

ESMA publishes the MiFID/MiFIR Annual Review Report

In the report, ESMA is suggesting to the European Commission to move to the next stage for:

- the criterion 'average daily number of trades' used for the quarterly liquidity assessment of bonds; and
- the trade percentiles that determine the pre-trade sizes specific to the financial instrument for bonds.

These measures are designed to increase the transparency available to market participants in the bond market.

ESMA does not recommend moving to the next stage for the trade percentiles that determine the pre-trade sizes specific to the financial instrument for other non-equity financial instruments. ESMA considers such move premature since the first annual transparency calculation for these non-equity instruments will only be published this year.

Legal basis and next steps

In light of the assessment undertaken and the conclusions reached, ESMA has prepared an amended version of the applicable regulatory technical standards as foreseen in RTS 2.

The European Commission would have to endorse the amended regulatory technical standards. Following such endorsement, they are then subject to a non-objection procedure by the European Parliament and the Council.