

Olivier Guersent
Director General
Directorate General Financial Stability,
Financial Services and Capital Markets
Union
European Commission
1049 Brussels
Belgium

Ref: RTS 2 annual review report

Dear Mr Guersent,

DEAR OLIVIER,

I am writing to follow-up on the letter I sent to you on 16 January 2019 on the MiFID II/MiFIR review reports.

In that letter, ESMA also raised the issue of performing the annual review report regarding the operation of certain transparency requirements for bonds and derivatives as foreseen under Article 17 of the Commission Delegated Regulation (EU) 2017/583 (RTS 2) by 30 July 2019. A positive assessment by ESMA can lead to a legislative change subjecting more bonds and larger trade sizes in bonds and derivatives to real-time transparency.

ESMA considers that the remaining uncertainties regarding the timing and conditions of Brexit do not allow for an adequate assessment at this point in time. Including or excluding UK data from the assessment would have a fundamental impact on the results and any decision whether to include UK data would depend on whether the UK is still a member of the Union at the time any legislative change would take effect. Moreover, Brexit will in all likelihood affect liquidity in bond and derivatives markets and the value of the assessment will be limited when conducted before these effects have materialized.

Therefore, ESMA does not consider that this is a suitable time for performing the assessment and for potentially tightening the transparency rules in RTS 2.



I remain at your disposal to further discuss these matters and the best timing of the assessment of the transparency requirements for bonds and derivatives.

Yours sincerely,



Steven Maijor

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

Eugen Teodorovici, President of the ECOFIN Council, Council of the European Union

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