**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 | Bloomberg |
| Activity | Other Financial service providers |
| Are you representing an association? |  |
| Country/Region | Netherlands |

# 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>

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<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>

We agree with the proposal on the start day of application of the transparency calculations. <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>

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<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>

We do not consider it appropriate to provide the side for request for quote systems, where quotes are provided by liquidity providers in response to a specific request from their client. The RFQ itself forms the price discovery process given specific parameters (such as security, size, side). Providing the pre-trade transparency inclusive of the side for an RFQ system may be providing too much information leakage to the market.

<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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<ESMA\_QUESTION\_CP3\_9>

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>

TYPE YOUR TEXT HERE

<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>

TYPE YOUR TEXT HERE

<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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<ESMA\_QUESTION\_CP3\_18>

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>

Yes, we agree with the proposed amendments. <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>

Yes, we agree with the proposed amendments. <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>

Yes, we agree with the proposed amendments. <ESMA\_QUESTION\_CP3\_27>

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

<ESMA\_QUESTION\_CP3\_28>

We agree that it makes sense to remove the flags if they are not being used frequently today and therefore not providing any benefit or value to the market. <ESMA\_QUESTION\_CP3\_28>

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

<ESMA\_QUESTION\_CP3\_29>

TYPE YOUR TEXT HERE

<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>

As it pertains to Request for Quote (RFQ) trading systems within RTS 1 (e.g. MTFs that offer execution in ETFs), where pre-trade transparency reporting is still required, we do not believe that reducing the maximum time is warranted. The quotes that are published as part of a negotiation protocol such as RFQ are not actionable to all market participants as they would be in a central limit order book or periodic auction trading system. The quotes provided in response to an RFQ are executable by the submitter of the RFQ only and the associated costs in producing a low latency reporting system for this protocol do not result in any benefit to investors. <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>

Taking into account that ESMA considers that data quality for RTS 1 is good, we prefer Option A. <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>

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<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>

Yes, we agree with the proposed amendments <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>

TYPE YOUR TEXT HERE

<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>

Sending the status of individual financial instruments should only be applicable to shares listed on a regulated market, where the primary exchange plays the key role in price discovery. <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 do not agree that the provision of this data is practical nor beneficial for all trading venues, trading systems or asset classes.

Trading venues, particularly MTFs, often admit both RTS 1 and RTS 2 instruments to trading under the same segment MIC covering a wide range of asset classes (e.g. Bonds, OTC derivatives, FX derivatives, Shares, ETFs, ETCs/ETNs, SFPs, etc.), which may sit on different technology stacks.

This means that each system within the trading venue may have a different status and also any interruption in a given asset class may be entirely independent from another asset class. It would be better for trading venues to manage communications about the availability of financial instruments and system statuses with their participants directly.

Finally, RFQ trading systems do not ‘match orders’ in the same way that a central limit order book or periodic auction trading system would do, where understanding the status of the system, and in particular the status of an order that may have been sent to such a system, is more relevant. <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>

Please see previous response related to side for RFQ systems, where we believe this field should be omitted.

<ESMA\_QUESTION\_CP3\_57>

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

<ESMA\_QUESTION\_CP3\_58>

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<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>

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<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>

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<ESMA\_QUESTION\_CP3\_60>