

MIFID II: ESMA ISSUES LATEST DOUBLE VOLUME CAP DATA

Today's updates include DVC data and calculations for the period of 1 January 2018 to 31 December 2018 as well as updates to already published DVC periods.

The number of new breaches is 109: 80 equities for the 8% cap, applicable to all trading venues, and 29 equities for the 4% cap, that applies to individual trading venues. Trading under the waivers for all new instruments in breach of the DVC thresholds should be suspended from 20 February 2019 to 19 August 2019. The instruments for which caps already existed from previous periods will continue to be suspended.

In addition, ESMA highlights that some trading venues in the meantime have submitted corrected data that affects past DVC publications. For 1 instrument, this means that the previously identified breach of the cap proved to be incorrect and the suspension of trading under the waivers should be lifted.

As of 15 February, there is a total of 378 instruments suspended.

Please be aware that ESMA does not update DVC files older than 6 months.

Completeness indicators

ESMA has also updated the DVC completeness indicators file. From now on, the [completeness indicators](#) are calculated on the basis of the calendar year relevant for the DVC publication of the month. In addition, instruments are not present in the DVC system if the relevant trading venue for that instrument has not provided reference data for that instrument. This is due to recent changes to the system.

Brexit

As communicated on [5 February 2019](#), in case of a no-deal Brexit ESMA will not perform the DVC calculations in April and May 2019 due to concerns about disruptions of the ESMA IT-systems after Brexit. The DVC calculations will resume in June 2019. The DVC publications will include UK-related data submitted to the ESMA IT systems up to 29 March 2019.

Background

MiFID II introduced the DVC to limit the amount of dark trading in equities allowed under the reference price waiver and the negotiated transaction waiver. The DVC is calculated per instrument (ISIN) based on the rolling average of trading in that instrument over the last 12 months.