

We note that transactions eligible for the GIVE and IGRP flags have been removed from the scope of post-trade transparency in the UK and recommend the same approach for the EU, though use of GIVE and IGRP flags would provide the market with the ability to identify such trades should this not be possible.

Similar to the point made regarding NTLS and CLSE, we would like to recommend that industry participations be permitted to use any of the above that are not added to the flags list.

One point we would also like to make is that, though we are supportive in principle of the evolution of the list of trade flags, it should be recognised that repeated modification of this list creates an implementation burden for industry participants.

<ESMA\_QUESTION\_CP3\_27>

1. Would you consider that the SIZE, ILQD, RPRI flags could be removed? Please, explain.

<ESMA\_QUESTION\_CP3\_28>

We do not have an opinion on the usage of these flags, though are in principle supportive of alignment of trade flagging standards across the EU and UK and hence would support the removal of these flags on that basis.

<ESMA\_QUESTION\_CP3\_28>

1. Would you consider that the ACTX flag could be removed? Please, explain.

<ESMA\_QUESTION\_CP3\_29>

We do not have an opinion on the usage of this flag, though are in principle supportive of alignment of trade flagging standards across the EU and UK and hence would support the removal of this flag on that basis.

<ESMA\_QUESTION\_CP3\_29>

1. Would you further reduce the maximum time for disclosing pre-trade transparency “as close to real-time as technically possible”? If so, what maximum limit would you suggest? Please explain.

<ESMA\_QUESTION\_CP3\_30>

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<ESMA\_QUESTION\_CP3\_30>

1. Do you agree with the proposed amendments to Article 15 of RTS 1? If not, please explain.

<ESMA\_QUESTION\_CP3\_31>

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<ESMA\_QUESTION\_CP3\_31>

1. Which option do you prefer: Option A (status quo), Option B (add layer for technical trades), Option C (add layer for technical trades and waivers)? Please explain.

<ESMA\_QUESTION\_CP3\_32>

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<ESMA\_QUESTION\_CP3\_32>

1. Do you agree with the proposed amendments to Annex IV of RTS 1 in relation to Option B and Option C? Please explain.

<ESMA\_QUESTION\_CP3\_33>

The only comment we wish to make regards the ‘Non price forming’ flag in the tables for both options B and C. This is defined as being equivalent to BENC, CONT and NFPT transactions and recognise the relevance of this choice to the wording of RTS 1. We would, however, like to reiterate the point we have made previously, being that we believe a true picture of non-addressable liquidity to be broader than non-price forming trades, including certain types of intra-group activity, RfMD give-up transactions, inter-fund transfers and allowing for the existence of duplicate post-trade transparency reports arising from certain types of cross-border activity.

<ESMA\_QUESTION\_CP3\_33>

1. Do you agree with the proposed amendments to Articles 16 to 19 of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_34>

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<ESMA\_QUESTION\_CP3\_34>

1. Do you agree with the proposed different application dates for the different provisions in Article 20 of RTS 1? Please explain.

<ESMA\_QUESTION\_CP3\_35>

We note there is limited time to 1st May 2025, that the changes to Article 3(1) in particular will require time for firms to implement, and that the final requirements will be not known until Q1 2025. This is unlikely to allow sufficient time for implementation, particularly mindful of conventions and contractual requirements in the market data distribution community to provide 90 days’ notice of any changes to market data feeds, with design and implementation time additional to this.

<ESMA\_QUESTION\_CP3\_35>

# 2.3 Input / Output data RTS (equity CTP)

1. Do you agree with the proposal for the Data related to the status of individual financial instruments? If not, please explain.

<ESMA\_QUESTION\_CP3\_55>

We are supportive of the proposals and would like to make the following comments and observations:

* Instrument and market status are already published by exchanges over their market data feeds but generally using separate application messages. This would be consistent with the proposal to include ‘regulatory data’ in CTP scope but with their own messages.
* Our understanding is that for instruments that are actively trading, the intention is for the CTP to publish a message with field 5 (Instrument status) blank. Furthermore, to indicate the resumption of trading after a suspension/halt, a message would be published with the suspension/halt status and an end date/time, followed by another message with no status (as above) and a blank end date/time. Assuming that our understanding is correct, we recommend that this should be made clearer in the text. We also note this is a rather complex way of implementing this requirement and very different to how the industry generally receives these data, noting that a suspension/halt end date/time might not be known at the point the suspension/halt starts.
* Furthermore, we note that venues today generally publish the trading phase of individual instruments, this being complementary to the proposed halted/suspended status. Indeed, instruments will change their trading phase at different times on different venues with different market models. We recommend therefore that the ‘Instrument status’ be modified to include the instrument’s trading phase. We recommend the use of MMT’s ‘trading mode’ (MMT level 2) for this purpose, being already widely adopted. Note this would require that venues publish a trading status/phase for all their instruments at the start of each trading session. We further recommend that trading system type also be added to Table 1 to allow instrument status/phase to be defined all the way down to the level of trading system type. However, we propose that frequent batch auctions be excluded due to the high volume of data and ability to infer status from pre-trade transparency data.
* We note currency should be added, as the combination of ISIN and segment MIC does not in all cases uniquely identify a tradable instrument.

We would like to make the general point that segment MIC and trading system type do not in all cases uniquely identify the trading behaviour of a venue (i.e., a venue with one segment MIC may be operating multiple market models simultaneously where they call under a single trading system type), and that some venue market models do not directly correlate to those in the list of trading system types (e.g., a lit order book, a ‘dark’ order book and a conditional order model all operate under the same MIC).

<ESMA\_QUESTION\_CP3\_55>

1. Do you agree with the proposal for the data related to the status of status of systems matching orders? Would you consider that other identifiers of the trading system type should be used? Please explain?

<ESMA\_QUESTION\_CP3\_56>

We are supportive of the proposals and would like to make the following comments and observations:

* Instrument and market status are already published by exchanges over their market data feeds but generally using separate application messages. This would be consistent with the proposal to include ‘regulatory data’ in CTP scope but with their own messages.
* With reference to our response to Q1 and Q8 in the consultation on the Review of RTS 2 (consultation pack 1), and Q7 in this consultation, we believe the term ‘CLOB central limit order book’ should not be included in the list of trading system types and should instead be referred to as ‘continuous auction trading’. As per our response in the RTS 2 consultation, a CLOB can include both continuous auction and periodic auction trading. It therefore does not map directly on to RTS 1 Annex 1 Table 1. Changing the reference to continuous auction trading would solve this. We also recommend that the field name be changed to ‘type of trading’ given that the pre-trade data transparency requirements are a factor of the type of trading activity taking place on a system rather than the system itself.
* Similar to our response on Table 1, we recommend that the ‘Status’ be modified to include the venue’s trading phase. We recommend the use of MMT’s ‘trading mode’ (MMT level 2) for this purpose, being already widely adopted.
* We would also like to point out that venue status overlaps with topics covered under ESMA’s Final Report on Market Outages. This, plus our own analysis, indicate that expressing a venue’s status simply as ‘working’ or ‘not working’ is an oversimplification (e.g. a trading system might be operational but there may be an issue with market data, outages go through various ‘stages’ – discovery, analysis, repair etc.).

We would like to make the general point that segment MIC and trading system type do not in all cases uniquely identify the trading behaviour of a venue (i.e., a venue with one segment MIC may be operating multiple market models simultaneously where they call under a single trading system type), and that some venue market models do not directly correlate to those in the list of trading system types (e.g., a lit order book, a ‘dark’ order book and a conditional order model all operate under the same MIC).

<ESMA\_QUESTION\_CP3\_56>

1. Do you agree that the pre-trade data to the CTP should be that included in Table 1b in section 4.1.3.1 except for fields 8 and 9? Please explain.

<ESMA\_QUESTION\_CP3\_57>

We recommend that field 8 (Quantity Currency) be included in the CTP output data and hence that data with different quantity currencies should not be aggregated by the CTP.

For field 9 (Aggregated number of orders and quotes), given this is not required in the CTP output data, we think excluding this field from the input data to the CTP is reasonable.

<ESMA\_QUESTION\_CP3\_57>

1. Do you agree with the proposal for the output table? Please explain.

<ESMA\_QUESTION\_CP3\_58>

For the avoidance of doubt, all references to Table 1a or Table 1b are for Annex I of RTS 1, and references to Table 5 are for Annex III of the Draft RTS on input/output data for shares and ETFs CTP.

Our main comments, covered in detail below, are:

* Pre-trade transparency for unmatched auctions.
* Granularity of the CT.
* Clarification on timestamps.
* Addition of ‘place of listing’ to uniquely identify instruments.
* “Reset” messages to handle changes in trading phase
* Definition of ‘trading system type’ and implications for markets that operate multiple trading models.

In line with our response to Q7, we note that section 8.2.2 contains examples of both matched and unmatched periodic auctions (figures 15 and 16 respectively) with only a matched auction example provided in section 4.1.3.1 (figure 3). We note that there is no language in RTS 1 Annex 1 Table 1 catering for unmatched periodic auctions. On this basis, we recommend that wording and examples that refer to CTP input or output data for unmatched periodic auctions be removed.

In line with our response to Q7 (on figure 3), we believe there is an error in figure 15 which shows the bid and offer sizes in the example to be different. On the basis that this example reflects a matched periodic auction (based on the bid and offer prices being equal), the description of the data to be made public from RTS 1 Annex 1 Table 1 implies that the bid and offer sizes should be equal. We also note that these prices and sizes are typically referred to as the indicative price and indicative volume and recommend that this terminology be used to aid understanding.

Following on from our response to Q57, we note it is unclear at what level of granularity the CT is intended to be published where it is provided with input messages containing different values of certain ‘key’ fields. We have undertaken an analysis of the input and output tables (1b and 5 respectively), assessing each field in turn, and recommend the following:

* Given that Price Currency is on both the input and output tables, data with different values of this field would not be aggregated. Examples of such instruments include IE000QQ8Z0D8, an ETF which trades in both GBP and EUR on XETR.
* We think that Table 1b Field 6 Price Notation should be included in table 5 and that data with different values of this field should not be aggregated.
* Though already mentioned in our response to Q58, we think that Table 1b field 8 Quantity Currency should be included in table 5 and that data with different values of this field should not be aggregated.
* As per our response to Q7, we also recommend the inclusion of “Place of listing” in table 5 and that data with different values of this field should not be aggregated.
* We think that Table 1b Field 11 Trading System should be included in table 5 and that data with different values of this field should not be aggregated. We would like to refer to our comments in Q7 on this field, specifically that we believe that it makes sense for the CTP output data to be split out based on type of trading system such that pre-trade data from CLOBs (as defined in our response to Q7) be separated from data from periodic auction trading systems, but that data across trading models within CLOBs (e.g. continuous trading and periodic auction trading) be combined.

As a general point we note that some references to fields listed in Table 1b explicitly include that table reference (e.g., fields 1, 2 and 10 of Table 5 which refer to “Table 1b of Commission delegated Regulation 2015/587”) and others don’t. We recommend that the reference to ‘Table 1b’ be added where it is currently missing, specifically fields 3, 4, 5, 7, 8, 9, 11 and 13). We also note that there are references to Regulation 2015/587 which we believe to be incorrect and suggest they be modified to reference Regulation 2017/587. Furthermore, there is some misalignment with Table 1b field references in Table 5 as follows:

* Table 5 fields 4 and 8 relate to Table 1b field 5 (not field 6 as written)
* Table 5 fields 5, 9 and 11 relate to Table 1b field 7 (not field 8 as written)

We also note that there are separate fields for Best bid currency and Best offer currency and, given we cannot see how a situation where the two would differ could arise, recommend that they be combined in to a single Price Currency field (aligning with Table 1b). This would also solve for the fact that there is no Auction price currency field in Table 5 and would also reduce the size of output data messages, saving on bandwidth.

Comments on specific fields are as follows:

Field 1:

The updated MiFIR level 1 text (article 2 36b point vii) requires a number of timestamps that, together, can be read as ‘the timestamp of an event that causes the best bid price or volume, offer price or volume, or auction indicative price or volume to change):

— the execution of the transaction and any amendment thereto,

— the entry of the best bids and offers into the order book,

— the indication, in an auction trading system, of the prices or volumes,

Additionally, we believe the term “trading venues operating an auction trading system” is referring specifically to periodic auction trading activity, and we recommend this be made clearer in the text

Noting the various market models and associated requirements for aggregated and disaggregated data, we believe it would be clearer to call this field ‘Update time’ in both Table 1b and Table 5.

Given the comments made above, we recommend changing the “Description and details to be published” for Table 1b and Table 5 as follows:

* For trading systems, where the orders and quotes do not have to be published on an aggregated basis, the date and time when the order or quote was received by the trading system.
* For trading systems, where the orders and quotes do have to be published on an aggregated basis, the date and time of the generation by the trading system of an updated best bid price and/or volume, offer price and/or volume.
* For trading venues operating an auction trading system the date and time of the generation by the trading venue of an updated value of the auction’s indicative price and/or volume.

The level of granularity shall be in accordance with the requirements set out in Article 2 of Delegated Regulation (EU) 2017/574

Field 6:

* We note that this field isn’t defined in MiFIR and do not find the wording “Date and time of the EBBO” sufficiently descriptive. However, we think this is useful data on the basis that it represents the timestamp at which point the CTP calculates its EBBO price/size resulting in a new value of best bid or offer price or volume. We therefore recommend that the description be modified as follows: “The date and time at which point the CTP calculates a new best bid or offer price or volume”. Our understanding is that a change in the auction price or volume would not result in an update to the EBBO timestamp.

Fields 4 and 8:

* In line with our response on field 5 of Table 1b, we note that some instruments may in theory trade in minor currencies and end users will expect to continue to see this (while noting we do not believe this to be a current problem).

Field 12:

* We recommend that the first sentence be extended to reference the relevant MiFIR article as follows: “Date and time when the information was published in line with the fifth clause of MiFIR article 2 36b point vii”

Field 13:

* We recommend that the first sentence be extended to reference the relevant MiFIR article as follows: “Date and time when the information was published in line with the fourth clause of MiFIR article 2 36b point vii”

<ESMA\_QUESTION\_CP3\_58>

1. Do you agree with the proposal for the input and output tables for the post-trade eq-uity CTP? Please explain.

<ESMA\_QUESTION\_CP3\_59>

Yes.

However we note that Table 2 of Annex III of the Draft RTS on input/output data for shares and ETFs CTP contains an additional flag ‘NLTS’, with no reference to this being made in the consultation and it not being added to the equivalent table in RTS 1 (Table 4 of Annex I). With reference to our response to Q27, we are supportive of the addition of this field, but it would need to be implemented in both tables. Furthermore we note NTLS is applicable to Trading Venues, not APAs (as it appears in Table 2).

We also suggest also that CTPs be permitted to add additional output fields (beyond those covered in this RTS) at the end of their messages for optional consumption to provide any ‘value added’ features they wish.

<ESMA\_QUESTION\_CP3\_59>

# 2.4 Flags in RTS 2

1. Do you agree with the proposed amendments to flags in Table 3 of Annex II or RTS 2? In particular, do you consider that the flag ‘ACTX’ should be deleted?

<ESMA\_QUESTION\_CP3\_60>

We note that ACTX usage is extremely rare and carries little informational content so would be supportive of its removal.

We see merit in the introduction of the MHPT flag for the reasons provided in the consultation, though recognise that while it may be of use from a regulatory perspective, we believe this will have limited benefit to end users.

Regarding the deferral flags, we note the additional complexity this will introduce to the data and that there will be an implementation burden for market participants, while also recognising the benefits of the additional granularity and opportunity for data quality checking.

<ESMA\_QUESTION\_CP3\_60>