

**Jonathan Hill**  
**Commissioner for Financial Stability,**  
**Financial Services and Capital Markets**  
**Union**  
**European Commission**  
**BERL 12/181**  
**1049 Brussels**  
**Belgium**

**Ref: ESMA's opinions on the draft regulatory technical standards on Regulation (EU) No (EU) 600/2014 on transparency requirements in respect of bonds, structured finance product, emission allowances and derivatives (draft RTS 2) and on the Directive 2014/65/EU on the methodology for the calculation and the application of position limits for commodity derivatives traded on trading venues and economically equivalent OTC contracts (draft RTS 21)**

Dear Commissioner Hill,

On 28 September 2015, pursuant to Regulation (EU) No 600/2014 (MiFIR), ESMA submitted, the draft regulatory technical standard (RTS) to specify the transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives (draft RTS 2), as well as, pursuant to Directive 2014/65/EU (MiFID II), the methodology for the calculation and the application of position limits for commodity derivatives traded on trading venues and economically equivalent OTC contracts (draft RTS 21). On 20 April 2016, in accordance with Article 10(1) of Regulation (EU) No 1095/2010, the European Commission notified ESMA of its intention to endorse draft RTSs 2 and 21 with modifications. ESMA has assessed the Commission's proposed amendments.

Concerning the proposed amendments to draft RTS 2, ESMA is supportive of a phase-in for: (1) the liquidity criterion 'average daily number of trades' for determining the liquidity status of bonds, and (2) the trade percentile for determining the pre-trade size specific to the instrument for certain non-equity classes. However, for the implementation of the phase-in, ESMA proposes an alternative approach to the one suggested by the Commission.

Regarding the proposed amendments to draft RTS 21, ESMA is supportive of most of the proposals suggested by the Commission and has revised the position limits regime accordingly.



ESMA has also introduced a limited number of technical amendments with the aim of clarifying the original text of the RTSs submitted in September 2015.

You will find the opinions attached (ESMA/2016/666 and ESMA/2016/668). They will be published on the ESMA website following this submission to the Commission.

ESMA is currently finalising the remaining opinion on criteria for establishing when an activity is to be considered ancillary to the main business (draft RTS 20), which we plan to submit to you later this month.

Should you have any questions on this letter or the opinions, please do not hesitate to contact either me or Rodrigo Buenaventura, Head of the Markets Department.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'S/M' with a flourish.

Steven Maijor

cc.: Roberto Gualtieri MEP, Chair of the Committee on Economic and Monetary Affairs, European Parliament

Jeroen Dijsselbloem, President of the Economic and Financial Affairs Council, Council of the European Union

Jeppe Tranholm-Mikkelsen, Secretary-General of the Council of the European Union

Olivier Guersent, Director General, DG Financial Stability, Financial Services and Capital Markets Union, European Commission