**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 | Aquis Exchange Europe |
| Activity | Regulated markets/Exchanges/Trading Systems |
| Are you representing an association? |  |
| Country/Region | France |

# 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>

We agree with Option 2 because this modification offers several advantages. It would reduce the frequency of daily reporting issues and substantially decrease the workload associated with quarterly data quality checks. In terms of quantifiable benefits, we estimate a reduction in reporting workload of approximately 50%.

<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.

<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>

We agree with the proposed clarification regarding the denominator used in calculating the daily traded parameter. The denominator should be "the number of days on which the instrument was made available for trading on the Multilateral Trading Facility (MTF) and where such market was open”. The numerator includes "off-venue" traded volume. For a more comprehensive understanding, we would appreciate clarification on the specific types of off-venue trading included (SI/OTC, addressable vs. non-addressable) and any post-trade flags that are relevant

<ESMA\_QUESTION\_CP3\_3>

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

<ESMA\_QUESTION\_CP3\_4>

We agree with the proposed approach to determining liquidity for shares, which involves replacing the "free-float" metric with "market capitalization”.

<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>

We agree with the proposed change, which should provide greater clarity for these instruments.

<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>

We agree that Field 7 should be removed. Furthermore, we propose to dispense with the obligation for MTFs to report the number of outstanding instruments as specified in Field 6.

<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 propose that a Market Identifier Code (MIC) for primary listing be added to facilitate unique identification of securities with the same International Securities Identification Number (ISIN) and currency listed on different markets. This would enable MTF contributors to distinguish between listings of the same security on multiple exchanges simultaneously for example ISIN - DE0007664039 that is listed on Frankfurt and Milan’s respective exchanges at the same time.

<ESMA\_QUESTION\_CP3\_7>

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

<ESMA\_QUESTION\_CP3\_8>

We are broadly in agreement with the technical modifications to Article 4 of the definition of MRMTL proposed by ESMA but would highlight the significant impact the selection of the MRMTL potentially has on the cost of non-display equity market data.

<ESMA\_QUESTION\_CP3\_8>

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

<ESMA\_QUESTION\_CP3\_9>

We agree with the proposal.

<ESMA\_QUESTION\_CP3\_9>

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

<ESMA\_QUESTION\_CP3\_10>

We agree with the proposed amendments.

<ESMA\_QUESTION\_CP3\_10>

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

<ESMA\_QUESTION\_CP3\_11>

We agree with the proposal.

<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>

We support the proposed approach of benchmarking regulatory changes against international best practices, particularly in the UK and Switzerland. This approach should be extended beyond the specific context of calibrating SMS and quotation thresholds for SIs.

We note that while the UK continues to use SMS as the threshold for quote publication, it currently lacks specific provisions for adjusting SMS, unlike the MiFIR review. UK SIs remain obligated to publish quotes for liquid instruments below the Large-in-Scale (LIS) threshold on reasonable commercial terms. We advocate for regular measurement of the trading volumes of SIs below LIS in both jurisdictions to assess their evolution over time.

<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>

With respect to questions 13 through to 24, we support the intention to increase pre-trade transparency in general, below the LIS threshold. However, we believe that details of the SMS recalibration are not in our remit as a MTF, but encourage the greatest levels of transparency for everything under LIS.

<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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<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>

With respect to questions 25 through to 35, we support the intention to enhance pre trade transparency for OTC and for improvements to data quality.

<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>

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<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>

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<ESMA\_QUESTION\_CP3\_27>

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

<ESMA\_QUESTION\_CP3\_28>

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<ESMA\_QUESTION\_CP3\_28>

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

<ESMA\_QUESTION\_CP3\_29>

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<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>

TYPE YOUR TEXT HERE

<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>

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<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 believe that using solely the International Securities Identification Number (ISIN) and Trading Venue is insufficient to uniquely identify a financial instrument. This combination can be ambiguous, as trading venues may list a single ISIN with multiple currencies. To ensure accurate identification, we propose including the currency as a crucial component.

Moreover, Multiple Trading Facilities (MTFs) often have secondary listings for ISINs that involve not only different currencies but also multiple trading venues. Therefore, incorporating a Primary Market Identifier Code (MIC) alongside the ISIN and currency would provide a more robust and reliable method for identifying securities within a trading venue.

Regarding instrument status, we believe that the concept of an "Instrument status end date and time" does not accurately reflect the practices of trading venues. Typically, a message is disseminated when a security is reactivated, not when it is halted or suspended. To streamline the process and avoid unnecessary complexity, we suggest introducing an "Active" Instrument status. This would simplify the reporting process, especially during incidents where the final status may be uncertain at the time of the initial message.

<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 believe that field 4 (System Status end date and time) is redundant. A new message indicating the start of the subsequent trading phase should be sufficient to replace the previous status. This approach avoids the potential need for two separate messages—one to terminate the old status and another to initiate the new one.

While we support the list of statuses defined in field 6(2), we believe that option (1), "subject to an outage," may be overly broad in certain scenarios. If a trading venue experiences an outage that only affects a subset of instruments, a more specific designation is necessary. We propose including the option of "partial outage" to provide a more granular indication of the disruption.

<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 agree that fields 8 and 9 are not essential for input or output by the CTP.

However, we do believe that field 8 (Quantity Currency) should be included in cases where instruments are traded in multiple quantities of different currencies. In such scenarios, we would not anticipate the quantities to be aggregated, making it necessary to specify the individual Quantity Currencies.

<ESMA\_QUESTION\_CP3\_57>

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

<ESMA\_QUESTION\_CP3\_58>

We believe that publishing the Entry Date and Time (table 5 - Field 1) may be unnecessary. Once aggregated, the BBO typically contains orders from various trading venues, making the granularity of individual timestamps less relevant. Including this field can increase message size, potentially impacting processing times and storage requirements.

For trading venues that utilize a "Central Limit Order Book" (CLOB) system, which combines auction and order book mechanisms, it is unclear how to effectively indicate when different venues are in auction mode or continuous trading. For example, a primary market might be conducting a volatility auction while an MTF continues to operate in continuous trading. Clarification on how to represent these differing states is needed.

Assuming that instruments traded in different currencies are not combined and published in a single BBO message, we propose combining the best bid currency and best offer currency into a single instrument currency. This would simplify the message structure and reduce potential ambiguity.

<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>

We agree with the proposal.

<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 agree that the ACTX flag should be deleted.

<ESMA\_QUESTION\_CP3\_60>