3 April 2025
ESMA74-2134169708-7311

MiFIR Review
Consultation Package 4

On transparency for derivatives, package orders and input/output data for the derivatives consolidated tape

Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. 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: **3 July 2025**

All contributions should be submitted online at 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 under the heading 'Data protection'.

Who should read this paper?

This document will be of interest to all stakeholders involved in the derivatives markets. It is primarily of interest to firms that are subject to MiFIR and MiFID – in particular, trading venues and investment firms. This paper is also important for trade associations and industry bodies, institutional investors and data reporting service providers.

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List of abbreviations and legal acts

ADV	Average daily volume
ADNT	Average daily number of transactions
ATS	Average trade size
APA	Approved Publication Arrangement
CDS	Credit Default Swaps
CO	Clearing Obligation
CP	Consultation Paper
CTP	Consolidated Tape Provider
DA	Delegated Act
DEG	European Commission's Expert Stakeholder Group on Equity and Non-equity Market Data Quality and Transmission Protocols
DTO	Derivatives Trading Obligation
ECB	European Central Bank
EMIR	European Market Infrastructure Regulation
EoD	End of day
ESCB	European System of Central Banks
ESMA	European Securities and Markets Authority
ETD	Exchange-Traded Derivatives
ETF	Exchange-Traded Funds
EU	European Union
EUAs	EU Emission Allowances
EUR	Euro
FIRDS	Financial Instruments Reference Data System
FITRS	Financial Instruments Transparency System
FR	Final report
FSB	Financial Stability Board
FX	Foreign Exchange
GBP	British Pound
GSIB	Global Systemically Important Bank
IRD	Interest Rate Derivative
IRS	Interest Rate Swap
ISIN	International Securities Identification Number

JPY	Japanese Yen
LIS	Large in scale
MIC	Market Identifier Code
MiFID II	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MTF	Multilateral Trading Facility
NCA	National Competent Authority
OMF	Order management facility
OTC	Over-the-counter
OTF	Organised Trading Facility
RM	Regulated Market
RTS	Regulatory Technical Standards
RTS 2	Commission Delegated Regulation (EU) 2017/583
RTS 22	Commission Delegated Regulation (EU) 2017/590
RTS 23	Commission Delegated Regulation (EU) 2017/585
SFPs	Structured Finance Products
SI	Systematic Internaliser
SSTI	Size Specific to the Instrument
ToTV	Traded on Trading Venue
USD	United States Dollar
UTC	Coordinated Universal Time

1 Executive Summary

Reasons for publication

The Amending Regulation and the Amending Directive following the review of the Markets in Financial Instruments Regulation[1] ('MIFIR') was published in the Official Journal of the EU on 8 March 2024. In this context, the European Securities and Markets Authority (ESMA) has been empowered to develop various technical standards further specifying certain provisions.

This consultation paper (CP) includes proposals specifying the transparency requirements for derivatives, the Regulatory Technical Standards (RTS) on package orders, and the RTS on input/output data for the OTC derivatives consolidated tape.

Contents

This CP includes ESMA's proposals on the new MiFIR transparency regime for exchange-traded derivatives (ETD) and OTC derivatives. It sets out the new scope of derivatives subject to transparency, it proposes to apply the new liquidity determination to pre-trade waivers and introduces amendments to post-trade transparency fields and flags. In addition, it includes ESMA's proposals on the new deferral regime for ETD and OTC derivatives, including the different size thresholds and deferral durations to be applied for post-trade transparency. Section 4 includes amendments to provisions related to the conditions under which MiFIR trade transparency requirements are disapplied to transactions entered by a member of the European System of Central Banks (ESCB). The CP also presents proposals to review Commission Delegated Regulation (EU) 2017/2194[2] ("Package order RTS") in particular taking into consideration the new scope and liquidity determination. Finally, Section 6 contains the proposals deriving from ESMA's new mandate to develop draft RTS prescribing data quality requirements for prospective consolidate tape providers (CTPs) and data contributors, covering the OTC derivatives tape.

Next Steps

On the basis of the feedback received to this consultation paper ESMA will publish a final report and submit the draft technical standards to the European Commission by the end of Q4 2024.

[1] Regulation (EU) 2024/791 of the European Parliament and of the Council of 28 February 2024 amending Regulation (EU) No 600/2014 as regards enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow.
[2] Commission Delegated Regulation (EU) 2017/2194 of 14 August 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to package orders.

2 Introduction

1. The MiFIR review (Regulation (EU) 2024/791[3]) introduces two new articles, Article 8a for pre-trade transparency and Article 11a for post-trade deferrals, that effectively separate the non-equity regime into two – one for bonds, structured finance products (SFPs) and emission allowances (EUAs) under the amended Articles 8 and 11; and another one for derivatives, with the new Articles 8a and 11a.

2. In order to ensure a consistent approach of the transparency regimes in each asset-class, and reflecting the clear political steer for prioritising the review of the transparency regime for bonds, ESMA decided to tackle these mandates in separate publications. On 16 December 2024, ESMA published a final report which addresses the transparency mandate for bonds, SFPs and EUAs. This CP addresses the transparency mandate for derivatives under Articles 8a and 11a of MiFIR.

3. In addition, the RTS on package orders for which there is a liquid market should also be amended to reflect the amended scope of transparency and the new liquidity determination proposed in this CP. Although the definition of package transactions potentially covers all asset classes, the RTS on package orders focusses on derivatives, as the most frequent asset class for trading packages, and therefore ESMA also introduces amendments under this mandate in this CP.

4. The current RTS on transparency for non-equity instruments (Commission Delegated Regulation (EU) 2017/583[4] or "RTS 2") includes the mandate under Article 1(8) of MiFIR in relation to the European System of Central Banks (ESCB) exemption. The MiFIR review introduces changes to this exemption including an empowerment to develop draft RTS to specify the monetary, foreign exchange and financial stability policy operations and the types of transactions to which Article 1(6) and 1(7) of the revised MiFIR apply with regard to members of the ESCB which are not members of the Eurosystem. This CP also covers this mandate.

[3] Regulation (EU) 2024/791 of the European Parliament and of the Council of 28 February 2024 amending Regulation (EU) No 600/2014 as regards enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow.
[4] Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives.

5. Additionally, as provided by the MiFIR Review, ESMA is mandated to develop draft RTS introducing reporting instructions for Consolidated Tape Providers (CTPs) for bonds, shares and exchange-traded funds (ETFs), and OTC derivatives. In December 2024, ESMA published a final report[5] containing draft RTS that specify the data fields to be transmitted to and disseminated by the CTPs for bonds, shares, and ETFs. To ensure consistency with the revised transparency requirements for derivatives, the content and presentation of data fields related to the CTP for OTC derivatives are proposed separately in this CP.

6. This CP therefore seeks stakeholders' views on key elements of future ESMA technical standards. Respondents to this consultation are encouraged to provide the relevant information to support their arguments or proposals. Based on feedback received, ESMA will prepare a Final Report that will include the final draft RTS for submission to the Commission.

7. Finally, while this CP does not include a specific draft cost-benefit analysis (CBA), ESMA has developed its draft RTS having due regard to the principle of proportionality and being mindful about the possible costs the obligations they contain would create for market participants. Nevertheless, respondents are invited to highlight in their response any specific concerns the ESMA proposals could raise for them in terms of their associated costs. ESMA will include a CBA in the final report.

[5] https://www.esma.europa.eu/sites/default/files/2024-12/ESMA74-2134169708-7768_-_MiFIR_review_-_Final_Report_on_CTPs_and_DRSPs.pdf

3 Transparency regime for derivatives

8. The transparency regime for derivatives is defined in the following Articles of MiFIR:

   - Article 8a of MiFIR sets out the pre-trade transparency requirements for trading venues in respect of derivatives.
   - Article 8b of MiFIR sets out the pre-trade transparency requirements for trading venues in respect of package orders.
   - Articles 10 and 21 of MiFIR set out the post-trade transparency requirements for trading venues and investment firms respectively, in respect of *inter alia* derivatives;
   - Article 11a of MiFIR sets out the deferral regime for trading venues in respect of derivatives.

9. The following sections analyse the mandates under those articles and provide proposals in this regard.

10. For this CP, ESMA has drafted a standalone RTS to address pre- and post-trade transparency requirements for derivatives. While ESMA plans to fully recast RTS 2 to encompass the transparency provisions for all non-equity instruments in a single RTS, the current approach avoids drafting such provisions now to ensure the Commission can smoothly adopt the amended RTS 2 for bonds, SFPs and EUA. ESMA anticipates that the adoption procedure will be completed by the time the final report for this CP is drafted. At that point, a comprehensive recast of RTS 2 will be provided, incorporating the final approach for derivatives and the adopted provisions for bonds.

3.1 New scope of derivatives subject to transparency

11. The revised MiFIR redesigns the scope of the transparency regime for derivatives other than ETDs. While under the old regime transparency applied to derivatives 'traded on a trading venue' (TOTV), the new regime applies to derivatives based on certain pre-defined characteristics and irrespective of whether they are traded on- or off-venue. The Regulation aims to capture derivatives that are sufficiently standardised so that the data published in relation to them is meaningful for market participants beyond the contracting parties (Recital 8 of the Regulation amending MiFIR)

12. In practice, the amendments imply that all ETDs, i.e. derivatives traded on regulated markets, remain within the scope of transparency requirements.

13. In relation to OTC derivatives, only a subset of instruments as defined in Article 8a(2) of MiFIR remain in the scope of transparency. Those in-scope OTC derivatives are, to a large extent, those subject to the clearing obligation (CO) under EMIR[6] and those centrally cleared.

14. More specifically, for interest rate derivatives (IRD), the regulation specifies that in-scope derivatives are only those denominated in the G4 currencies (EUR, JPY, USD, GBP) and with a contractually agreed tenor of 1, 2, 3, 5, 7, 10, 12, 15, 20, 25 or 30 years.

15. For credit derivatives, in addition to those subject to the clearing obligation and cleared, two types of credit default swaps (CDS) are in scope: centrally cleared single-name CDSs referencing globally systemically important banks (GSIBs) and centrally cleared index CDSs referencing an index comprising such banks.

16. The table below provides an overview of the derivatives in scope of transparency.

[6] Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

ETD/OTC	Type of Instrument	Asset class	Notional Currency	Cleared	Subject to the clearing obligation	IRS - Tenor	Single Name CDS - GSIB	Index CDS - GSIB
ETD	Derivative				**Not relevant**			
ETD	Securitised Derivatives				**Not relevant**			
OTC	Derivative	**IRS**	**EUR, JPY, USD, GBP**	**YES**	**YES**	**1, 2, 3, 5, 7, 10, 12, 15, 20, 25 or 30 years**	**Not relevant**	
OTC	Derivative	**Index CDS**	**EUR, JPY, USD, GBP**	**YES**	**YES**		**Not relevant**	
OTC	Derivative	**Single-name CDS**	**EUR, JPY, USD, GBP**	**YES**	**Not relevant**		**YES**	**Not relevant**
OTC	Derivative	**Index CDS**	**EUR, JPY, USD, GBP**	**YES**	**Not relevant**			**YES**

Table 1: Overview of derivatives in scope of transparency

3.2 Pre-trade transparency for derivatives traded on trading venues

3.2.1 Mandate

Article 9(5) of MIFIR

"5. ESMA shall develop draft regulatory technical standards to specify the following:

[…] :

(b) the range of bid and offer prices and the depth of trading interests at those prices to be made public for each class of financial instrument concerned in accordance with Article 8(1), Article 8a(1) and (2) and Article 8b(1), taking into account the necessary calibration for different types of trading systems as referred to in Article 8(2), Article 8a(3) and Article 8b(2);

[…]

f) the characteristics of central limit order books and periodic auctions trading systems;

[…]".

3.2.2 Background

17. The MiFIR review removed some trading systems, in particular request-for-quote (RFQ) and voice trading systems, from the pre-trade transparency obligations. It also separated the pre-trade transparency requirements for bonds, SFPs and EUAs (Article 8), from derivatives and package orders (under the new Articles 8a and 8b, respectively). In addition, it removed any pre-trade transparency obligations for investment firms acting as systematic internalisers (SI) by deleting Article 18 of MiFIR.

18. Therefore, under the new non-equity transparency regime, real-time pre-trade transparency is limited to trading venues operating a central limit order book trading system (CLOB) or a periodic auction trading system. Article 9(5)(f) of MiFIR introduces an empowerment for ESMA to further specify the characteristics of CLOBs and periodic auctions trading systems.

19. Despite not including any changes to certain waivers (the large-in-scale (LIS) and order management facility (OMF) of the trading venue pending disclosure) the new MiFIR regime removed the size specific to the financial instrument (SSTI) waiver.

20. ESMA already consulted on the removal of the SSTI waiver and not to make any changes to the OMF waiver for the purposes of the amendment to RTS 2 in relation to bonds. These changes were also applicable for derivatives transparency as well and will not be consulted upon in this CP.

21. The MiFIR Review emphasises the link between pre- and post-trade transparency. The determination of a liquid market for the purpose of deferring post-trade information should also be applicable for pre-trade transparency waivers. Recital 11 of the revised MiFIR: "*The heterogeneity of derivatives should result in a deferral regime that is separate from those for other non-equity instruments. While the duration of deferrals should be determined by means of regulatory technical standards on the basis of the size of the transaction and liquidity of the class of derivative, ESMA should determine which instruments or classes are liquid, which are illiquid, and above which size of transaction it is possible to defer the publication of the details of the transaction. It is appropriate for ESMA to also apply the determination of liquid and illiquid markets to the pre-trade transparency waivers*."

22. The MiFIR review specifies the possible waivers for OTC derivatives in Article 9. Concerning the illiquid waiver the revised MiFIR clarifies in Article 9(1)(c) that OTC derivatives which are subject to the derivative trading obligation (DTO) cannot benefit from an illiquid waiver. Other OTC derivatives and other derivatives may benefit from an illiquid waiver.

23. In addition to the changes introduced by the MiFIR review, ESMA sees room for improvement for the existing mechanism to determine the variables of waivers (i.e. liquidity assessment, LIS determination). In line with the intention of the co-legislators ESMA seeks to make the system less burdensome for market participants.

3.2.3 Analysis and Proposals

3.2.3.1 Definition of central limit order book and periodic auctions trading systems

24. In its Final Report on the amendment of RTS 2 in December 2024, ESMA defined CLOBs and periodic auctions trading systems. These definitions should also apply in the context of derivatives. Therefore, Central Limit Order Book Trading system means either of the following:

    a) a continuous order book trading system that by means of an order book and a trading algorithm operated without human intervention matches sell orders with buy orders on the basis of the best available price on a continuous basis;

    (b) a trading system combining elements of a continuous order book trading as referred to in point (a) and of periodic auction trading system.

25. In the case of periodic auctions, ESMA proposes to keep the current definition of periodic auction trading systems.

26. ESMA proposes to add both definitions to the draft RTS.

3.2.3.2 Illiquid waiver

27. In relation to the illiquid waiver under Article 9(c) of MiFIR, and although the definition has not changed (as opposed to bonds), ESMA nevertheless proposes a new approach in

order to move from the current annual liquidity determination to a static determination of liquidity for derivatives.

28. ESMA proposes that the liquidity determination provided in the section dedicated to the deferral regime for derivatives, should be applied also in a pre-trade transparency context, particularly the illiquid waiver under Article 9(1)(c) of MiFIR.

3.2.3.3 Large in Scale waiver

29. In relation to the LIS waiver thresholds, ESMA suggests a new approach. Currently, RTS 2 sets out a methodology, under Article 13(2), whereby a periodic quantitative assessment must be provided on a yearly basis, which is based on transactions executed in the preceding calendar year. Considering the move to static thresholds for the liquidity determination and the deferral regime (see section 3.4.3.1), ESMA sees merit in also setting a static pre-trade LIS threshold. This approach has also been taken for bonds, SFPs and EUA, and ESMA proposes to replicate it for derivatives.

30. Pre-trade transparency involves disclosing pending orders before execution. However, in less liquid markets, revealing large orders can cause significant price movements, deterring large traders. Efficient price discovery relies on pre-trade transparency information and setting the thresholds at the right level ensures appropriate protection for liquidity providers, whiles ensuring fair and accurate price discovery.

31. For this reason, ESMA suggests setting the pre-trade transparency thresholds at a level below the lowest threshold for the purposes of the deferral regime. ESMA proposes setting pre-trade disclosure thresholds at 50% of post-trade thresholds which balances transparency with market stability, ensuring liquidity and efficiency.

32. For this purpose, ESMA proposes to set static thresholds for derivatives as per the tables in Annex III of the draft RTS under section 7.3.1.

Question 1: Do you agree with the proposals regarding pre-trade transparency?

3.3 Post-trade transparency fields and flags

3.3.1 Mandate

Article 11a of MiFIR

3. ESMA shall, after consulting the expert stakeholder group established pursuant to Article 22b(2), develop draft regulatory technical standards to specify the following in such a way as to enable the publication of information required pursuant to this Article and Article 27g:

(a) the details of transactions that investment firms and market operators are to make available to the public for each class of derivative as referred to in paragraph 1 of this Article, including identifiers for the different types of transactions published pursuant to Article 10(1) and Article

21(1), distinguishing between those determined by factors linked primarily to the valuation of the derivatives and those determined by other factors;

(b) the time limit that is considered to comply with the obligation to publish as close to real time as technically possible including when trades are executed outside normal trading hours;

(…)

ESMA shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 29 September 2025.

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first and second subparagraphs in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

ESMA shall review the regulatory technical standards referred to in the first and second subparagraphs in conjunction with the expert stakeholder group established pursuant to Article 22b(2) and amend them to take into account any substantial changes in the calibration of the price and volume deferrals pursuant to the first subparagraph, point (e), and the second subparagraph of this paragraph.'

3.3.2 Background

33. Article 10 of MiFIR requires market operators and investment firms operating a trading venue to make public the price, volume and time of transactions executed in respect of ETDs and OTC derivatives as referred to in Article 8a(2). This publication should be done as close to real-time as technically possible.

34. ESMA is empowered to define the details of transactions that have to be made available to the public for ETDs and OTC derivatives. In addition, it also needs to establish the time limit that should be considered as in compliance with the obligation to publish as close to real time as is technically possible, including where transactions are executed outside normal working hours. These empowerments are defined in Article 11a(3)(a) and (b) of MiFIR respectively.

3.3.3 Analysis and Proposals

3.3.3.1 Post-trade transparency fields

35. Trading venues are required to publish post-trade information in relation to transactions in bonds, SFPs, emission allowances and derivatives executed on their trading venues (Article 10 of MiFIR). Regarding derivatives, the post-trade transparency requirements in Article 10 concern (1) regulated markets, for exchange traded derivatives; and (2) MTFs and OTFs, for in-scope OTC derivatives.

36. Investment firms are also subject to post-trade transparency obligations, via an APA, when they conclude transactions OTC (Article 21 of MiFIR). Following the MiFIR review, post-trade transparency for off-venue transactions concerns only in-scope OTC derivatives.

37. The details to be published for the purpose of post-trade transparency are specified in Table 2 (list of fields) and Table 3 (list of flags) of Annex II of RTS 2. A first set of proposals to amend those two tables considering the MiFIR review was detailed in the final report covering the review of RTS 2 for bonds[7], SFPs and EUAs. Those proposals were either only relevant for bonds, SFPs and EUAs; or were relevant for all asset classes. They are not discussed in this CP. The second set of proposals made below are only relevant for derivatives.

3.3.3.1.1 Field 2 "Instrument identification code"

38. The MiFIR review introduces a revision of the way in which OTC derivatives are identified for the purpose of public transparency, to facilitate the identification and aggregation of information across the global OTC derivative markets.

39. In accordance with its mandate under Article 27(5) of MiFIR, the European Commission adopted on 24 January 2025 a Delegated Act (DA) as regards OTC derivatives identifying reference data to be used for the purposes of the transparency (DA on OTC Identifier).

40. The existing international securities identification number (ISIN) for OTC derivatives will be revised to ensure that all the reference data listed in the Annex of the DA on OTC Identifier can be retrieved from such revised ISIN. As a result, it is not necessary to amend the field 2 "Instrument identification code" in RTS 2.

3.3.3.1.2 New fields "Effective date" and "Expiration date"

41. The revised ISIN for OTC derivatives is designed in such a way that changes in the effective date and expiry date of IRDs do not trigger a new ISIN. As those characteristics are no longer part of reference data, they should be included in the post-trade transparency reports[8]. As a result, one field "effective date" and one field "expiry date" should be added to the table of post-trade fields, in Table 2 of Annex II of RTS 2 as shown below.

#	Field identifier	Financial instruments	Description and details to be published	Type of execution or publication venue	Format to be populated as defined in Table 1

[7] Sections 4.1 and 4.2 of MiFIR review Final Report: Review of RTS 2 on transparency for bonds, structured finance products and emission allowances and RTS on reasonable commercial basis (ESMA74-2134169708-7775 16 December 2024) https://www.esma.europa.eu/sites/default/files/2024-12/ESMA74-2134169708-7775_MiFIR_Review_Final_Report_on_amendment_of_RTS_2_and_RTS_on_RCB.pdf

[8] Recital 16 of the DA on OTC Identifier: "Identifying reference data for OTC interest rate swaps should not include the daily expiry date or the effective date of an interest rate swap" and explanatory part: "It is of crucial importance that specific contractual dates, such as the expiry date or effective date of the swap, do not form part of identifying reference data. Such information should form part of the mandatory transparency and transaction reporting fields (MiFIR, RTS 2 and RTS 22)."

2a	Effective date	For OTC interest rate derivatives	Date on which the obligations under the interest rate derivative contract comes into effect.	MTFs, OTFs, APAs	{DATEFORMAT}
2b	Expiry Date	For OTC interest rate derivatives	Expiry date of the interest rate derivative contract	MTFs, OTFs, APAs	{DATEFORMAT}

3.3.3.1.3 Field 18 "Transaction to be cleared"

42. Under the new scope of derivatives subject to transparency, all transactions are cleared. Indeed, for the ETD part, transactions executed on a regulated market are cleared. For the OTC part, the scope of instruments defined in Article 8a(2) of MiFIR indicates that only cleared derivatives are subject to transparency.

43. As a result, the field "Transaction to be cleared" is redundant and ESMA suggests deleting it.

3.3.3.1.4 Reporting of CDS prices

44. The Manual on post-trade transparency[9] provides information on the reporting of CDS prices, which are not currently reflected in RTS 2. In the Manual, ESMA anticipated that such information would be considered in the context of the revision of RTS 2 following the MiFIR review[10].

45. CDS prices are composed of three related components: 1/ the fixed rate, or standardised coupon in basis points (generally 100bps or 500bps); 2/ the quoted spread in basis points, reflecting market conditions; and 3/ the upfront payment, reflecting the difference in monetary value between the standardised coupon and the quoted spread, and settled at the beginning of the contract.

46. Currently, only the quoted spread is required to be reported in the field "Price". Respondents to the consultation paper on the Manual on post-trade transparency supported the addition of the field "Up-front payment" for CDS in post-trade transparency report.

47. Under EMIR, the three above-mentioned elements are reported[11].

[9] Manual on post-trade transparency under MiFID II/MiFIR (ESMA74-2134169708-6870)
[10] Section 4.2.1.2.6.3 Credit derivatives of the Manual on post-trade transparency
[11] See paragraph 252(f) of the Guidelines for reporting under EMIR esma74-362-2281_final_report_guidelines_emir_refit.pdf (europa.eu)

48. Regarding the CDS price fields to be reported for the purpose of post-trade transparency, two options are considered: reporting of the spread and the upfront payment (Option A); or reporting of the three fields (spread, upfront payment and standardised coupon) (Option B).

49. Option B requires the creation of two new fields (upfront payment and standardised coupon) versus one new field for Option A (upfront payment). The standardised coupon rather pertains to reference data and may be inferred from the other two price components. It may hence be sufficient to require the reporting of the spread and the upfront payment.

50. For this reason, ESMA's proposal regarding CDS prices is to require the reporting of the spread (already reported in the field "Price") and in addition the upfront payment (creation of a new field described below) (Option A). However, stakeholders are invited to indicate whether they prefer Option B, in which case another field could be added to report the standardised coupon.

51. Finally, ESMA is suggesting aligning this field with the corresponding field in the RTS on transaction reporting (Field 38 in RTS 22[12]) to ensure consistency between the two reporting regimes.

#	Field identifier	Financial instruments	Description and details to be published	Type of execution or publication venue	Format to be populated as defined in Table 1
3a	Up-front payment amount	For credit derivatives	Monetary value of any up-front payment received or paid by the seller. Where the seller receives the up-front payment, the value populated is positive. Where the seller pays the up-front payment, the value populated is negative.	RM, MTF, OTF, APA	{DECIMAL-18/5}

3.3.3.1.5 Reporting of spread for interest rate swaps

52. The Manual on post-trade transparency provides information on the reporting of interest rate swaps, which are not currently reflected in RTS 2. In the Manual, ESMA anticipated that such information would be considered in the context of the revision of RTS 2 following the MiFIR review[13].

53. As explained in the Manual, the price elements of interest rate swaps are the two rates (fixed and/or floating rates) and the spread (i.e. spread on the floating leg index reference price, in the case there is a spread on the floating leg).

54. To cover the information currently missing in RTS 2, ESMA proposes to:

[12] Commission Delegated Regulation (EU) 2017/590 of 28 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities.
[13] Section 4.2.1.2.6.1.5 Interest rate swaps (IRS) of the Manual on post-trade transparency

- report in the field “Price” the fixed rate in line with Q&A#2 of section 16 - Interest Rate Swaps reporting and Q&A#1 of section 14 - Financial instruments’ volatile attributes of the Q&A document on MiFIR data reporting[14];
- add a new field “Spread” in RTS 2 to report the spread on the floating leg, as below:

#	Field identifier	Financial instruments	Description and details to be published	Type of execution or publication venue	Format to be populated as defined in Table 1
3 b	Spread	Interest rate swaps	For fixed-to-float, OIS, and inflation swaps against a fixed leg: the spread of floating leg 1 expressed in percentage. For float-to-float swaps: the spread of floating leg 1 expressed in percentage. For fixed-to-fixed swaps: not applicable.	RM, MTF, OTF, APA	{DECIMAL-11/10}

55. Finally, references to “systematic internaliser” as an execution venue are deleted from the table of fields (field “Venue of execution”) given that the SI regime is no longer relevant for non-equity instruments.

3.3.3.2 Post-trade deferral flags

56. The post-trade transparency flags for derivatives should be aligned with the revised post-trade transparency regime introduced by the MiFIR review. For derivatives, deferrals are organised in accordance with five categories. Given that this principle is the same as for bonds, ESMA suggest using for derivatives the same post-trade deferral flags as the ones introduced for bonds, i.e. one for each of the five categories of transactions, as follows:

Flag	Name	Description
‘MLF1’	Medium Liquid flag	Transactions in derivatives benefiting from a deferral applicable to transactions of a medium size in a financial instrument for which there is a liquid market.
‘MIF2’	Medium Illiquid Flag	Transactions in derivatives benefiting from a deferral applicable to transactions of a medium size in a financial instrument for which there is not a liquid market.
‘LLF3’	Large Liquid Flag	Transactions in derivatives benefiting from a deferral applicable to transactions of a large size in a financial instrument for which there is a liquid market.
‘LIF4’	Large Illiquid Flag	Transactions in derivatives benefiting from a deferral applicable to transactions of a large size in a financial instrument for which there is not a liquid market.

[14] Questions and Answers on MiFIR data reporting (ESMA70-1861941480-56)

'VLF5'	Very Large Liquid Flag	Transactions in derivatives benefiting from a deferral applicable to transactions of a very large size in a financial instrument for which there is a liquid market.
'VIF5'	Very Large Illiquid Flag	Transactions in derivatives benefiting from a deferral applicable to transactions of a very large size in a financial instrument for which there is not a liquid.

Table 2: post-trade deferral flags for derivatives

57. Regarding derivatives for which only one threshold and one deferral duration are proposed, the above flags are not relevant. In this case, ESMA suggests flagging the transactions using the same flag as the one used for ETCs, ETNs, SFPs and emission allowances i.e. 'DEFF', as the situation is the same.

58. In addition, the existing post-trade deferrals flags ('LRGS', 'ILQD', 'SSTI') should not be added to the new RTS as they are replaced by the flags defined above.

59. Supplementary deferrals are no longer applicable to derivatives. As a result, the corresponding flags (LMTF, FULF, DATF, FULA, VOLO, FULV, FWAF and FULJ) should also not be added.

Question 2: Do you agree with the proposed amendments to Table 2 (fields) and Table 3 (flags) of Annex II of RTS 2? Please explain.

3.3.3.3 Concept of what constitutes real-time

60. The concept of "as close to real-time as technically possible" under RTS 2 currently allows for a maximum delay of 5 minutes, after a less strict requirement of 15 minutes during the first three years of application of MiFIR. ESMA did not propose any change to the current requirements for bonds, SFPs and EUA in its recent consultation. It also does not propose to make any changes for derivatives.

61. ESMA reiterates that the maximum permissible delay should only be used by market participants that, for technical reasons, are not able to achieve real-time publication in a fully automated process.

Question 3: Do you agree not to change the concept of "as close to real-time as technically possible"? If not, what would be in your view the maximum permissible delay?

3.4 Liquidity determination and deferral regime for derivatives

3.4.1 Mandate

Article 11a of MiFIR

3. ESMA shall, after consulting the expert stakeholder group established pursuant to Article 22b(2), develop draft regulatory technical standards to specify the following in such a way as to enable the publication of information required pursuant to this Article and Article 27g:

(…)

(c) for which derivatives, or classes thereof, a liquid market exists;

(d) for a liquid or illiquid derivative, or for a class thereof, what constitutes a transaction of a medium size, of a large size and of a very large size, as referred to in paragraph 1, third subparagraph, of this Article on the basis of a quantitative and qualitative analysis and taking into account the criteria in Article 2(1), point (17)(a), and other relevant criteria where applicable;

(e) the price and volume deferrals applicable to each of the five categories set out in paragraph 1, third subparagraph, of this Article, on the basis of a quantitative and qualitative analysis and taking into account the criteria in Article 2(1), point (17)(a), the size of the transaction and other relevant criteria where applicable.

For each of the categories set out in paragraph 1, third subparagraph, of this Article ESMA shall regularly update the draft regulatory technical standards referred to in the first subparagraph, point (e), of this paragraph in order to recalibrate the applicable deferral duration with the aim of gradually decreasing it where appropriate. No later than one year after the decreased deferral durations become applicable, ESMA shall perform a quantitative and qualitative analysis to assess the effects of the decrease. Where available, ESMA shall use the post-trade transparency data disseminated by the CTP for this purpose. If adverse effects to the financial instruments appear, ESMA shall update the draft regulatory technical standards referred to in the first subparagraph, point (e), of this paragraph to increase the deferral duration back to the previous level.

ESMA shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 29 September 2025.

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first and second subparagraphs in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

ESMA shall review the regulatory technical standards referred to in the first and second subparagraphs in conjunction with the expert stakeholder group established pursuant to Article 22b(2) and amend them to take into account any substantial changes in the calibration of the price and volume deferrals pursuant to the first subparagraph, point (e), and the second subparagraph of this paragraph.'

3.4.2 Background

62. The aim of the post-trade transparency regime under Article 10 of MiFIR is to provide for an adequate level of transparency to market participants while at the same time ensuring that liquidity providers are not exposed to undue risk. As such, the transparency framework provides for the possibility for trading venues (as well as for OTC transactions) to defer publication of certain transactions which should be calibrated considering their size and liquidity profile. The MiFIR review revamps the current deferral regime applicable to ETDs and OTC derivatives in the new Article 11a.

63. The newly introduced regime creates a tailored regime for ETDs and OTC derivatives, similar to that introduced for bonds, SFPs and EUAs. The new regime removes the concept of the large in scale, illiquid and SSTI deferrals, and the requirement for trading venues (and investment firms for OTC transactions) to obtain the NCA's prior approval of their proposed arrangements for deferred trade-publication.

64. As for bonds, the deferral regime should be organised by using five different categories:

    a. category 1: transactions of a medium size in a financial instrument for which there is a liquid market;
    b. category 2: transactions of a medium size in a financial instrument for which there is not a liquid market;
    c. category 3: transactions of a large size in a financial instrument for which there is a liquid market;
    d. category 4: transactions of a large size in a financial instrument for which there is not a liquid market;
    e. category 5: transactions of a very large size.

65. ESMA is therefore empowered under Article 11a(3) with setting out what should be considered a medium, large, and very large size. In addition, ESMA has to set out for which derivatives a liquid market exists.

66. Finally, ESMA also needs to specify the price and volume deferral applicable to each of the five categories on the basis of a quantitative and qualitative analysis. It should be noted that, contrary to the bond deferral regime, the MiFIR requirements for derivatives do not include a maximum deferral duration.

3.4.3 Analysis and Proposals

3.4.3.1 General approach

67. The current pre- and post-trade transparency regime is constructed in a dynamic manner: reporting parties report transparency data to the ESMA system (FITRS) daily, and ESMA performs and publishes the transparency calculations periodically on the basis of the data reported. The MiFIR review intends to make the transparency regime simpler and more stable. With this objective in mind, and consistent with the approach adopted for bonds, ESMA suggests adopting a static determination of liquidity for derivatives, and to define all the necessary parameters of the transparency regime in the RTS.

68. To identify the contracts which are deemed to have a liquid market, ESMA suggests defining the liquid classes in the RTS with cross-references to the relevant reference data fields in RTS 23[15]. Hence, the reference data necessary for counterparties to implement the transparency regime is unique and publicly accessible in the Financial Instruments Reference Data System (FIRDS) database maintained by ESMA. One exception for interest rate derivatives is further explained in Section 3.4.3.2.2, on which ESMA is seeking stakeholders feedback.

69. To ensure that the transparency regime remains fit for purpose over time, ESMA may review and amend the RTS as appropriate, as foreseen by the mandate in the second paragraph of Article 11a(3) of MiFIR. For that purpose, ESMA may rely on consolidated tape data, or other datasets at its disposal.

70. As transparency calculations on derivatives will no longer be periodically published, the reporting of transparency data to FITRS will be discontinued. This applies both to transparency reference data currently defined in Annex IV of RTS 2 (which will be moved to RTS 23, where relevant) and to transparency quantitative data currently defined in Annex V of RTS 2. This approach hence contributes to a significant reduction of the reporting burden on reporting parties.

71. Regarding the implementation timeline, the new transparency regime for derivatives should consider the ongoing revision of reference data for OTC derivatives (see Section 3.3.3.1.1) and become applicable once this revision is effective.

Question 4: Do you agree with the general approach described above?

3.4.3.2 ETDs - Liquidity determination

72. For the purposes of the liquidity determination of ETDs, ESMA has first identified the list of derivatives traded on a regulated market, in accordance with the new scope of derivatives subject to transparency requirements. For those instruments, ESMA has carried out an analysis of the trading activity (based on both volume, and number of transactions) for the liquidity determination and the setting of the new post-trade sizes under the deferral regime, using data reported to the ESMA FIRDS and FITRS. The data analysis is based on transactions executed in the calendar year 2023.

73. Proposals for the liquidity determination of each derivative asset class (Equity, Interest Rate, Credit, foreign exchange (FX), Commodity, Others), as well as securitised derivatives, are provided in the following sections.

[15] Commission Delegated Regulation (EU) 2017/585 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the data standards and formats for financial instrument reference data and technical measures in relation to arrangements to be made by the European Securities and Markets Authority and competent authorities

3.4.3.2.1 Equity Derivatives

74. **Status quo**: Under the current RTS 2, all equity derivatives are subject to a static determination of liquidity, and they are all deemed to have a liquid market, with the exception of swaps and portfolio swaps which are subject to a periodic determination.

75. Regarding the liquidity determination of equity ETDs, ESMA is consulting on the three options described below.

Option A:

76. Under Option A, ESMA suggests not to lower the level of transparency and therefore to maintain the existing liquidity assessment. More specifically, ESMA proposes to deem all equity ETDs as liquid as in the current RTS 2, except for swaps and portfolio swaps. Therefore, stock options and futures, ETF options and futures, stock index options and futures, volatility index options and futures, dividend index options and futures are deemed to have a liquid market. All the other contract types, namely swaps and portfolio swaps, are deemed to be illiquid.

Option B:

77. Under Option B, ESMA suggests a more granular liquidity determination. The table below provides liquidity metrics for equity derivatives broken down per contract type (futures, options) and per type of underlying. The five following classes are significantly more liquid than the others: stock index futures, stock futures, volatility index futures, stock index option and stock options. Therefore, those five classes would be deemed liquid while all other equity derivatives would be determined to be illiquid under this option.

Equity derivatives	Average Daily Number of Trades[16]	Average Daily Volume per ISIN (EUR)[17]	Average Trade Size (EUR)[18]
Futures	**132,727**	**7,967,247**	**114,772**
Stock Index	**125,375**	**25,587,552**	**119,596**
Single Stock	3,125	161,796	62,656
Volatility Index	4,223	3,250,343	9,237
Dividend Index	**1**	**85,672**	**783,099**
Stock Dividend	4	37,072	871,237
Options	**89,911**	**74,035**	**295,019**
Stock Index	67,390	403,628	354,362
Single Stock	22,475	8,736	115,555
Volatility Index	14	62,024	1,337,516
Dividend Index	1	337,800	15,558,099
ETFs	24	13,478	719,007
Other	6	5,960	198,329

[16] ADNT = total number of transactions executed in the class / 260
[17] ADV per ISIN = total volumes executed in the class / number of ISIN in the class / 260
[18] ATS = total volumes executed in the class / total number of transactions executed in the class

Grand Total	**222,638**	**115,934**	**187,564**

Table 3: Equity derivatives – liquidity assessment

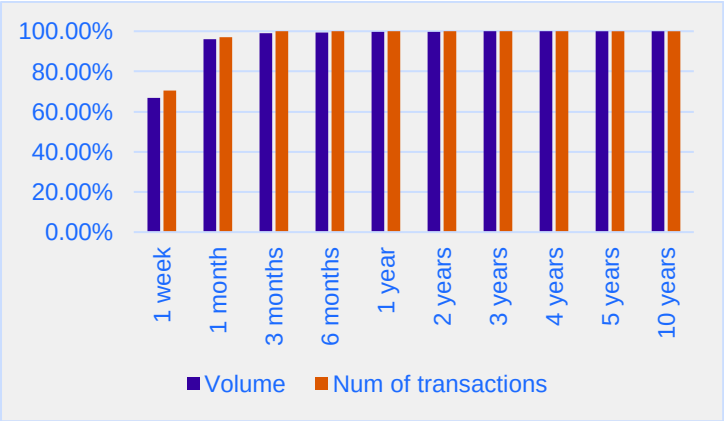
78. The table below summarises the proposal regarding liquid and illiquid classes of equity derivatives under Option B:

Class ID	Class	MiFIR ID RTS23 field 3a	Asset class of underlying RTS23 field 26a	CFI Code RTS23 Field 3	Liquidity
EQ01	Stock index futures	DERV	EQUI	FFI*SX FFI*NX	Liquid
EQ02	Single stock futures	DERV	EQUI	FFS*SX FFS*NX	Liquid
EQ03	Volatility index futures	DERV	EQUI	FFI*SX FFI*NX	Liquid
EQ04	Stock index options	DERV	EQUI	O**I*S O**I*N	Liquid
EQ05	Single stock options	DERV	EQUI	O**S*S O**F*S O**S*N O**F*N	Liquid
EQ06	Other equity derivatives	DERV	EQUI	Any other CFI	Illiquid

Table 4: Liquid and illiquid classes of equity derivatives under Option B

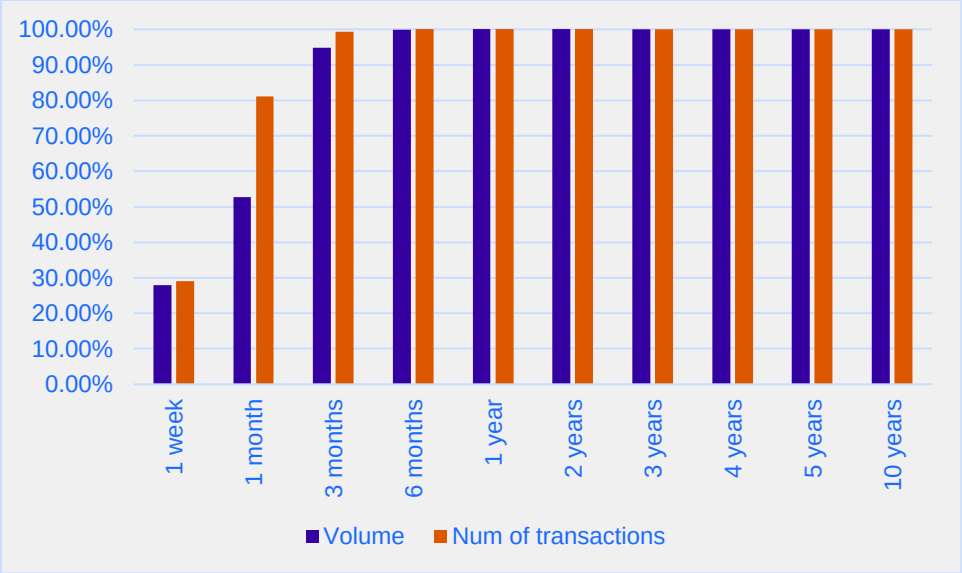
Option C:

79. The table below provides liquidity metrics for equity derivatives broken down per contract type (futures, options), per type of underlying and time to maturity. More specifically, it provides the cumulative percentage of volume and number of transactions executed when the time to maturity of the contract is equal (or shorter) to one of those defined below. It is evident that the shortest maturities are more liquid than the longer ones. Therefore, ESMA further defines the liquidity classes considering the additional parameter of time to maturity. The time to maturity selected is the one when the percentage of volume reaches a high share of trades and volume and the curve becomes almost flat.



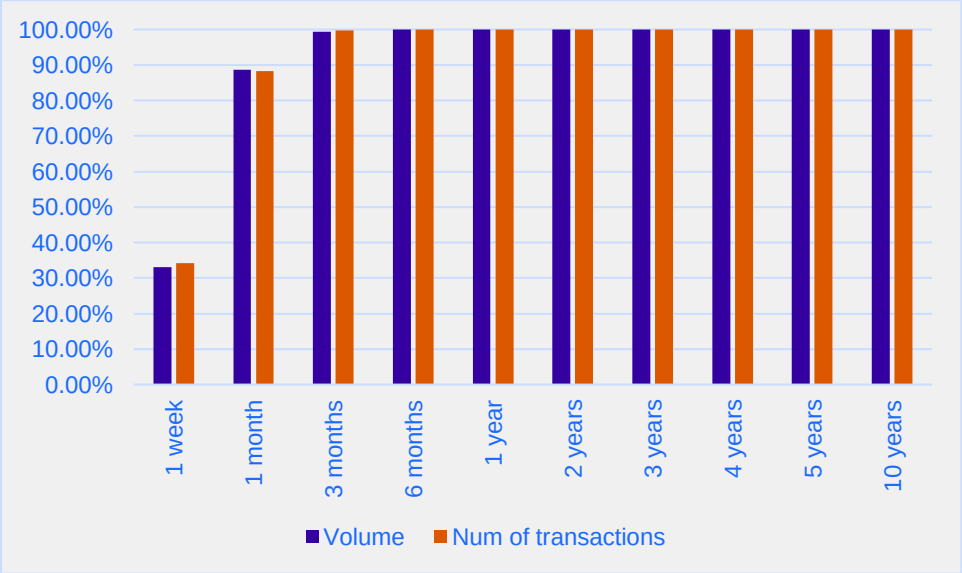
Time to maturity	Volume	Num of transactions
1 week	66.87305%	70.58210%
1 month	95.95515%	97.07534%
3 months	99.16779%	99.93174%
6 months	99.38980%	99.99568%
1 year	99.66871%	99.99952%
2 years	99.83101%	99.99976%
3 years	99.89566%	99.99986%
4 years	99.92909%	99.99992%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 5: Concentration of liquidity among time to maturities for stock index futures – ETDs – Equity derivatives



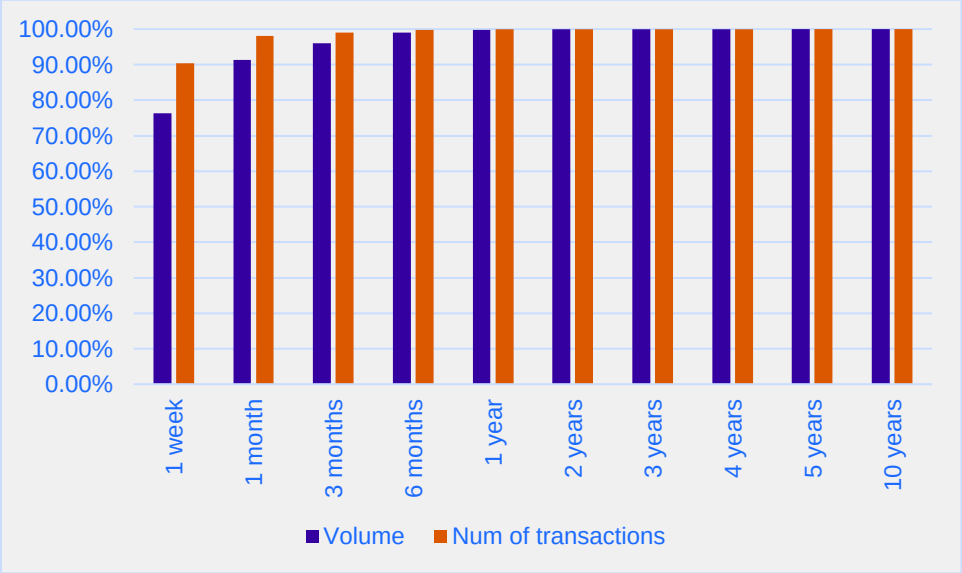
Time to maturity	Volume	Num of transactions
1 week	28.02150%	29.10689%
1 month	52.63890%	81.04643%
3 months	94.75760%	99.38145%
6 months	99.91098%	99.99717%
1 year	99.99972%	99.99889%
2 years	99.99984%	99.99938%
3 years	100.00000%	100.00000%
4 years	100.00000%	100.00000%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 6: Concentration of liquidity among time to maturities for single stock futures – ETDs – Equity derivatives



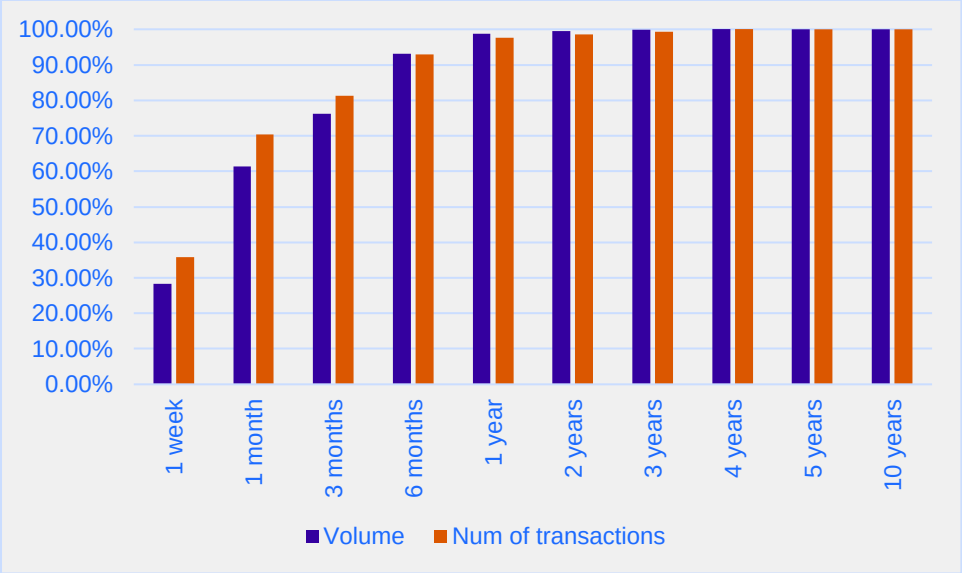
Time to maturity	Volume	Num of transactions
1 week	33.02327%	34.18677%
1 month	88.72439%	88.34363%
3 months	99.41197%	99.79597%
6 months	100.00000%	100.00000%
1 year	100.00000%	100.00000%
2 years	100.00000%	100.00000%
3 years	100.00000%	100.00000%
4 years	100.00000%	100.00000%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 7: Concentration of liquidity among time to maturities for volatility index futures – ETDs – Equity derivatives



Time to maturity	Volume	Num of transactions
1 week	76.34561%	90.31340%
1 month	91.41212%	98.02031%
3 months	96.09633%	99.06854%
6 months	99.07175%	99.77386%
1 year	99.78972%	99.91774%
2 years	99.92533%	99.95640%
3 years	99.96338%	99.97880%
4 years	99.98926%	99.99961%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 8: Concentration of liquidity among time to maturities for stock index options – ETDs – Equity derivatives



Time to maturity	Volume	Num of transactions
1 week	28.34068%	35.90670%
1 month	61.30893%	70.31094%
3 months	76.28347%	81.27021%
6 months	93.18244%	92.98220%
1 year	98.75010%	97.53096%
2 years	99.51729%	98.58558%
3 years	99.80253%	99.24076%
4 years	99.99915%	99.99435%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 9: Concentration of liquidity among time to maturities for single stock options – ETDs – Equity derivatives

80. The table below summarises the proposal under Option C regarding liquid and illiquid classes of equity derivatives:

Class ID	Class	MiFIR ID RTS23 field 3a	Asset class of underlying RTS23 field 26a	CFI Code RTS23 Field 3	Liquidity
EQ01	Stock index futures with time to maturity up to 3 months	DERV	EQUI	FFI*SX FFI*NX	Liquid
EQ02	Single stock futures with time to maturity up to 6 months	DERV	EQUI	FFS*SX FFS*NX	Liquid
EQ03	Volatility index futures with time to maturity up to 3months	DERV	EQUI	FFI*SX FFI*NX	Liquid

EQ04	Stock index options with time to maturity up to 6 months	DERV	EQUI	O**I*S O**I*N	Liquid
EQ05	Single stock options with time to maturity up to 3 years	DERV	EQUI	O**S*S O**F*S O**S*N O**F*N	Liquid
EQ06	Other equity derivatives	DERV	EQUI	Any other CFI	Illiquid

Table 10: Liquid and illiquid classes of equity derivatives under Option C

81. Even though it is slightly more complex, ESMA has a preference for Option C because it is more granular and allows a better distinction between liquid and illiquid instruments.

Question 5: Which option do you prefer for the liquidity assessment for equity exchange-traded derivatives, option A, option B, option C or another alternative?

3.4.3.2.2 Interest Rate Derivatives

82. **Status quo**: Under the current RTS 2, interest rate derivatives are subject to an annual determination of liquidity per sub-class defined in general by the contract type and the underlying and in addition, for:

- bond futures/ forwards by the issuer and term of the underlying;
- bond options by the ultimate underlying bond and time to maturity bucket of the option; and
- interest rate futures/ forwards by the underlying interest rate, its term, and the time to maturity bucket of the futures.

83. For the purposes of the liquidity determination of interest rate derivatives, ESMA conducted an analysis of the trading activity for bond futures/ forwards, bond options and interest rate futures/ forwards. The results are presented in the table below. At this stage, interest rate options and swaptions are considered illiquid contracts since they are not traded on any regulated market.

84. The table below provides liquidity metrics for interest rate derivatives, broken down per contract type (futures, options) and per underlying. At the highest level, the liquidity of bond futures appears very high, with over 165,000 trades each day and an ADV per ISIN above EUR 1bn. In comparison, the liquidity of interest rate futures and options on bond futures is lower yet important, with around 1,000 trades per day and an ADV per ISIN around EUR 70Mn for interest rate futures and EUR 4Mn for options on bond futures.

85. ESMA is consulting on two options described below.

86. **Under Option A,** ESMA suggests that all interest rate derivatives (i.e. all bond futures and options on bond futures; and all interest rate futures) are deemed to have a liquid market. This option is simpler, maximises the level of transparency and is supported by the high volumes observed on this asset class.

87. **Under Option B**, ESMA suggests a more granular liquidity determination. A granular analysis based on the underlying instrument evidenced a degree of heterogeneity, with a few contracts trading less than 50 times per day on average. On that basis, ESMA suggests that the following contracts are deemed to have a liquid market (highlighted in green in the table below):

- **Bond Futures**: Buxl futures, Bund futures, Bobl futures, Schatz Futures, Long-term Euro-BTP futures, Short-term Euro-BTP futures, Euro-OAT futures;
- **Interest rate futures**: Three-Month Euro STR futures
- **Options on Bond futures:** Options on Bund futures, Options on Bobl futures.

Interest Rate Derivatives	Average Daily Number of Trades	Average Daily Volume per ISIN (EUR)	Average Trade Size (EUR)
Futures	**166,605**	**1,165,724,638**	**643,717**
BOND	**165,794**	**1,779,107,635**	**633,118**
BUND	73,413	13,406,231,027	547,839
BOBL	19,627	22,616,727,270	1,152,316
Long-Term Euro-BTP	22,209	6,376,349,963	287,112
Euro-OAT	17,981	6,724,386,386	373,978
BUXL	16,545	3,778,326,908	228,361
Schatz	8,784	17,972,995,313	2,046,136
Short-Term Euro-BTP	7,172	3,026,455,467	843,963
BONO	31	6,877,091	224,347
CONF Futures	6	2,262,895	376,185
other	26	25,911,077	46,089,281
Interest Rate	**811**	**69,070,189**	**2,810,661**
Three-Month Euro STR	806	160,317,606	2,586,089
Three-Month EURIBOR	4	3,998,223	3,673,279
other	1	11,199,654	255,992,093
Options	**1,181**	**3,799,533**	**12,551,915**
Bond Futures	**1,181**	**3,799,533**	**12,551,915**
BUND	1,053	5,576,330	10,090,690
BOBL	117	2,574,817	34,840,905
Long-Term Euro-BTP	11	320,656	11,510,916
Euro-OAT	0.2	104,218	15,991,492
Grand Total	**167,786**	**30,570,660**	**727,526**

Table 11: Interest rate derivatives – liquidity assessment per underlying under Option B

88. It should be flagged that the underlying instrument cannot be mapped with reference data currently available in RTS 23. To identify the underlying instrument at a granular level, ESMA relied on the codes available in the field “Instrument full name” available in RTS 23 field 2.

89. Those codes are the following: FGBX for BUXL futures, FGBL/OGBL for BUND futures and options, FGBM/OGBM for BOBL futures and options, FGBS for Schatz futures, FBTP/OBTP for Long-term Euro-BTP futures and options, FBTS for Short-term Euro-BTP, FOAT/OOAT for Euro-OAT futures and options, FST3 for three-month Euro STR futures, FEU3 for three-month Euribor futures,

90. To ensure that counterparties can unambiguously identify liquid instruments based on FIRDS RTS 23 data only, one option is to rely on the field “Instrument full name” available in RTS 23 field 2 as explained in the above paragraph. However, this may create operational issues because the identification of the underlying is not straightforward. In addition, adding a field in RTS 23 for that purpose only appears disproportionate.

91. Should stakeholders consider that the identification of the liquid classes of interest rate derivatives is too complex under Option B, the alternative would be to adopt Option A, under which all bond and interest rate futures and options are deemed liquid.

92. The table below summarises the proposal regarding liquid and illiquid classes of interest rate derivatives under Option B.

Class ID	Class	MiFIR ID RTS23 field 3a	Asset class of underlying RTS23 field 26a	Contract	CFI Code RTS23 Field 3	Liquidity
IR01	Bond futures	DERV	INTR	Euro-Buxl	FFD*SX	Liquid
IR02	Bond futures	DERV	INTR	Euro-Bund	FFD*SX	Liquid
IR03	Bond futures	DERV	INTR	Euro-Bobl	FFD*SX	Liquid
IR04	Bond futures	DERV	INTR	Euro-Schatz	FFD*SX	Liquid
IR05	Bond futures	DERV	INTR	Long-Term Euro-BTP	FFD*SX	Liquid
IR06	Bond futures	DERV	INTR	Short-Term Euro-BTP	FFD*SX	Liquid
IR07	Bond futures	DERV	INTR	Euro-OAT	FFD*SX	Liquid
IR08	Interest rate futures	DERV	INTR	Three-Month Euro STR	FFN*SX	Liquid
IR09	Options on bond futures	DERV	INTR	BUND	O*F*SX	Liquid
IR10	Options on bond futures	DERV	INTR	BOBL	O*F*SX	Liquid
IR11	Interest rate derivatives not included in IR01, IR02 and IR03.	DERV	INTR			Illiquid

Table 12: Liquid and illiquid classes of interest rate derivatives under Option B

93. Even though Option B is slightly more complex, ESMA has a preference for Option B because it is more granular and allows a better distinction between liquid and illiquid instruments.

Question 6: Which option do you prefer for the liquidity assessment for interest rate exchange-traded derivatives, Option A, Option B, or another alternative?

3.4.3.2.3 Commodity and emission allowance derivatives

94. **Status quo**: Under the current RTS 2, commodity derivatives are subject to an annual determination of liquidity on a per sub-class basis defined in general by the contract type, the underlying and other elements based on the contract.

95. For the purpose of the liquidity determination under the revised MiFIR, ESMA suggests bundling commodity derivatives into categories which have consistent liquidity profiles. The more granular the category, the more consistency is expected to be achieved within the category, but the more complex the system becomes. Hence, the objective of the liquidity determination is to find the right balance in the level of granularity to define categories which are coherent in terms of their liquidity profiles.

96. Commodity derivatives traded on European regulated markets can be classified in accordance with the nature of their underlying (base product) i.e. agricultural, emission allowances, freight, energy (power and gas) and paper. Based on trade count and volumes, the most important commodity derivatives traded in the EU are energy derivatives, followed by agricultural derivatives and emission allowance derivatives, and freight derivatives. Most trading activity is conducted on futures.

97. For the purposes of the liquidity determination of commodity derivatives, ESMA suggests that the classes with an average daily number of trades below 100 trades should be considered illiquid. For the classes with an ADNT above 100 trades per day (highlighted in green below), a more detailed analysis is performed to evaluate the additional characteristics needed to perform the liquidity determination.

Commodity derivatives	Average Daily Number of Trades	Average Daily Volume per ISIN (EUR)	Average Trade Size (EUR)
Futures	**78,127**	**1,712,436**	**152,421**
AGRI	20,957	8,454,953	52,852
GRIN	13,711	49,418,064	57,670
GROS	7,228	8,944,356	43,311
DIRY	14	46,856	185,626
POTA	2	24,504	30,703
SEAF	3	53,254	492,302
ENVR	13,695	113,104	2,436
EMIS	13,695	113,104	2,436
FRGT	269	183,834	151,256
DRYF	269	183,834	151,256
NRGY	43,207	1,710,499	248,258
NGAS	36,707	10,877,536	225,809
ELEC	6,501	442,522	375,014
PAPR	0	4,130	522,419
PULP	0	4,130	522,419
Options	431	355,545	4,017,838
AGRI	62	71,224	1,721,331
GRIN	46	111,616	1,944,893
GROS	16	24,653	1,075,821
ENVR	36	21,231	192,789
EMIS	36	21,231	192,789
FRGT	14	14,656	1,076,460
DRYF	14	14,656	1,076,460
NRGY	320	784,599	5,013,574
NGAS	318	885,189	4,924,108
ELEC	2	144,872	17,054,289

Table 13: Commodity derivatives – liquidity assessment per type and sub-type

Electricity Derivatives

98. Measures of volume and trade count of electricity futures are provided below per delivery zone.

Electricity derivatives	Average Daily Number of Trades	Average Daily Volume per ISIN (EUR)	Average Trade Size (EUR)
Futures	6,501	442,522	375,014
Germany	4,371	1,397,666	378,295
France	919	340,428	294,233
Italy	560	496,268	451,927
Nordic Market Area	237	150,363	253,653
Spain	113.8	101,375	378,522
Netherlands	99.4	101,654	592,132
Hungary	99.0	112,980	448,638
Switzerland	36	28,603	322,781
Austria	12	76,428	1,020,781
Belgium	15	58,946	494,635
Bulgaria	1	50,985	1,095,225
Croatia	0	90,890	2,953,927
Czech Republic	8	41,685	689,099
Great Britain	1	10,779	1,021,593
Greece	11	132,043	470,774
Japanese Power Futures - Kansai	3	15,003	268,818
Japanese Power Futures - Tokyo	13	39,484	437,826
Poland	0	3,561	555,504
Portugal	0	58,669	2,542,324
Romania	0	45,724	1,290,196
Serbia	0	25,361	1,382,594
Slovak Republic	1	106,039	1,723,129
Slovenia	0	42,665	4,067,413

Table 14: Liquidity of electricity futures per delivery zone

99. The liquidity of electricity derivatives varies significantly based on the delivery zone, with an average daily number of trades well above 100 per day for German, French, Italian and Nordic power, or close to that level for Spanish, Dutch, and Hungarian power. An ADNT of 100 corresponds to one trade every 5-min and was the calibration supported by stakeholders in the previous consultation paper on the review of RTS 2[19].

[19] Consultation paper (ESMA70-156-4236) and Final Report on the review of RTS 2 (ESMA70-156-4825)

100. Regarding the most liquid futures on the seven delivery zones listed above, ESMA proposes further considering two contracts characteristics which had been identified as relevant for the liquidity determination of electricity derivatives in the previous consultation paper on the review of RTS 2: the load type (base-load, peak-load etc[20]); and the delivery period (which indicates the timespan within which the electricity is delivered, e.g. one week, one month, one year etc).

101. Regarding the load type, the analysis performed in the previous consultation paper on the review of RTS 2 provided strong evidence that base load contracts were the most liquid. ESMA therefore suggests that only base load electricity derivatives are deemed to have a liquid market.

102. Regarding the delivery period, ESMA acknowledges that contracts with different delivery period have different liquidity profiles. However, there is currently no reference data available in FIRDS to analyse liquidity based on this contract feature, hence it cannot be properly measured at this point. For the sake of completeness, it is worth recalling that the delivery period has been proposed as a new field in the CP on the review of RTS 23[21] and should therefore be available for future analysis.

103. When preparing a previous consultation paper on the review of RTS 2, ESMA had requested more granular data from trading venues to assess inter alia whether the delivery period should be added as a segmentation criteria. Relying on this dataset, the liquidity assessment per delivery period was not as clear as for the load type: some electricity contracts appear to have high levels of liquidity across several delivery periods (for example German power contracts had an ADNT above 100 trades per day on the monthly, quarterly and yearly contracts) while on others the liquidity was concentrated on one delivery period (for example on French and Italian electricity futures, only the monthly contracts had an ADNT above 100 trades per day).

104. Based on the above, ESMA suggests at this point that only electricity contracts with a delivery period of one month are deemed to have a liquid market. However, ESMA encourages stakeholders to complement their response to the consultation paper with analysis which could support a different conclusion (for example, that contracts with a delivery period above or below one month could also be deemed to have a liquid market).

105. Based on the above, ESMA suggests that electricity derivatives meeting all the following characteristics have a liquid market:

- Contract type: Futures;
- Delivery zone: Germany, France, Italy, Nordic market area, Spain, the Netherlands, Hungary;
- Load type: baseload;

[20] Base Load contract: the delivery time is continuous, 00:00 until 24:00 for all days of the week. Peak Load: the delivery time is only during peak hours, Monday to Friday. Other variants may be offered.
[21] MiFIR Review Consultation Package Review of RTS 2 on transparency for bonds, structured finance products and emission allowances, draft RTS on reasonable commercial basis and review of RTS 23 on supply of reference data (ESMA74-2134169708-7241)

- Delivery period: one month.

106. The table below summarises the proposal regarding liquid classes of electricity derivatives. All criteria must be met cumulatively for the class to be liquid:

Class ID	Class	MiFIR ID RTS23 field 3a	CFI Code RTS23 Field 3	Base Product RTS23 Field 35	Sub Product RTS23 Field 36	Further Sub Product RTS23 Field 37	Delivery Point or Zone RTS23 Field 39b	Duration of the Delivery Period RTS23 Field 39a	Liquidity
EL01	German power futures	DERV	F*****	NRGY	ELEC	BSLD	10YDE-RWENET---I	Month	Liquid
EL02	French power futures	DERV	F*****	NRGY	ELEC	BSLD	10YFR-RTE------C	Month	Liquid
EL03	Italian power futures	DERV	F*****	NRGY	ELEC	BSLD	10YIT-GRTN-----B	Month	Liquid
EL04	Nordic power futures	DERV	F*****	NRGY	ELEC	BSLD	10Y1001A1001A91G	Month	Liquid
EL05	Spanish power futures	DERV	F*****	NRGY	ELEC	BSLD	10YES-REE------0	Month	Liquid
EL06	Dutch power futures	DERV	F*****	NRGY	ELEC	BSLD	10YNL----------L	Month	Liquid
EL07	Hungarian power futures	DERV	F*****	NRGY	ELEC	BSLD	10YHU-MAVIR----U	Month	Liquid
EL08	Power derivatives not included in EL01 to EL07	DERV		NRGY	ELEC				Illiquid

Table 15: Proposal for liquid and illiquid classes of electricity derivatives

Natural Gas Derivatives

107. Measures of volume and trade count of gas derivatives are provided in Table 16 per delivery zone of the underlying and contract type.

Gas derivatives	Average Daily Number of Trades	Average Daily Volume per ISIN (EUR)	Average Trade Size (EUR)
Futures	36,705	11,227,046	225,733
NL - TTF	36,461	19,026,455	219,170
DE - THE	149	1,466,350	1,024,445
AT - CEGH VTP	39	715,113	702,597
FR - PEG	29	1,872,228	2,664,613
IT - PSV	23	245,679	898,449
BE - Belgian Zone	1	300,977	6,130,492
ES - PVB	4	567,708	2,861,046
HU - MGP	0.04	1,123	175,171
UK - NBP	0.05	1,145	148,811
Options	318	885,189	4,924,108
NL - TTF	318	885,687	4,924,214
DE - THE	0.01	4,431	576,000

Table 16: Liquid assessment of gas derivatives

108. As for electricity derivatives, the liquidity of gas derivatives varies significantly based on the delivery zone. Dutch TTF futures are very significantly more liquid than any other gas derivatives. Dutch TTF options and German THE futures also evidence an average daily number of trades above 100 trades.

109. Regarding the delivery period, while ESMA acknowledges that contracts with different delivery period have different liquidity profiles, there is currently no reference data available in FIRDS to break down contracts based on this contract feature, hence it cannot be properly measured at this point. The data analysed in the previous consultation paper on the review of RTS 2 evidenced that contracts with a delivery period of one month were the most liquid ones.

110. Based on the above, ESMA suggests at this point that only gas contracts with a delivery period of one month are deemed to have a liquid market. However, ESMA encourages stakeholders to complement their response to the consultation paper with analysis which could support a different conclusion (for example, that contracts with a delivery period different than one month can also be deemed to have a liquid market).

111. Based on the above, ESMA suggests that the following gas derivatives have a liquid market: monthly Dutch TTF Futures, Options on monthly Dutch TTF futures; monthly German THE Futures.

112. The table below summarises the proposal regarding liquid classes of gas derivatives. All criteria must be met cumulatively for the class to be liquid:

Class ID	Class	MiFIR ID RTS23 field 3a	CFI Code RTS23 Field 3	Base Product RTS23 Field 35	Sub Product RTS23 Field 36	Delivery Point or Zone RTS23 New Field 39b	Duration of the Delivery Period RTS23 New Field 39a	Liquidity
NG01	Dutch TTF gas futures	DERV	F*****	NRGY	NGAS	21YNL----TTF---1	Month	Liquid
NG02	German THE gas futures	DERV	F*****	NRGY	NGAS	37Y005053MH0000R	Month	Liquid
NG03	Options on Dutch TTF gas futures	DERV	O*****	NRGY	NGAS	21YNL----TTF---1	Month	Liquid
NG04	Gas derivatives not included in NG01 to NG03	DERV		NRGY	NGAS			Illiquid

Table 17: Proposal for liquid and illiquid classes of gas derivatives

Freight derivatives

113. Measures of volume and trade count of freight derivatives are provided below per freight size, freight route and contract type.

Freight derivatives	Average Daily Number of Trades	Average Daily Volume per ISIN (EUR)	Average Trade Size (EUR)
Futures	**269**	**183,834**	**151,256**
CAPESIZE	227.9	315,753	153,758
C7	129.9	391,828	132,721
Basket	64.0	372,713	197,909
5TC	33.7	220,823	144,322
C3	0.3	30,431	791,202
C5	0.0	1,964	510,683
HANDYSIZE	2.5	19,296	156,536
Basket	1.6	20,428	161,327
OTHR	0.8	17,193	146,909
PANAMAX	0.4	4,490	267,535
5TC	0.0	267	69,424
OTHR	0.1	5,530	221,200
RT	0.3	7,132	296,699
SUPRAMAX	37.8	74,911	134,693
10TC	37.8	74,911	134,693

Table 18: Liquidity assessment of freight derivatives

115. At the lowest level of granularity, freight futures are significantly less liquid than other commodity futures, with less than 300 trades per day for the whole class, compared to 6,500 for electricity futures and 36,700 for gas futures. Within freight futures, Capesize C7 are the only contracts with an average daily number of trades above 100. Taking into account the low level of liquidity and for simplicity reasons, ESMA suggest determining that all freight futures are illiquid.

Class ID	Class	MiFIR ID RTS23 field 3a	Base Product RTS23 Field 35	Liquidity
FR01	Freight derivatives	DERV	FRGT	Illiquid

Table 19: Proposal for liquid and illiquid classes of freight derivatives

Agricultural derivatives

116. Measures of volume and trade count of agricultural derivatives are provided below per underlying base product and contract type.

Agricultural derivatives	Average Daily Number of Trades	Average Daily Volume per ISIN (EUR)	Average Trade Size (EUR)
Futures	**20,957**	**8,454,953**	**52,852**
Milling Wheat	13,711	60,822,161	57,670
Rapeseed	6,278	26,109,748	45,749
Corn	950	2,865,892	27,156
Butter	5.1	59,103	218,212
European Durum Wheat	0.0	311	22,023
Other	0.4	3,480	125,684
Potato	1.6	24,504	30,703
Seafood	2.6	53,254	492,302
Skimmed Milk Powder	7.5	65,217	174,539
Whey Powder	0.7	2,528	48,557

Table 20: Liquid assessment of agricultural derivatives

117. The liquidity profile of agricultural derivatives is split between very liquid, and very illiquid ones. Futures on milling wheat, rapeseed and corn exhibit ADNT significantly above the level of 100 trades per day and ADVs per ISIN of several millions of euros. All other agricultural futures exhibit much lower levels of liquidity.

118. Based on the above, ESMA suggests that Futures on milling wheat, rapeseed and corn are deemed liquid. ESMA encourages stakeholders to indicate whether additional reference data should be considered to further distinguish contracts within those three liquid classes.

120. The table below summarises the proposal regarding liquid classes of agricultural derivatives.

Class ID	Class	MiFIR ID RTS23 field 3a	CFI Code RTS23 Field 3	Base Product RTS23 Field 35	Sub Product RTS23 Field 36	Further Sub Product RTS23 Field 37	Liquidity
AG01	Milling Wheat futures	DERV	F*****	AGRI	GRIN	MWHT	Liquid
AG02	Rapeseed futures	DERV	F*****	AGRI	GROS	RPSD	Liquid
AG03	Corn futures	DERV	F*****	AGRI	GROS	CORN	Liquid
AG04	Agricultural derivatives not included in AG01 to AG03	DERV	Any	AGRI			Illiquid

Table 21: Proposal for liquid and illiquid classes of agricultural derivatives

Emission allowance derivatives

121. Measures of volume and trade count of emission allowance derivatives are provided below per contract type.

Emission allowance derivatives	Average Daily Number of Trades	Average Daily Volume per ISIN (tCO2)	Average Trade Size (tCO2)
Futures	**13,695**	**113,104**	**2,436**
EUAE	13,695	113,104	2,436
Options	**36**	**21,231**	**192,789**
EUAE	36	21,231	192,789

Table 22: Liquid assessment of emission allowance derivatives

122. All emission allowance derivatives are reported with the underlying code EUAE, which corresponds to European emission allowances (EUAs), i.e. units recognised for compliance with the EU ETS Directive. The ADNT of EUA futures is very significantly above the value of 100 trades per day; while the ADNT of options on EUA futures is much smaller.

123. Based on the above, ESMA suggests that all Futures on EUA are deemed liquid. This is consistent with the approach adopted for spot emission allowances (see Final Report on the review of RTS 2 for bonds). ESMA encourages stakeholders to indicate whether additional reference data should be considered to further distinguish contracts within this class.

124. The table below summarises the proposal regarding the liquid class of derivatives on emission allowances.

Class ID	Class	MiFIR ID RTS23 field 3a	CFI Code RTS23 Field 3	Base Product RTS23 Field 35	Sub Product RTS23 Field 36	Further Product RTS23 37	Sub Field	Liquidity
EA01	European Union Emission allowances futures	DERV	F*****	ENVR	EMIS	EUAE		Liquid
EA02	Emission allowance derivatives not included in EA01	DERV		ENVR	EMIS			Illiquid

Table 23: Proposal for liquid and illiquid classes of emission allowance derivatives

Question 7: Do you agree with the liquidity assessment for commodity and emission allowances exchange traded derivatives?

3.4.3.2.5 Credit derivatives

125. **Status quo**: Under the current RTS 2, credit derivatives are subject to an annual determination of liquidity on a per sub-class basis defined in general by the contract type and the underlying and other elements based on the contract.

126. For the purposes of the liquidity determination of credit derivatives, ESMA identified only two contracts traded on a regulated market with limited trading activity. Therefore, ESMA considers that all credit derivatives should be deemed illiquid.

Class ID	Class	MiFIR ID RTS23 field 3a	Asset class of underlying RTS23 field 26a	Liquidity
CR01	Credit derivatives	DERV	CRDT	Illiquid

Table 24: Proposal for liquid and illiquid classes of credit derivatives

3.4.3.2.6 Foreign Exchange derivatives

127. **Status quo**: Under the current RTS 2, all FX derivatives which remain under the new scope of transparency are subject to a static determination of liquidity and they are all deemed to not have a liquid market.

FX derivatives	Average Daily Number of Trades	Average Daily Volume (EUR)	Average Trade Size (EUR)
Futures	198	17,963,930	90,505
Options	1	2,512	3,066
Grand Total	**199**	**17,966,442**	**90,146**

Table 25: Foreign exchange derivatives – liquidity assessment per contract type

128. Based on available data, trading activity on FX options on regulated markets was very limited, hence ESMA suggests determining all FX options as illiquid. There was more activity on FX futures, with an average daily number of trades close to 200. While the liquidity between the various currency pairs varies, the differences do not appear sufficient to justify the application of a different liquidity status based on the currency pair.

129. As a result, ESMA suggests that all FX futures and all FX options are deemed illiquid.

Class ID	Class	MiFIR ID RTS23 field 3a	Asset class of underlying RTS23 field 26a	Liquidity
FX01	FX derivatives	DERV	CURR	Illiquid

Table 26: Proposal for liquid and illiquid classes of FX derivatives

3.4.3.2.7 Securitised derivatives

130. Under the existing RTS 2, all securitised derivatives are determined to have a liquid market. ESMA suggests maintaining the existing liquidity determination of securitised derivatives under the revised RTS 2. Therefore, it is proposed that all securitised derivatives have a liquid market.

Class ID	Class	MiFIR ID RTS23 field 3a	Liquidity
SD01	Securitised derivatives	SDRV	Liquid

Table 27: Proposal for liquid and illiquid classes of securitised derivatives

3.4.3.2.8 Other derivatives

131. As ESMA's mandate is to determine the liquid classes of ETDs, any class that is not identified as liquid would by default be deemed as illiquid. This is notably the case of ETDs on asset classes that are not explicitly mentioned in the existing RTS 2, nor in the analysis above, such as ETDs on crypto assets. Regulatory reporting frameworks are evolving[22] to ensure that such instruments can be better identified and their markets monitored in the future.

Question 8: Do you agree with the liquidity assessment for the following ETD asset classes: FX, Credit, securitised derivatives, and other derivatives? Should there be a specific framework for derivatives based on crypto assets?

3.4.3.2.9 Outcome of liquidity determinations for ETDs

132. The liquidity determination proposed above for ETDs ensures that a significant share of volume and trade count occur in transactions in instruments deemed as liquid. That share is above 90% in all cases except emission allowance derivatives (82.9% of volume in the liquid bucket[23]).

	% of Volume	% of Number of trades
Equity		
Liquid	99.9%	100.0%
Illiquid	0.1%	0.0%
Interest Rate		
Liquid	98.7%	100.0%
Illiquid	1.3%	0.0%
Commo - AGRI		
Liquid	90.9%	99.6%
Illiquid	9.1%	0.4%

[22] E.g. in EMIR, a flag was introduced for "derivatives based on crypto assets". Identification of derivatives based on crypto-assets could also be considered in the context of the review of the RTS on transaction reporting (RTS 22).
[23] This is because options on emission allowances futures are deemed illiquid, and they account for around 17% of the total volumes of emission allowances derivatives.

Commo - ELEC		
Liquid	96.2%	98.4%
Illiquid	3.8%	1.6%
Commo - NGAS		
Liquid	98.5%	99.7%
Illiquid	1.5%	0.3%
Commo - ENVR		
Liquid	82.9%	99.7%
Illiquid	17.1%	0.3%

Table 28: Outcome of the liquidity assessment on exchange-traded derivatives

3.4.3.3 ETDs - Post-trade deferral sizes and durations

3.4.3.3.1 Overarching considerations

133. Based on the liquidity determination proposed above, ESMA is mandated to define the deferral regime using five different categories:
   a. category 1: transactions of a medium size in a financial instrument for which there is a liquid market;
   b. category 2: transactions of a medium size in a financial instrument for which there is not a liquid market;
   c. category 3: transactions of a large size in a financial instrument for which there is a liquid market;
   d. category 4: transactions of a large size in a financial instrument for which there is not a liquid market;
   e. category 5: transactions of a very large size.

134. In the following paragraphs, ESMA focusses on the deferral regime of the liquid classes as determined in the previous section. The table below provides the quantitative measures that have been used for the analysis. Very Liquid classes (those with an ADNT per ISIN above ~50 trades per day) are highlighted in yellow in Table 29.

Liquidity	Asset Class	Contract Type	Class	Volume (EUR)	Number of trade	Number of ISIN	Average of ISIN ADV	Average of ISIN ADNT	Average of ISIN ATS	ADV of the class	ADNT of the class	ATS of the class	Post Trade LIS 2023	ISIN ADV over ISIN Trade Size
Liquid	Equity	F	Shares	50,901,094,968	812,385	1,210	161,796	2.6	6,637,724	195,773,442	3,125	62,656	[1.25-5.5Mn]	0.0
Liquid	Equity	F	Stock Index	3,898,519,434,664	32,597,445	586	25,587,552	214.0	3,316,498	14,994,305,518	125,375	119,596	[1.5 - 260Mn]	7.7
Liquid	Equity	F	Volatility Index	10,141,068,953	1,097,872	12	3,250,343	351.9	1,200,268	39,004,111	4,223	9,237	1.5 Mn	2.7
Liquid	Equity	O	Shares	675,245,247,510	5,843,514	297,289	8,736	0.1	169,852	2,597,097,106	22,475	115,555	[1.25-5.5Mn]	0.1
Liquid	Equity	O	Stock Index	6,208,965,054,994	17,521,529	59,165	403,628	1.1	1,653,030	23,880,634,827	67,390	354,362	[1.5-160Mn]	0.2
Liquid	Interest Rate	F	BOBL	5,880,349,090,154	5,103,072	1	22,616,727,270	19,627.2	1,152,316	22,616,727,270	19,627	1,152,316	25,000,000	19,627
Liquid	Interest Rate	F	BUND	10,456,860,201,225	19,087,463	3	13,406,231,027	24,471.1	496,471	40,218,693,082	73,413	547,839	25,000,000	27,003
Liquid	Interest Rate	F	BUXL	982,364,996,014	4,301,813	1	3,778,326,908	16,545.4	228,361	3,778,326,908	16,545	228,361	25,000,000	16,545
Liquid	Interest Rate	F	Euro-OAT	1,748,340,460,409	4,674,984	1	6,724,386,386	17,980.7	373,978	6,724,386,386	17,981	373,978	25,000,000	17,981
Liquid	Interest Rate	F	Long-Term Euro-BTP	1,657,850,990,287	5,774,240	1	6,376,349,963	22,208.6	287,112	6,376,349,963	22,209	287,112	25,000,000	22,209
Liquid	Interest Rate	F	Schatz	4,672,978,781,481	2,283,806	1	17,972,995,313	8,783.9	2,046,136	17,972,995,313	8,784	2,046,136	25,000,000	8,784
Liquid	Interest Rate	F	Short-Term Euro-BTP	1,573,756,843,093	1,864,722	2	3,026,455,467	3,586.0	835,519	6,052,910,935	7,172	843,963	25,000,000	3,622
Liquid	Interest Rate	F	Three-Month Euro STR	541,873,507,581	209,534	13	160,317,606	62.0	2,514,787	2,084,128,875	806	2,586,089	25,000,000	64
Liquid	Interest Rate	O	BOBL	1,057,735,027,494	30,359	1,580	2,574,817	0.1	38,629,126	4,068,211,644	117	34,840,905	[25-125Mn]	0.1
Liquid	Interest Rate	O	BUND	2,763,406,145,760	273,857	1,906	5,576,330	0.6	8,872,165	10,628,485,176	1,053	10,090,690	[25-40Mn]	0.6
Liquid	Commo - AGRI	F	Corn	6,706,187,713	246,955	9	2,865,892	105.5	24,927	25,793,030	950	27,156	1,000,000	115
Liquid	Commo - AGRI	F	Milling Wheat	205,578,904,588	3,564,752	13	60,822,161	1,054.7	43,236	790,688,095	13,711	57,670	1,000,000	1,407
Liquid	Commo - AGRI	F	Rapeseed	74,673,879,625	1,632,236	11	26,109,748	570.7	60,174	287,207,229	6,278	45,749	1,000,000	434
Liquid	Commo - ENVR	F	EUAE	8,675,098,692	3,560,622	295	113,104	46.4	16,320	33,365,764	13,695	2,436	100,000	7
Liquid	Commo - ELEC	F	France	70,277,886,022	238,851	794	340,428	1.2	104,394	270,299,562	919	294,233	[1-2.5Mn]	3.3
Liquid	Commo - ELEC	F	Germany	429,894,234,055	1,136,399	1,183	1,397,666	3.7	134,338	1,653,439,362	4,371	378,295	[1-2.5Mn]	10.4
Liquid	Commo - ELEC	F	Hungary	11,544,342,644	25,732	393	112,980	0.3	97,852	44,401,318	99	448,638	[1-2.5Mn]	1.2
Liquid	Commo - ELEC	F	Italy	65,805,154,737	145,610	510	496,268	1.1	171,316	253,096,749	560	451,927	[1-2.5Mn]	2.9
Liquid	Commo - ELEC	F	Netherlands	15,303,057,920	25,844	579	101,654	0.2	185,512	58,857,915	99	592,132	[1-1.5Mn]	0.5
Liquid	Commo - ELEC	F	Nordic Market Area	15,637,718,834	61,650	400	150,363	0.6	187,081	60,145,072	237	253,653	[1-1.5Mn]	0.8
Liquid	Commo - ELEC	F	Spain	11,201,977,653	29,594	425	101,375	0.3	478,985	43,084,529	114	378,522	[1-1.5Mn]	0.2
Liquid	Commo - NGAS	F	DE - THE	39,650,114,753	38,704	104	1,466,350	1.4	1,481,245	152,500,441	149	1,024,445	[1-2.5Mn]	1.0
Liquid	Commo - NGAS	F	NL - TTF	2,077,688,934,003	9,479,826	420	19,026,455	86.8	226,860	7,991,111,285	36,461	219,170	1,000,000	84
Liquid	Commo - NGAS	O	NL - TTF	406,902,547,067	82,633	1,767	885,687	0.2	5,257,100	1,565,009,796	318	4,924,214	1,000,000	0.2

Table 29: Liquidity metrics of ETDs for liquid classes, based on FITRS data in 2023. Measures "per ISIN" are calculated for each ISIN individually, then averaged across the class. Measures "per class" are calculated across the class (e.g. ADV per class = sum of all volumes within the class divided by 260). Volumes (ADV, ATS) and size thresholds are expressed in EUR except for Emission allowance derivatives (Class = EUAE) where they are expressed in tCO2.

135. The analysis of liquid classes reveals two types of liquidity profiles: in one group (highlighted in yellow in Table 29Table 29), classes which encompass few instruments and/or for which the liquidity at the level of each individual instrument is high; in a second group, classes which encompass multiple instruments and for which the liquidity at the level of each individual instruments is significantly lower. The overall liquidity of all classes is high when assessed at the level of the class, but in the second group, the liquidity is spread across multiple instruments.

136. The high number of instruments within certain classes can be explained as follows:

- Options (irrespective of the asset class) due to the high number of combinations of contracts characteristic (maturity, strike etc);
- Energy futures, due to the existence of multiple delivery periods (e.g. daily, weekly, monthly), expiry dates and delivery types (e.g. baseload, peakload for power derivatives);
- Single stock futures, due to the high number of underlying shares.

137. It is possible to assess the difference in liquidity profiles numerically by comparing liquidity measures (average daily volume (ADV) or average daily number of trades (ADNT)) calculated at class level versus the same measures calculated at ISIN level. Taking the example of the ADNT, all the liquid classes trade on average 100 times per day or more. However, when the ADNT is first calculated per ISIN, and averaged within the class, the ADNT drops considerably for certain classes. This is because each instrument within those classes does not trade frequently.

138. In the context of the revision of RTS 2 for bonds, ESMA relied on ADV and resulting trade-out-time to help with the calibration of the post-trade size thresholds. The underlying assumption is that the size threshold for a deferral of one day should roughly be equivalent to the volume executed on that instrument in one day. Consequently, it would take approximately one day to close out a position of that size on that instrument, hence a deferral of one day would be appropriate.

139. ESMA believes it would make sense to rely on a similar methodology for the “least liquid” of the liquid classes. This is because the number of trades at individual instrument level is low hence a single transaction could be of a size close to the ADV of that instrument.

140. However, for the “most liquid” of the liquid classes (highlighted in yellow in Table 29.), the number of trades at instrument level is so high that a single transaction does not reach the size of the ADV per instrument. As an example, the ADV of most interest rate futures is rougly 20,000 times higher than the average trade size (ATS) on those instruments (see the last column of Table 29).Table 29). As a result, a post-trade size threshold calibrated as 1x the ADV would produce trade sizes which are disproportionaly high and would, in practice, result in the absence of any deferral. Thresholds based on ADV would also be considerably above the existing post-trade LIS thresholds. Hence for those very liquid classes, different methodologies are presented below, depending on the asset class.

141. The following paragraphs provide an analysis per asset class combining a quantitative and qualitative assessment, and proposals for the calibration of the deferral regime.

3.4.3.3.2 Equity Derivatives

142. Within equity derivatives, the most liquid classes are stock index futures and volatility index futures. The number of trades per day and per ISIN on those classes is between 200 and 350, and the average of ADV per ISIN is well above 1Mn EUR (above 3Mn EUR for volatility index futures and above 25Mn EUR for stock index futures). However, the average trade size values are not that different from the other less liquid classes. Therefore, the application of the methodology to the most liquid classes and to the less liquid classes should consider this factor.

143. Furthermore, the current post-trade LIS thresholds show a very high degree of variation especially for stock index futures and options and, limited but similar variation for stock futures and options. Hence, the methodology should cater for such difference.

Type	Class	Volume (EUR)	Number of trades	Number of ISIN	Average of ISIN ADV	Average of ISIN ADNT	Average of ISIN ATS	Post Trade LIS 2023
F	Shares	50,901,094,968	812,385	1,210	161,796	2.6	6,637,724	[1.25-5.5Mn]
F	Stock Index	3,898,519,434,664	32,597,445	586	25,587,552	214.0	3,316,498	[1.5 - 260Mn]
F	Volatility Index	10,141,068,953	1,097,872	12	3,250,343	351.9	1,200,268	1.5 Mn
O	Shares	675,245,247,510	5,843,514	297,289	8,736	0.1	169,852	[1.25-5.5Mn]
O	Stock Index	6,208,965,054,994	17,521,529	59,165	403,628	1.1	1,653,030	[1.5-160Mn]

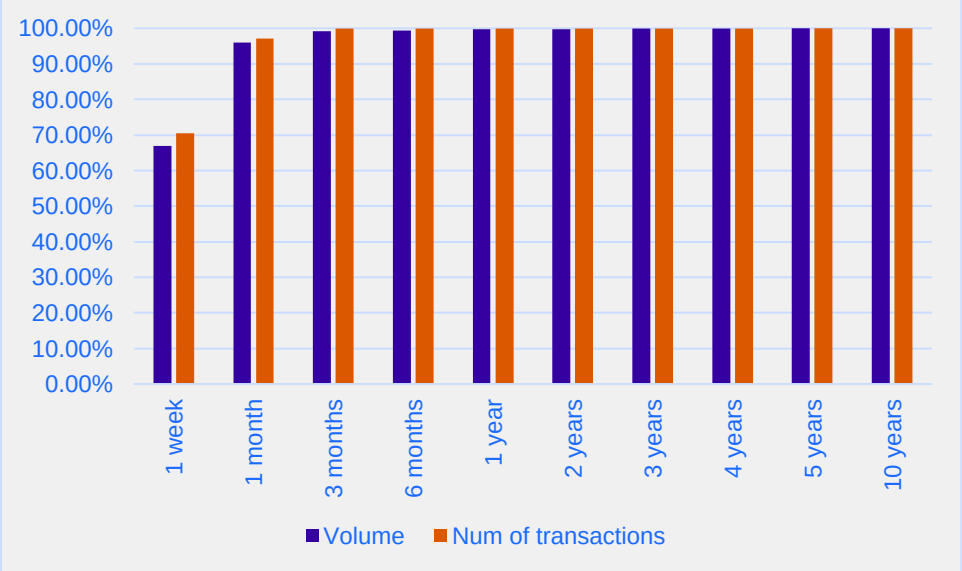
144. Last but not least, one additional consideration to make is that liquidity is concentrated in the shortest maturities. This also has to be taken into account when setting the thresholds. Therefore, the classes have to be further segmented for this parameter, i.e. the time to maturity.

145. To determine the post-trade thresholds for the deferral regime each option developed under the liquidity assessment (section 3.4.3.2.1) is considered.

For the liquidity assessment under Option B of section 3.4.3.2.1

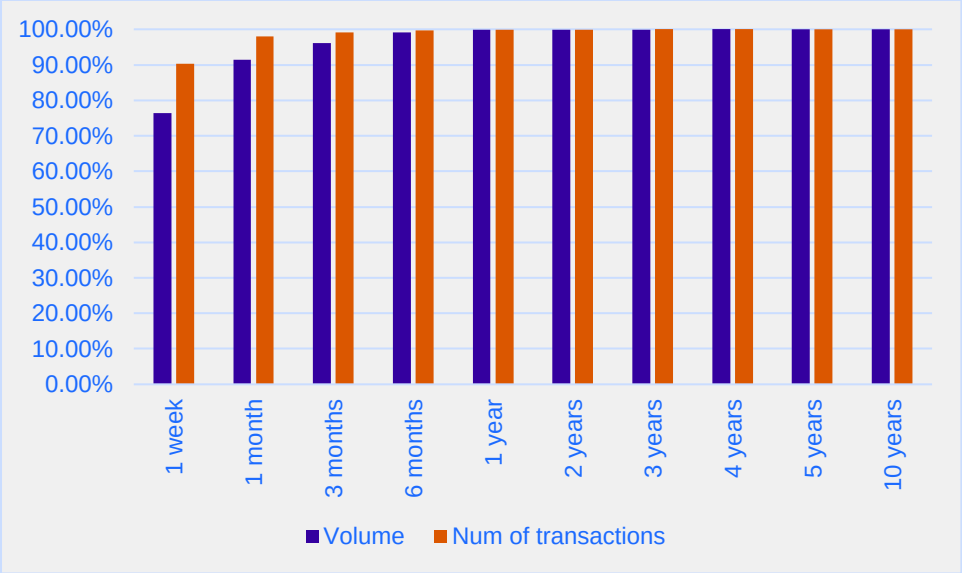
146. Before making a proposal for the thresholds, it is necessary to analyse the time to maturity for the most liquid classes. More specifically, the percentage of volume and number of transactions executed when the time to maturity of the contract is equal to one of those defined in the table is provided. It is evident that the shortest maturities are more liquid than the longer ones. Therefore, ESMA further defines the thresholds for classes identified considering the additional parameter of time to maturity. In particular when a high percentage of trades and volume is reached and the curve becomes almost flat, the corresponding time to maturity is considered for the segmentation.

Stock index futures and options



Time to maturity	Volume	Num of transactions
1 week	66.87305%	70.58210%
1 month	95.95515%	97.07534%
3 months	99.16779%	99.93174%
6 months	99.38980%	99.99568%
1 year	99.66871%	99.99952%
2 years	99.83101%	99.99976%
3 years	99.89566%	99.99986%
4 years	99.92909%	99.99992%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 30: Concentration of liquidity among time to maturities for stock index futures – ETDs – Equity derivatives



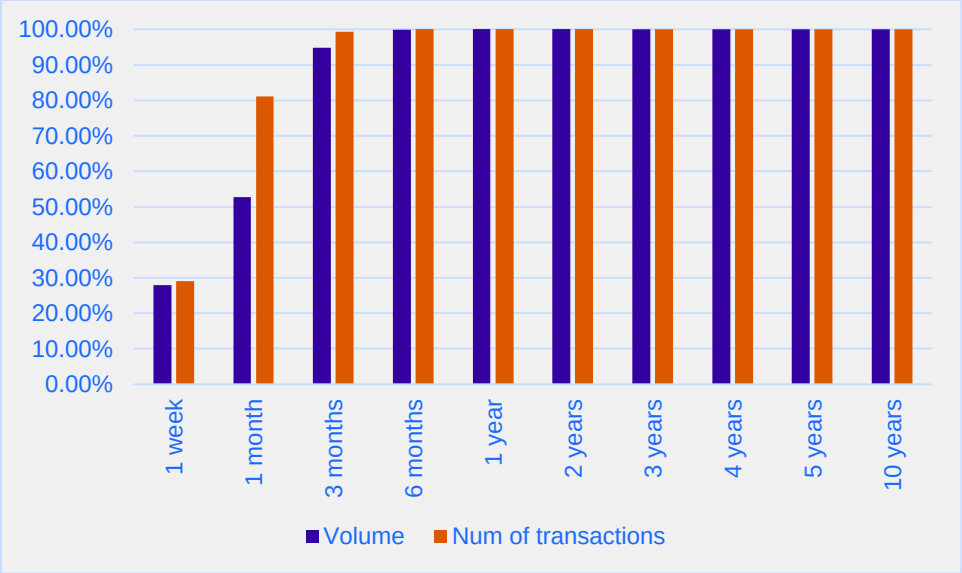
Time to maturity	Volume	Num of transactions
1 week	76.34561%	90.31340%
1 month	91.41212%	98.02031%
3 months	96.09633%	99.06854%
6 months	99.07175%	99.77386%
1 year	99.78972%	99.91774%
2 years	99.92533%	99.95640%
3 years	99.96338%	99.97880%
4 years	99.98926%	99.99961%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 31: Concentration of liquidity among time to maturities for stock index options a– ETDs – Equity derivatives

147. It is proposed that the “medium” size for stock index futures and options with time to maturity up to 3 and 6 monthsrespectively, is determined by the average of ISIN ATS (rounded to 500,000 EUR). The “large” and “very large” sizes would be the set to 5xATS and 10xATS respectively. The half of those sizes are set as those for the stock index futures and options with time to maturity beyond 3 and 6 months resepctively.

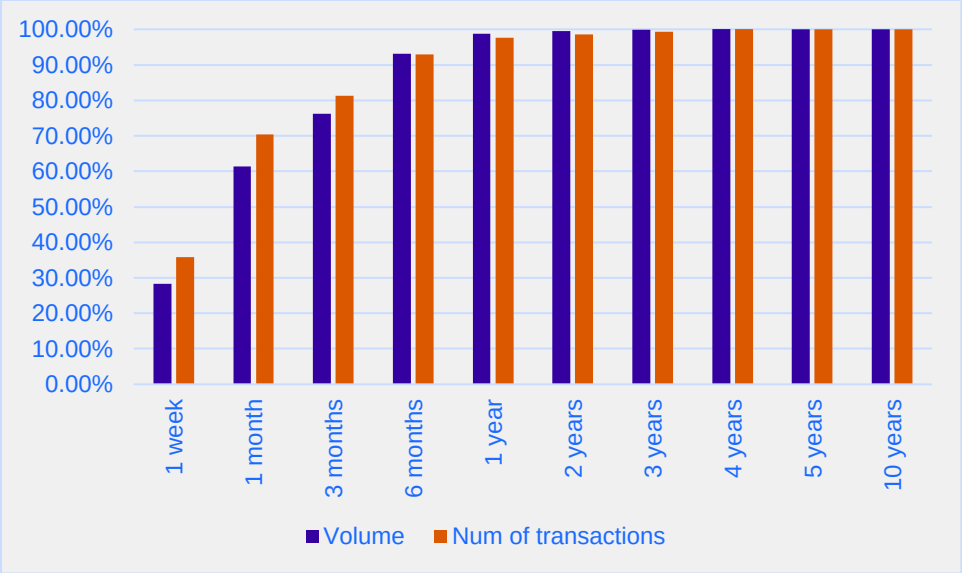
Class ID	Class	Liquidity	Medium	Large	Very Large
EQ02a	Stock index futures with time to maturity up to 3 months	Liquid	3,500,000 EUR	17,500,000 EUR	35,000,000 EUR
EQ02b	Stock index futures with time to maturity beyond 3 months	Liquid	1,750,000 EUR	8,750,000 EUR	17,500,000 EUR
EQ05a	Stock index options with time to maturity up 6 months	Liquid	1,500,000 EUR	7,500,000 EUR	15,000,000 EUR
EQ05b	Stock index options with time to maturity beyond 6 months	Liquid	750,000 EUR	3,750,000 EUR	7,500,000 EUR

Single stock futures and options



Time to maturity	Volume	Num of transactions
1 week	28.02150%	29.10689%
1 month	52.63890%	81.04643%
3 months	94.75760%	99.38145%
6 months	99.91098%	99.99717%
1 year	99.99972%	99.99889%
2 years	99.99984%	99.99938%
3 years	100.00000%	100.00000%
4 years	100.00000%	100.00000%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 32: Concentration of liquidity among time to maturities for single stock futures – ETDs – Equity derivatives



Time to maturity	Volume	Num of transactions
1 week	28.34068%	35.90670%
1 month	61.30893%	70.31094%
3 months	76.28347%	81.27021%
6 months	93.18244%	92.98220%
1 year	98.75010%	97.53096%
2 years	99.51729%	98.58558%
3 years	99.80253%	99.24076%
4 years	99.99915%	99.99435%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

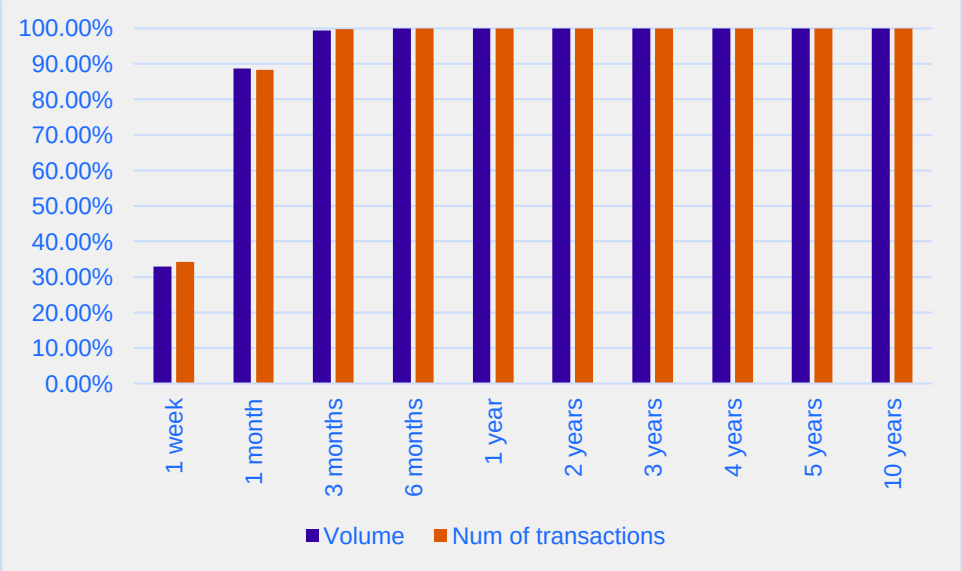
Table 33: Concentration of liquidity among time to maturities for single stock options – ETDs – Equity derivatives

148. The “medium” size for single stock futures and options with a time to maturity up to 6 months for futures and 3 years for options is set to the smallest of the post-trade LIS of the previous year, i.e. 1,250,000 EUR for both stock futures stock options. The “large” and “very large” sizes would be the set to 2x LIS of the previous year and 3x LIS of the previous year respectively. The half of those values correspond to the sizes for the single stock futures and options with a time to maturity beyond 6 months for futures and 3 years for options.

Class ID	Class	Liquidity	Medium	Large	Very Large
EQ01a	Single stock futures with time to maturity up 6 months	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ01b	Single stock futures with time to maturity beyond 6 months	Liquid	625,000 EUR	1,250,000 EUR	1,875,000 EUR
EQ04a	Single stock options with time to maturity up 3 years	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ04b	Single stock options with time to maturity beyond 3 years	Liquid	625,000 EUR	1,250,000 EUR	1,875,000 EUR

Volatility index futures

149. The table below indicates that when the time to maturity is within 3 months, the volume covered is already 100%. In order not to limit the current level of transparency, it would be beneficial to distinguish the threshold sizes when the time to maturity is up to 3 months and when it is beyond.



Time to maturity	Volume	Num of transactions
1 week	33.02327%	34.18677%
1 month	88.72439%	88.34363%
3 months	99.41197%	99.79597%
6 months	100.00000%	100.00000%
1 year	100.00000%	100.00000%
2 years	100.00000%	100.00000%
3 years	100.00000%	100.00000%
4 years	100.00000%	100.00000%
5 years	100.00000%	100.00000%
10 years	100.00000%	100.00000%

Table 34: Concentration of liquidity among time to maturities for volatility index futures – ETDs – Equity derivatives

150. As a result, the “medium” size for volatility index futures with a time to maturity up to 3 months is set to the post-trade LIS of the previous year, i.e. 1,500,000 EUR. The “large” and “very large” sizes would be the set to 3x LIS of the previous year and 15x LIS of the previous year respectively. The half of those values correspond to the sizes for the volatility index futures with a time to maturity beyond 3 months.

Class ID	Class	Liquidity	Medium	Large	Very Large
EQ03a	Volatility index futures with time to maturity up to 3 months	Liquid	1,500,000 EUR	4,500,000 EUR	22,500,000 EUR

EQ03b	Volatility index futures with time to maturity beyond 3 months	Liquid	750,000 EUR	2,250,000 EUR	11,250,000 EUR

Any other equity derivatives

151. Regarding illiquid classes of equity derivatives, it is suggested using three different thresholds with a high degree of variation to cater for the heterogeneity of such group of instruments, those being 500,000 EUR, 1,500,000 EUR and 15,000,000 EUR.

Class ID	Class	Liquidity	Medium	Large	Very Large
EQ01a	Single stock futures with time to maturity up 6 months	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ01b	Single stock futures with time to maturity beyond 6 months	Liquid	625,000 EUR	1,250,000 EUR	1,875,000 EUR
EQ02a	Stock index futures with time to maturity up to 3 months	Liquid	3,500,000 EUR	17,500,000 EUR	35,000,000 EUR
EQ02b	Stock index futures with time to maturity beyond 3 months	Liquid	1,750,000 EUR	8,750,000 EUR	17,500,000 EUR
EQ03a	Volatility index futures with time to maturity up to 3 months	Liquid	1,500,000 EUR	4,500,000 EUR	22,500,000 EUR
EQ03b	Volatility index futures with time to maturity beyond 3 months	Liquid	750,000 EUR	2,250,000 EUR	11,250,000 EUR
EQ04a	Single stock options with time to maturity up 3 years	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ04b	Single stock options with time to maturity beyond 3 years	Liquid	625,000 EUR	1,250,000 EUR	1,875,000 EUR
EQ05a	Stock index options with time to maturity up 6 months	Liquid	1,500,000 EUR	7,500,000 EUR	15,000,000 EUR
EQ05b	Stock index options with time to maturity beyond 6 months	Liquid	750,000 EUR	3,750,000 EUR	7,500,000 EUR
	Any other equity derivatives	Illiquid	500,000 EUR	1,500,000 EUR	15,000,000 EUR

Table 35: Proposal for trade size thresholds – ETDs – Equity derivatives

For the liquidity assessment under Option C in section 3.4.3.2.1

152. Option C would differentiate with respect to option B for the determination of the tresholds for the illiquid classes which now includes some of the liquid classes determined under option B, namely those with a time to maturiy beyond a certain time.

Class ID	Class	Liquidity	Medium	Large	Very Large
EQ01	Single stock futures with time to maturity up 6 months	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ02	Stock index futures with time to maturity up to 3 months	Liquid	3,500,000 EUR	17,500,000 EUR	35,000,000 EUR
EQ03	Volatility index futures with time to maturity up to 3 months	Liquid	1,500,000 EUR	4,500,000 EUR	22,500,000 EUR
EQ04	Single stock options with time to maturity up 3 years	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ05	Stock index options with time to maturity up 6 months	Liquid	1,500,000 EUR	7,500,000 EUR	15,000,000 EUR
	Any other equity derivatives	Illiquid	500,000 EUR	1,500,000 EUR	15,000,000 EUR

Table 36: Proposal for trade size thresholds – ETDs – Equity derivatives

For the liquidity assessment under Option A in section 3.4.3.2.1

153. Option A would differentiate with respect to option B only in the last lines as per red text below. The thresholds for the illiquid classes of swaps and portfolio swaps under option A are set at 1/5 of the thresholds for the "Any other liquid equity derivatives" class.

Class ID	Class	Liquidity	Medium	Large	Very Large
EQ01a	Single stock futures with time to maturity up 6 months	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ01b	Single stock futures with time to maturity beyond 6 months	Liquid	625,000 EUR	1,250,000 EUR	1,875,000 EUR
EQ02a	Stock index futures with time to maturity up to 3 months	Liquid	3,500,000 EUR	17,500,000 EUR	35,000,000 EUR
EQ02b	Stock index futures with time to maturity beyond 3 months	Liquid	1,750,000 EUR	8,750,000 EUR	17,500,000 EUR
EQ03a	Volatility index futures with time to maturity up to 3 months	Liquid	1,500,000 EUR	4,500,000 EUR	22,500,000 EUR
EQ03b	Volatility index futures with time to maturity beyond 3 months	Liquid	750,000 EUR	2,250,000 EUR	11,250,000 EUR
EQ04a	Single stock options with time to maturity up 3 years	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ04b	Single stock options with time to maturity beyond 3years	Liquid	625,000 EUR	1,250,000 EUR	1,875,000 EUR
EQ05a	Stock index options with time to maturity up 6 months	Liquid	1,500,000 EUR	7,500,000 EUR	15,000,000 EUR
EQ05b	Stock index options with time to maturity beyond 6 months	Liquid	750,000 EUR	3,750,000 EUR	7,500,000 EUR
EQ06	Any other equity derivatives	Liquid	500,000 EUR	1,500,000 EUR	15,000,000 EUR
EQ07	Swaps and portfolio swaps	Illiquid	100,000 EUR	300,000 EUR	3,000,000 EUR

Table 37: Proposal for trade size thresholds – ETDs – Equity derivatives

Question 9: Regarding the size thresholds for the deferral regime of Equity exchange traded derivatives, which option do you prefer?

3.4.3.3.3 Interest Rate derivatives

154. From the analysis of the post-trade LIS thresholds set in 2022 and 2023 it appears that the floor of EUR 25,000,000 has always been used. This indicates that the current methodology of percentile does not appropriately cater for the distribution of the trades.

155. As explained in the overarching considerations more and less liquid classes can be identified. The more liquid classes (of futures on BOBL, BUND, BUXL, Euro-OAT, Long-Term Euro-BTP, Short-Term Euro-BTP, Schatz and Three-Month Euro STR) present a number of trades per day and per ISIN between 60 and 20,000, and the average of ADV per ISIN is well above 100Mn EUR (above 1Bn EUR for all futures except those on the Three-Month Euro STR). Furthermore, another characteristic of liquid classes is present, i.e. small average trade sizes compared to the less liquid classes.

156. Therefore, for the most liquid classes it is proposed to set the ATS as the “medium size” (rounded to 500,000 EUR). The “large” and “very large” sizes are then a multiple of the “medium size” (i.e. of the ATS). More specifically, 5xATS and 10xATS respectively.

157. Regarding the less liquid classes instead the “medium size” would be set to the average of ADV per ISIN (rounded to 500,000 EUR). The “large” and “very large” sizes are then a multiple of the “medium size” (i.e. of the ADV). More specifically, 1.5xADV and 2xADV respectively.

158. Regarding classes of interest rate derivatives which would be illiquid under the Option B (proposed in the liquidity determination section 3.4.3.2.2), ESMA suggests using 1/5 of the smallest thresholds for a liquid class.

Class ID	Class	Liquidity	Medium	Large	Very Large
IRD01	BOBL futures	Liquid	1,000,000 EUR	5,000,000 EUR	10,000,000 EUR
IRD02	BUND futures	Liquid	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IRD03	BUXL futures	Liquid	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IRD04	Schatz futures	Liquid	2,000,000 EUR	10,000,000 EUR	20,000,000 EUR
IRD05	Euro-OAT futures	Liquid	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IRD06	Long-Term Euro-BTP futures	Liquid	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IRD07	Short-Term Euro-BTP futures	Liquid	1,000,000 EUR	5,000,000 EUR	10,000,000 EUR
IRD08	Three-Month Euro STR futures	Liquid	2,500,000 EUR	12,500,000 EUR	25,000,000 EUR
IRD09	BOBL options	Liquid	2,500,000 EUR	3,750,000 EUR	5,000,000 EUR
IRD10	BUND options	Liquid	5,500,000 EUR	8,250,000 EUR	11,000,000 EUR
	Any other interest rate derivatives	Liquid (under Option A in section 3.4.3.2.2) Illiquid (under Option B in section 3.4.3.2.2)	100,000 EUR	500,000 EUR	1,000,000 EUR

Table 38: Proposal for trade size thresholds – ETDs – Interest rate derivatives

Question 10: What is your view on the size thresholds for the deferral regime of Interest rate exchange traded derivatives?

3.4.3.3.4 Commodity and emission allowance derivatives

159. Within commodity and emission allowance derivatives, the most liquid classes are agricultural futures (Corn, Milling Wheat and Rapeseed), futures on Dutch TTF natural gas, and futures on emission allowances. The number of trades per day and per ISIN on those classes is comprised between 50 and over 1,000, and the average of ADV per ISIN is well above 1Mn EUR (100,000 tCO2 for EUA derivatives). They also have relatively low average trade sizes (around 50,000EUR except for futures on Dutch TTF where the average trade size is around 200,000EUR), which is a further characteristic of very liquid markets where trading occurs very frequently in small sizes.

160. In comparision, futures on electricity, options on Dutch TTF futures and futures on German THE natural gas evidence lower levels of liquidity, with on average around one transaction per day and per ISIN, an average ADV per ISIN generally around 100,000EUR (for electricity) or 1,000,000EUR (for natural gas), and higher average trade sizes.

Asset Class	Contract Type	Class	Volume (EUR)	Number of trade	Number of ISIN	Average of ISIN ADV	Average of ISIN ADNT	Average of ISIN ATS	ADV of the class	ADNT of the class	ATS of the class	Post Trade LIS 2023
Commo - AGRI	F	Corn	6,706,187,713	246,955	9	2,865,892	105.5	24,927	25,793,030	950	27,156	1,000,000
Commo - AGRI	F	Milling Wheat	205,578,904,588	3,564,752	13	60,822,161	1,054.7	43,236	790,688,095	13,711	57,670	1,000,000
Commo - AGRI	F	Rapeseed	74,673,879,625	1,632,236	11	26,109,748	570.7	60,174	287,207,229	6,278	45,749	1,000,000
Commo - ENVR	F	EUAE	8,675,098,692	3,560,622	295	113,104	46.4	16,320	33,365,764	13,695	2,436	100,000
Commo - ELEC	F	France	70,277,886,022	238,851	794	340,428	1.2	104,394	270,299,562	919	294,233	[1-2.5Mn]
Commo - ELEC	F	Germany	429,894,234,055	1,136,399	1,183	1,397,666	3.7	134,338	1,653,439,362	4,371	378,295	[1-2.5Mn]
Commo - ELEC	F	Hungary	11,544,342,644	25,732	393	112,980	0.3	97,852	44,401,318	99	448,638	[1-2.5Mn]
Commo - ELEC	F	Italy	65,805,154,737	145,610	510	496,268	1.1	171,316	253,096,749	560	451,927	[1-2.5Mn]
Commo - ELEC	F	Netherlands	15,303,057,920	25,844	579	101,654	0.2	185,512	58,857,915	99	592,132	[1-1.5Mn]
Commo - ELEC	F	Nordic Market Area	15,637,718,834	61,650	400	150,363	0.6	187,081	60,145,072	237	253,653	[1-1.5Mn]
Commo - ELEC	F	Spain	11,201,977,653	29,594	425	101,375	0.3	478,985	43,084,529	114	378,522	[1-1.5Mn]
Commo - NGAS	F	DE - THE	39,650,114,753	38,704	104	1,466,350	1.4	1,481,245	152,500,441	149	1,024,445	[1-2.5Mn]
Commo - NGAS	F	NL - TTF	2,077,688,934,003	9,479,826	420	19,026,455	86.8	226,860	7,991,111,285	36,461	219,170	1,000,000
Commo - NGAS	O	NL - TTF	406,902,547,067	82,633	1,767	885,687	0.2	5,257,100	1,565,009,796	318	4,924,214	1,000,000

Table 39: Liquidity metrics of liquid classes of ETDs – commodity and emission allowances. Volumes (ADV, ATS) and size thresholds are expressed in EUR except for Emission allowance derivatives (Class = EUAE) where they are expressed in tCO2.

161. It appears that the existing post-trade LIS thresholds do not take fully account of the differences in the liquidity profiles, as futures on electricity have the same or higher thresholds than the remaining classes of commodity derivatives.

162. Based on the above, ESMA suggests using the current value of the post-trade LIS threshold as the “medium size” for the most liquid classes (highligted in yellow in Table 39), and to use the existing post-trade LIS threshold as a cap for the remaining, less liquid classes. The “medium size” thresholds for those less liquid classes is set at 1x the ADV per ISIN, with a floor of 500,000EUR, a cap equal to the existing post-trade LIS, and a rounding of 500,000 EUR. The “large” and “very large” sizes are built by adding EUR 500,000EUR and EUR 1,000,000 respectively to the “medium” size threshold.

163. Regarding emission allowance derivatives, the medium size threshold deriving from the above proposal would be equal to 100,000 tCO2 (i.e. the value of the existing post-trade LIS threshold). This level is higher than the post-trade size threshold for spot emission allowances, which was set at 25,000 tCO2 as defined in Table 12.2 of Annex III of RTS 2 as amended by ESMA in the final report covering the review of RTS 2 for bonds. Considering that derivatives on emission allowances are significantely more liquid than spot emission allowances, ESMA believes this difference is appropriate.

164. Regarding illiquid classes of commodity derivatives, for the sake of simplicity, ESMA suggests using a unique threshold of EUR 200,000 EUR. As a comparision, the existing post-trade LIS threshold for illiquid classes of commodity derivatives is EUR 1Mn.

Class ID	Class	Liquidity	Medium	Large	Very Large
AG01	Milling Wheat futures	Liquid	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
AG02	Rapeseed futures	Liquid	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
AG03	Corn futures	Liquid	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
EA01	European Union Emission allowances futures	Liquid	100,000 tCO2	150,000 tCO2	200,000 tCO2
EL01	German power futures (baseload, monthly)	Liquid	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
EL02	French power futures (baseload, monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL03	Italian power futures (baseload, monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL04	Nordic power futures (baseload, monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL05	Spanish power futures (baseload, monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL06	Dutch power futures (baseload, monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL07	Hungarian power futures (baseload, monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR
NG01	Dutch TTF gas futures (monthly)	Liquid	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
NG02	German THE gas futures (monthly)	Liquid	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
NG03	Options on Dutch TTF gas futures (monthly)	Liquid	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
	Any other commodity, C10 and emission allowance derivatives	Illiquid	200,000EUR		

Table 40: Proposal for trade size thresholds - ETDs – commodity and emission allowances.

Question 11: What is your view on the size thresholds for the deferral regime of commodity and emission allowances exchange traded derivatives?

3.4.3.3.6 Credit Derivatives

165. Under the proposal developed in the previous section, all credit exchange-traded derivatives are deemed illiquid. ESMA suggests setting a unique post-trade size threshold equal to the existing post-trade LIS threshold applicable to illiquid classes of credit derivatives, i.e. 10,000,000 EUR.

Class ID	Class	Liquidity	Medium	Large	Very Large
CR01	Credit derivatives	Illiquid		10,000,000 EUR	

Table 41: Proposal for trade size thresholds – ETDs – Credit derivatives

3.4.3.3.8 FX Derivatives

166. Under the proposal developed in the previous section, all FX exchange-traded derivatives are deemed illiquid. ESMA suggests setting a unique post-trade size threshold equal to the existing post-trade LIS threshold applicable to FX derivatives, i.e. 25,000,000EUR.

Class ID	Class	Liquidity	Medium	Large	Very Large
FX01	FX derivatives	Illiquid		25,000,000 EUR	

Table 42: Proposal for trade size thresholds – ETDs – FX derivatives

3.4.3.3.9 Securitised derivatives

167. Considering that securitised derivatives, in addition to being considered to have a liquid market, have fixed thresholds, those could be considered to be the new thresholds as well. Therefore, it is proposed that that medium size threshold is equal to the current pre-trade LIS threshold of EUR 60,000, the large threshold is considered to be the current post-trade SSTI threshold of EUR 90,000 and the very large threshold could be set equivalently to the current post-trade LIS threshold of EUR 100,000.

Class ID	Class	Liquidity	Medium	Large	Very Large
SD01	Securitised derivatives	Liquid	60,000 EUR	90,000 EUR	100,000 EUR

Table 43: Proposal for trade size thresholds – ETDs – securitised derivatives

Question 12: Do you agree with the size thresholds for the deferral regime of the following ETD asset classes: FX, Credit, securitised derivatives, and other derivatives?

3.4.3.3.10 Deferral duration

168. Currently, ETDs are subject to a maximum deferral duration of T+2. ESMA has received indications that some regulated markets do not use post-trade deferrals and that others have put in place a more stringent deferral duration (e.g. T+1). More generally, ESMA has collected feedback according to which deferrals longer than T+2 would not be warranted for ETDs. This is because deferrals are meant to provide sufficient time for market participants to hedge their positions; and on regulated markets, hedging could normally be achieved within T+2.

169. As a result, ESMA suggests using the current T+2 deferral as the maximum deferral duration, i.e. for very large transactions in Category 5. This would ensure that the existing level of transparency currently available in this market is not impacted. Regarding Category 1 (medium liquid) and Category 3 (large liquid), ESMA suggests using end of day and T+1 respectively, with the same deferral durations for price and volume.

170. Regarding the deferral durations for illiquid instruments, there are two cases: on some illiquid classes ESMA has proposed a unique post-trade size threshold. For those classes, Categories 2 and 4 would be redundant and ESMA proposes to set the deferral of Category 5 at T+2. On other illiquid classes, ESMA has suggested different thresholds for medium, large and very large sizes. For those, ESMA suggests using the same deferrals compared to liquid classes, i.e. end of day for Category 2 (medium illiquid), T+1 for Category 4 (large illiquid) and T+2 for Category 5 (very large).

171. The deferrals applicable to each class of ETD are as per below.

Class	Liquidity	Medium size post-trade	Large size post-trade	Very Large size post-trade
Equity derivatives (Option C)	Liquid/ Illiquid	**End of day**	**T+1**	**T+2**
Interest rate derivatives (Option B)	Liquid/ Illiquid	**End of day**	**T+1**	**T+2**
Commodity and emission allowance derivatives	Liquid	**End of day**	**T+1**	**T+2**
	Illiquid	**T+2**		
Credit derivatives	Illiquid	**T+2**		
FX derivatives	Illiquid	**T+2**		
Securitised derivatives	Liquid	**End of day**	**T+1**	**T+2**
Other derivatives	Illiquid	**T+2**		

Table 44: Summary proposal for deferral durations - ETDs

3.4.3.4 OTC Derivatives – Liquidity determination

172. On 17 October 2024, the expert stakeholder group on equity and non-equity market data quality and transmission protocols [24] (DEG) published reports including recommendations focused on key pre-conditions for the consolidated tapes to emerge. As part of its mandate, the DEG published a report on derivatives[25] which includes inter alia recommendations on the liquidity determination and deferral regime for OTC derivatives.

173. In accordance with its mandate to develop draft RTS concerning the deferral regime for derivatives (Article 11a of MiFIR), ESMA has duly considered the advice provided by the DEG in its above-mentioned report.

3.4.3.4.1 Interest rate swaps

174. OTC interest rate derivatives (IRD) in the scope of transparency are those meeting all of the following conditions, which are set out in Article 8a(2)(a) of MiFIR: they are denominated in EUR, JPY, USD or GBP; they are subject to the clearing obligation; they are centrally cleared; and they have a contractually agreed tenor of 1, 2, 3, 5, 7, 10, 12, 15, 20, 25 or 30 years.

175. The classes of interest rate derivatives subject to the clearing obligation are listed below.

Type	Reference Index	Currency	Maturity	Settlement Currency Type
Basis	Euribor	EUR	28D-50Y	Single Currency
Fixed-to-float	Euribor	EUR	28D-50Y	Single Currency
FRAs	Euribor	EUR	3D-3Y	Single Currency
OIS	FedFunds	USD	7D-3Y	Single Currency
OIS	SONIA	GBP	7D-50Y	Single Currency
OIS	EuroSTR	EUR	7D-3Y	Single Currency
OIS	SOFR	USD	7D-50Y	Single Currency
OIS	TONA	JPY	7D-30Y	Single Currency

Table 45: classes of Interest Rate derivatives subject to the clearing obligation

176. ESMA analysed interest rate derivatives trading activity based on EMIR data for the calendar year 2023. The scope of transparency is limited to instruments subject to the clearing obligation hence the data was extracted for those instruments only. The total number of transactions executed in 2023 was above 3.6 million and the total volumes were around EUR 436 trillion.

[24] established pursuant to Article 22b(2) of MiFIR
[25] Reports by the expert stakeholder group on equity and non-equity market data quality and transmission protocols - European Commission

177. The volumes and trade count of the OTC interest rate derivatives subject to the clearing obligation are shown below, broken down by contract type and reference index. Regarding basis swaps, the scope of the clearing obligation is limited to single-currency instruments where at least one floating rate is Euribor. Under those conditions, ESMA has found transactions on the two following combinations: Euribor versus Euribor, and Euribor versus EuroSTR.

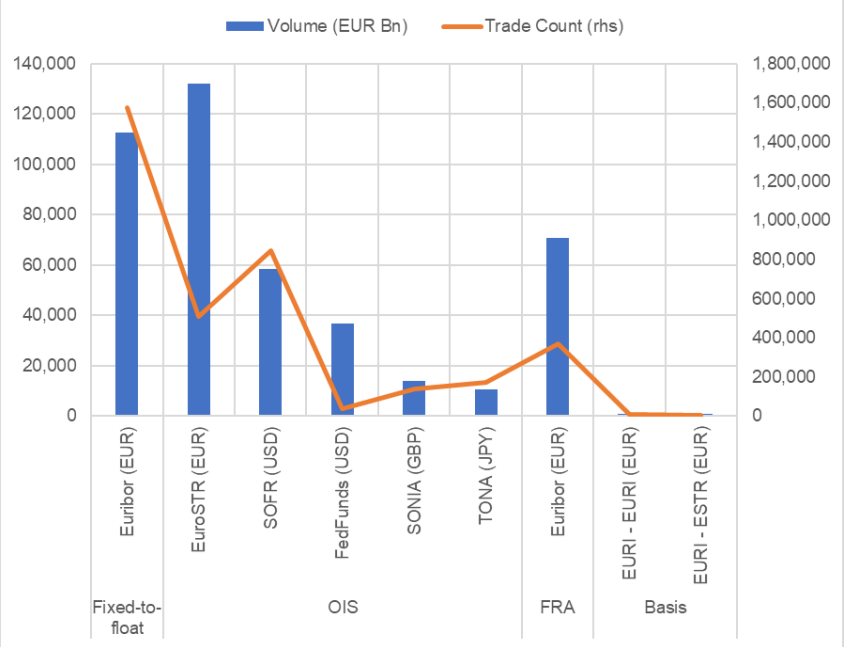


Chart 1: Volumes and trade count of OTC interest rate derivatives subject to the clearing obligation

178. From the scope of IRD subject to the clearing obligation, the following two conditions should be added to identify the contracts in the scope of transparency: they should be cleared and they should have a contractually agreed tenor of 1, 2, 3, 5, 7, 10, 12, 15, 20, 25 or 30 years. This means that only contracts with full whole year tenors are in the scope of transparency[26], and this tenor should be one of the 11 tenors mentioned above.

179. According to the data shown below (Table 46), within instruments subject to the clearing obligation, around 80% of volumes and trade count are cleared. The non-cleared part is expected to be mostly transactions for which at least one counterparty is exempted from the clearing obligation. When the condition on full versus broken tenor is applied, 30% of the volumes and 48% of the trade count remain in the scope of transparency, out of the total clearing obligation scope.

[26] To distinguish between full versus broken tenor, ESMA relied on the methodology provided in Annex 5 of the DEG report. For non-IMM swaps with effective date DD1 MM1 YY1 and termination date DD2 MM2 YY2, the contract has a full year tenor if DD1 = DD2 and MM1 = MM2 and YY2 > YY1 (example: a swap with effective date 3 March 2025 and expiry date 3 March 2030 has a full year tenor of 5 years). For IMM swaps with effective date DD1 MM1 YY1 and termination date DD2 MM2 YY2, the contract has a full year tenor if DD1 is the third Wednesday of the month MM1/YY1 and DD2 is the third Wednesday of the month MM2/YY2 and MM1 = MM2 and YY2 > YY1 (example: a swap with effective date 19 March 2025 and expiry date 20 March 2030 has a full year tenor of 5 years). Full year tenors include both IMM and non-IMM swaps, provided they meet the above conditions.

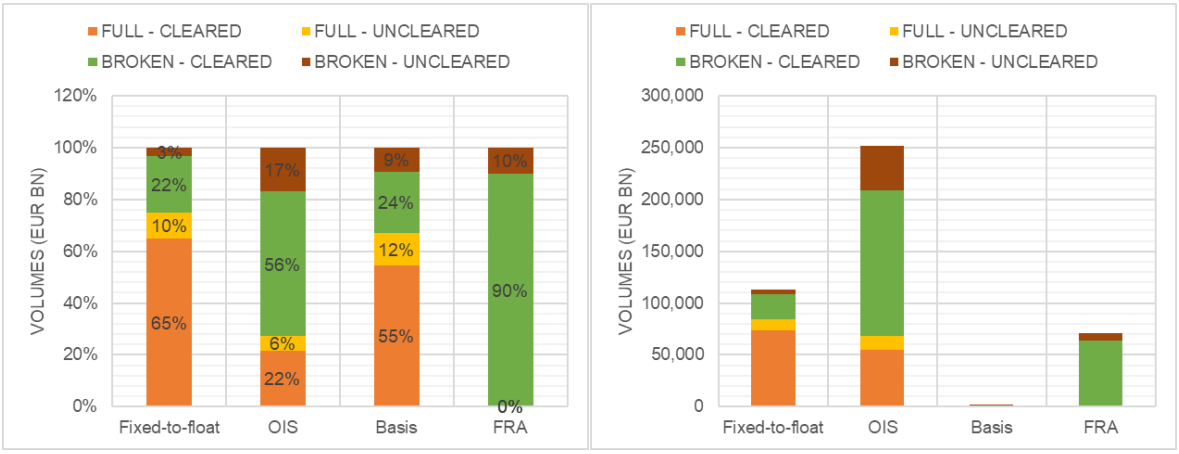
	Volume (%)	Trade Count (%)
CLEARED	**82%**	**78%**
FULL	29%	48%
BROKEN	53%	29%
UNCLEARED	**18%**	**22%**
FULL	5%	15%
BROKEN	13%	7%
Grand Total	**100%**	**100%**

Table 46: Volumes and trade count of OTC interest rate derivatives subject to the clearing obligation, per cleared/non-cleared, full/broken tenor

180. ESMA observes significant discrepancies in the relative share of full versus broken tenor based on the contract type: on fixed-to-float and basis swaps, around 75% of volumes and trade count take place on full tenors; while this percentage is much smaller on OIS (28% of volumes, 61% of trade count) and close to zero on FRAs (Chart 2).

181. Most FRAs are understood to be concluded for post-trade reduction purposes and have short tenors (above 90% of FRAs volume and trade count have tenors below one year), which explains why they are not caught under the fixed tenors defined at Level 1. Besides, trades concluded for post-trade risk reduction services are not subject to transparency, in accordance with Article 31(1) of MiFIR.

182. Regarding OIS, a significant proportion of the broken tenor swaps are understood to be swaps with large notional amounts and a tenor of 6 to 7 weeks, concluded in between central banks announcement dates. Due to their short tenor, those swaps are not captured in the scope of transparency. Within OIS with broken tenors, 85% of the volume and 43% of the trade count are found on tenors below 1Y.



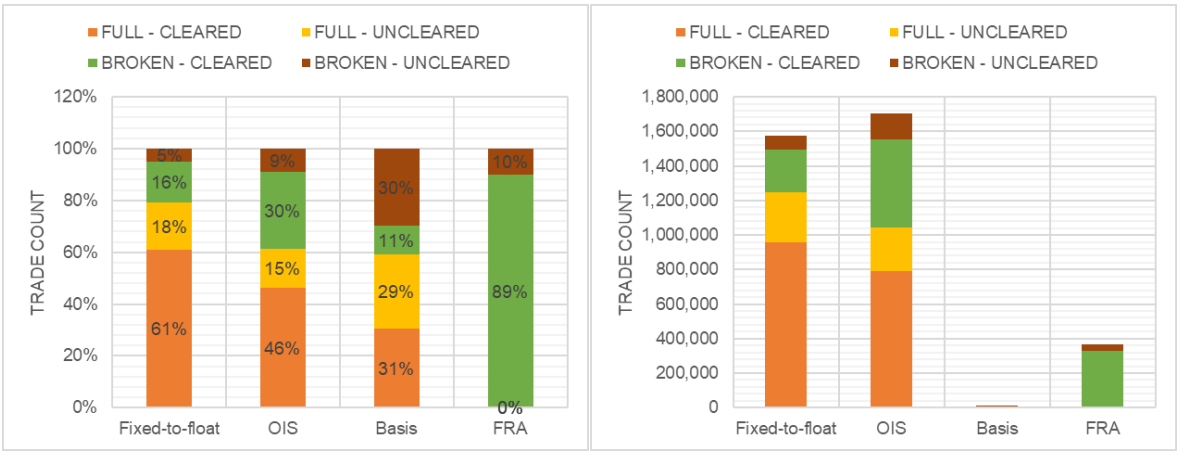
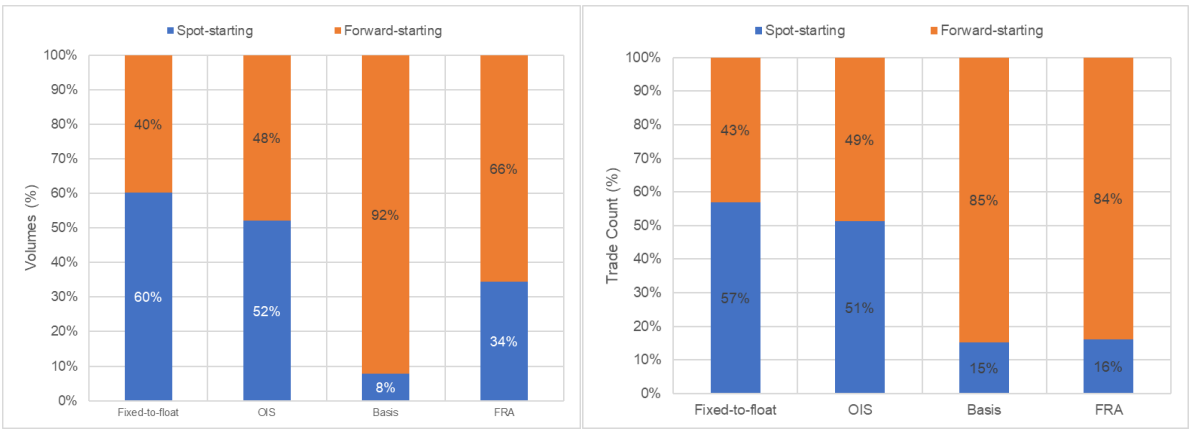


Chart 2: Volumes and trade count of OTC interest rate derivatives subject to the clearing obligation, per reference index, cleared/non-cleared, full/broken tenor

Spot-starting IRD versus forward-starting IRD

183. ESMA has compared the liquidity of spot-starting versus forward-starting OTC interest rate derivatives, based on the difference between the execution date and the effective date[27] and observed different outcomes depending on the contract types and tenors. On fixed-to-float and OIS, the volumes and number of trades were evenly split between spot and forward-starting contracts (50% to 60% in spot-starting); on basis swaps and FRAs, volumes and number of trades were much higher on forward-starting contracts. ESMA found significant differences based on the contract tenor as shown below: the share of volume and trade count on spot-starting contracts tends to be higher on long tenors (Chart 3).

184. Based on the above, there appears to be significant trading activity both on spot-starting and forward-starting contracts. Therefore, ESMA is not minded differentiating spot-starting and forward-starting in the liquidity determination. Should stakeholders support different liquidity assessments for spot and forward-starting contracts, they are invited to complement their feedback with quantitative elements to the extent possible, in their answer to Question 13.



[27] ESMA has classified as forward-starting contracts where the difference between the execution date and the effective date is strictly greater than 2 business days.

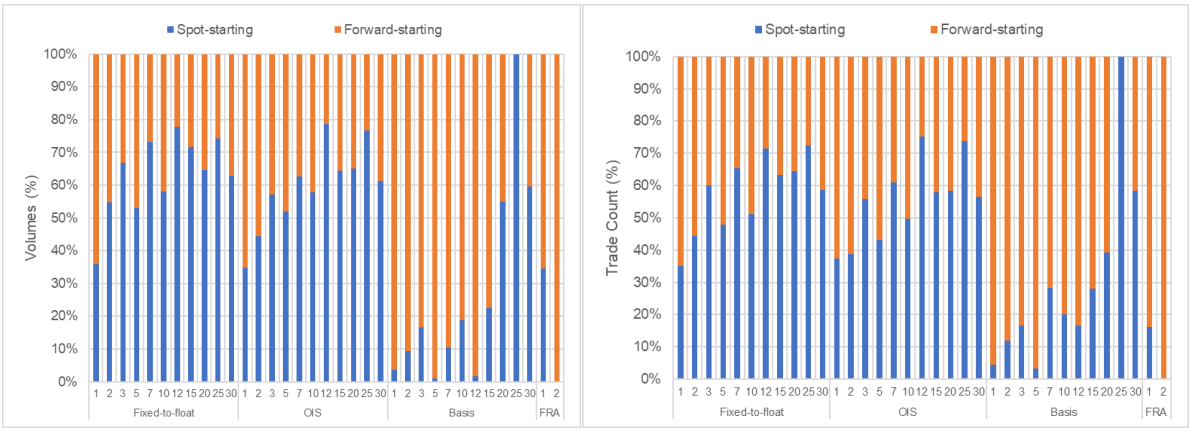


Chart 3: Volumes and trade count of OTC interest rate derivatives per reference index, per tenor, and per spot versus forward-starting (only cleared and only full tenors in scope)

Analysis per tenor for instruments in transparency scope

185. Limiting the analysis to instruments in the scope of transparency (subject to CO, cleared and with full year tenors), ESMA observes a higher share of volumes on the following tenors: 1Y, 2Y, 5Y and 10Y. The share of volumes on out-of-scope tenors varies based on the contract type and represents a relatively high share for fixed-to-float (19%) and OIS (13%). FRAs are almost exclusively traded with 1Y tenor (Chart 4).

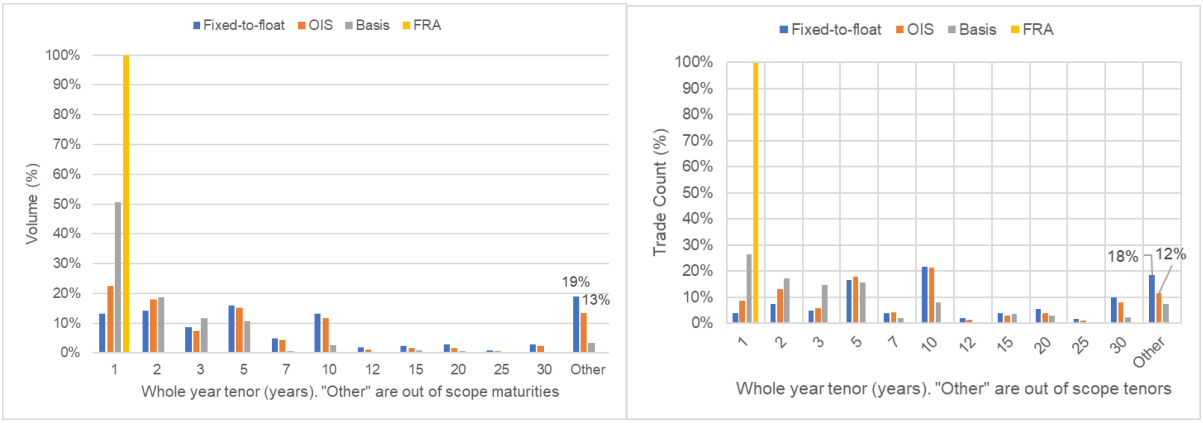


Chart 4: Volumes and trade count of OTC interest rate derivatives per reference index, and per tenor (only cleared and only full tenors)

Liquidity assessment of interest rate derivatives

186. When all tenors are combined, fixed-to-float Euribor as well as OIS referencing EuroSTR, SOFR, SONIA and TONA are the most liquid classes of IRD, evidenced by high levels of ADV and ADNT. Those instruments traded on average between 350 and more than 3,000 times per day, all tenors combined. In contrast, OIS referencing FedFunds, as well as all basis swaps and FRAs are significantly less liquid, with a few trades per day on average (Table 47 and Table 48).

187. When contracts are analysed per tenor, the data also suggests that fixed-to-float referencing Euribor; and OIS referencing EuroSTR, SOFR, SONIA and TONA are the most liquid classes with ADNT generally above 10 trades per day, and ADV above EUR 1Bn, for each tenor. This outcome should be nuanced on OIS referencing EuroSTR, SONIA and TONA where tenors beyond 10 years (especially 12 and 25) are less liquid.

188. Regarding OIS on EuroSTR and FedFunds, as well as Euribor FRAs, the clearing obligation only applies to maturities up to 3 years. As a result on those contracts, only the tenors 1Y, 2Y and 3Y are in the scope of transparency.

189. On that basis, ESMA suggests the following liquidity determination:

- The following classes are deemed liquid:
  - fixed-to-float referencing Euribor;
  - OIS referencing EuroSTR, SOFR, SONIA and TONA.
- The following classes are deemed illiquid: OIS referencing FedFunds, all basis swaps and all FRAs.

	Liquid	Illiquid	Out of Scope									
ADNT	**1**	**2**	**3**	**5**	**7**	**10**	**12**	**15**	**20**	**25**	**30**	**All Tenors**
Fixed-to-float	**144**	**281**	**188**	**642**	**153**	**836**	**71**	**149**	**217**	**65**	**390**	**3,136**
Euribor	144	281	188	642	153	836	71	149	217	65	390	3,136
OIS	**272**	**411**	**178**	**564**	**138**	**678**	**45**	**91**	**126**	**37**	**254**	**2,793**
EuroSTR	85	99	47	95	27	74	9	17	16	7	30	505
SOFR	140	222	98	321	68	420	26	51	57	24	174	1,601
SONIA	25	46	16	71	12	78	4	9	9	2	32	304
TONA	18	42	14	72	29	98	5	12	42	2	16	350
FedFunds	4	2	2	5	2	8	2	2	2	1	3	34
Basis	**3**	**2**	**2**	**2**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**10**
EURI - ESTR	2	1	1	0	0	0	0	0	0	0	0	4
EURI - EURI	1	1	1	1	0	1	0	0	0	0	0	6
FRA	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**
Euribor	5	0	0	0	0	0	0	0	0	0	0	5
Grand Total	**424**	**694**	**367**	**1,208**	**291**	**1,514**	**116**	**240**	**343**	**102**	**644**	**5,944**

Table 47: Average daily number of trades of interest rate derivatives in the scope of transparency, per tenor and reference index.

	Liquid	Illiquid	Out of Scope									
ADV (EUR Bn)	**1**	**2**	**3**	**5**	**7**	**10**	**12**	**15**	**20**	**25**	**30**	**All Tenors**
Fixed-to-float	**38.3**	**41.5**	**25.2**	**47.1**	**14.1**	**38.8**	**5.7**	**7.3**	**8.1**	**2.5**	**8.7**	**237.4**
Euribor	38.3	41.5	25.2	47.1	14.1	38.8	5.7	7.3	8.1	2.5	8.7	237.4
OIS	**49.4**	**39.1**	**16.2**	**33.4**	**9.7**	**25.6**	**2.6**	**3.2**	**3.4**	**1.4**	**5.4**	**189.6**
EuroSTR	16.0	13.0	5.7	10.1	3.5	7.1	1.0	1.1	1.1	0.6	1.3	60.5
SOFR	26.2	19.3	7.8	16.9	3.7	12.9	1.0	1.5	1.5	0.7	3.5	95.1
SONIA	3.5	3.2	1.4	2.9	0.7	2.1	0.2	0.3	0.3	0.1	0.4	15.1
TONA	3.0	3.4	1.2	3.1	1.6	3.1	0.3	0.2	0.6	0.1	0.1	16.7
FedFunds	0.7	0.2	0.1	0.4	0.1	0.3	0.1	0.1	0.0	0.0	0.1	2.2
Basis	**1.8**	**0.7**	**0.4**	**0.4**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.4**
EURI - ESTR	0.9	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
EURI - EURI	0.9	0.4	0.2	0.3	0.0	0.1	0.0	0.0	0.0	0.0	0.0	1.9
FRA	**0.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**
Euribor	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Grand Total	**89.9**	**81.3**	**41.9**	**80.8**	**23.9**	**64.4**	**8.4**	**10.5**	**11.5**	**3.9**	**14.2**	**430.8**

Table 48: Average daily volume (EUR Bn) of interest rate derivatives in the scope of transparency, per tenor and reference index.

Question 13: Do you agree with the proposed liquidity assessment for OTC interest rate derivatives? Should you support a different assessment for spot-starting and forward-starting interest rate derivatives, please support your response with a data analysis.

3.4.3.4.2 CDSs

190. ESMA analysed credit derivatives trading activity based on EMIR data for the calendar year 2023. The scope of transparency is limited to instruments denominated in G4 currencies hence the data was extracted for those currencies only. The total number of transactions was above 1 million equally split between index and single name CDSs. The total traded volumes were above EUR 21 trillion, 85% of which in Index CDSs.

3.4.3.4.2.1 Single-Name CDSs

191. Single-name CDSs in the scope of transparency are those that reference a global systemically important bank (GSIB) and that are centrally cleared. The market events of 2023 have shown that a lack of transparency in certain credit default swaps referencing GSIBs might fuel speculation on the creditworthiness of such banks. Those considerations have led to the inclusion of certain single-name CDSs in the scope of transparency[28], even if they are less liquid than index CDSs and not subject to the clearing nor trading obligation.

[28] See also: Letter from ESMA to the European Commission on transparency regime for single name-CDS and standardised OTC-derivatives

192. To identify the instruments in scope, ESMA relied on the 2024 list of GSIB published by the Financial Stability Board (FSB), which included 29 banks[29]. While the majority of single-name CDSs are centrally cleared (71.9% of volumes and 65.8% of trade count), only a small share of the single-name CDS market reference GSIB entities. This translates into 73 trades per day on average for in-scope single-name CDSs (spread across the 29 individual entities), out of around 2,000 trades per day on average for the full sample of single-name CDSs (Table 49).

193. The average trade size (ATS) of the sample is EUR 5.7Mn, with in-scope single-name CDSs (cleared, GSIBs) having an ATS slightly above average (EUR 7.4Mn). Within the single-name CDSs in scope, those on EEA reference entities represent around 30% of volume and trade count (Table 50).

Single-Name CDS in G4 currencies	Volume (%)	Trade Count (%)	Average Daily Volume (EUR)	Average Daily Number of Trade	Average Trade Size (EUR)
CLEARED	**71.9%**	**65.6%**	**8,053,458,137**	**1,290**	**6,243,903**
GSIB	6.8%	5.7%	543,771,507	73	7,422,333
NON-GSIB	93.2%	94.3%	7,509,686,630	1,217	6,172,937
UNCLEARED	**28.1%**	**34.4%**	**3,152,862,250**	**675**	**4,670,880**
GSIB	8.5%	7.7%	267,515,431	52	5,169,380
NON-GSIB	91.5%	92.3%	2,885,346,819	623	4,629,489
Grand Total	**100.0%**	**100.0%**	**11,206,320,387**	**1,965**	**5,703,498**

Table 49: Liquidity measures of single-name CDSs. ADV, ADNT and ATS are provided for the given aggregation (e.g. Cleared – GSIB), they are not divided by the number of instruments within the aggregation.

Cleared + GSIB Single-Name CDS	Volume (%)	Trade Count (%)	Average Daily Volume (EUR)	Average Daily Number of Trade	Average Trade Size (EUR)
EEA	26.2%	36.6%	142,487,845	26.8	5,320,528.5
NON-EEA	73.8%	63.4%	401,283,661	46.5	8,633,326.6
Grand Total	**100.0%**	**100.0%**	**543,771,507**	**73**	**7,422,333**

Table 50: Liquidity measures of single-name CDSs (cleared, GSIB) per geographical zone

Analysis per tenor

194. In the analysis below, 'tenor' is used to refer to the contract maturity at inception; 'maturity' is used to refer to the contract maturity at the time of execution, i.e. the remaining maturity of the contract calculated as the difference between the effective date and the expiry date.

[29] https://www.fsb.org/2024/11/2024-list-of-global-systemically-important-banks-g-sibs/

195. ESMA analysed the liquidity of single-name CDSs based on the maturity. ESMA observed that most of the trading activity occurs on contracts with a remaining maturity up to 5 years. The results are similar when single name CDSs are broken down between those subject to transparency, i.e. where the reference entity is a GSIB and cleared (noted "In Scope" in the table below), and those outside the scope of transparency (noted "Out of Scope" in the table below).

196. In-scope single name CDSs traded on average 73 times per day. As this bucket includes the 29 GSIBs, this translates in roughly two trades per day and per reference entity. Within those, single-name CDSs with maturity below 5Y traded on average 71 times per day versus 3 times per day for longer maturities.

Single-Name CDS in G4 currencies	Volume (%)	Trade Count (%)	Average Daily Volume (EUR)	Average Daily Number of Trade	Average Trade Size (EUR)
In Scope (cleared, GSIB)	**4.9%**	**3.7%**	**543,771,507**	**73**	**7,422,333**
<= 5Y	96.5%	96.4%	524,982,273	71	7,434,389
> 5Y	3.5%	3.6%	18,789,234	3	7,100,583
Out of Scope	**95.1%**	**96.3%**	**10,662,548,880**	**1,892**	**5,636,926**
<= 5Y	96.8%	96.5%	10,318,118,273	1,825	5,652,251
> 5Y	3.2%	3.5%	344,430,608	66	5,213,481
Grand Total	**100.0%**	**100.0%**	**11,206,320,387**	**1,965**	**5,703,498**

Table 51: Liquidity measures of single-name CDSs broken down by remaining maturity. In scope = single name CDSs referencing GSIBs and centrally cleared.

197. Based on the above, ESMA suggests that single-name CDSs with a 5Y tenor are deemed liquid, and the remaining single-name CDSs are deemed illiquid.

Question 14: Do you agree with the proposed liquidity assessment for OTC single-name credit derivatives?

3.4.3.4.2.2 Index CDSs

198. Index CDSs in the scope of transparency are those that reference (1) iTraxx Europe Main and iTraxx Europe Crossover, i.e. the two indices subject to the clearing obligation and covered under Article 8a(2)(a) of MiFIR; and (2) indices comprising GSIBs and covered under Article 8a(2)(c)) of MiFIR.

199. ESMA understands that the list of indices captured by Article 8a(2)(c) include iTraxx Europe Senior Financials and iTraxx Europe Subordinate Financials.

200. Those two indices are sub-indices from the iTraxx Europe index: iTraxx Senior Financials comprises the 30 financial entities from the iTraxx Europe index referencing senior debt, and iTraxx Subordinated Financials comprises the 30 financial entities from the iTraxx Europe index referencing subordinate debt.

201. As evidenced in the table below, most of the trading activity in Index CDSs involves central clearing: cleared transactions represented close to 90% of total Index CDS volumes and close to 80% of total Index CDSs trade count. In addition, the four indices listed above accounted for around 65% of the volumes and trade count, within cleared index CDSs.

202. Transactions in index CDSs based on the two indices subject to the clearing obligation occurred at a high frequency of above 400 trades per day, while the trading frequency in the two financial indices was four to ten times lower.

203. The average trade size of the whole sample was EUR 35Mn, with cleared transactions in iTraxx Europe Main and iTraxx Europe Senior Financial exhibiting an ATS higher than average (close to EUR 50Mn) and cleared transactions in iTraxx Europe Crossover and iTraxx Europe Subordinate Financial exhibiting an ATS lower than average (20-30Mn).

Index CDS	Volume (%)	Trade Count (%)	Average Daily Volume (EUR)	Average Daily Number of Trade	Average Trade Size (EUR)
CLEARED	**89.3%**	**79.9%**	**62,730,135,736**	**1,577**	**39,789,208**
iTraxx Europe Main	42.8%	29.6%	26,828,979,784	467	57,451,055
iTraxx Europe Crossover	13.8%	26.0%	8,682,414,154	410	21,160,343
iTraxx Europe Senior Financial	7.9%	6.4%	4,985,857,460	100	49,694,201
iTraxx Europe Subordinate Financial	1.8%	2.4%	1,097,877,978	38	28,564,823
Other	33.7%	35.6%	21,135,006,360	560	37,707,933
UNCLEARED	**10.7%**	**20.1%**	**7,533,282,244**	**396**	**19,046,564**
iTraxx Europe Main	38.2%	18.8%	2,877,810,770	74	38,764,418
iTraxx Europe Crossover	14.2%	30.5%	1,070,600,701	121	8,866,258
iTraxx Europe Senior Financial	7.5%	4.8%	562,222,022	19	29,352,957
iTraxx Europe Subordinate Financial	1.8%	2.3%	132,396,909	9	14,761,233
Other	38.4%	43.6%	2,890,251,842	172	16,764,054
Grand Total	**100.0%**	**100.0%**	**70,263,417,980**	**1,972**	**35,629,077**

Table 52: Liquidity measures of Index CDSs. ADV, ADNT and ATS are provided for the given aggregation, they are not divided by the number of instruments within the aggregation.

Tenors in scope

204. The classes of index CDSs subject to the clearing obligation include only contracts with a 5Y tenor, as specified in the Annex of the relevant Commission Delegated Regulation[30]. There is no further specification of the classes based on the remaining maturity of the contract; hence the clearing obligation applies irrespective of whether the contract is on-the-run or off-the-run. As the scope of transparency for index CDSs referred to in Article 8a(2)(a) is limited to contracts subject to the clearing obligation, only index CDSs (iTraxx Europe Main and iTraxx Europe Crossover) with a 5Y tenor are in the scope of transparency.

205. The scope of transparency for index CDSs referred to in Article 8a(2)(c), i.e. CDSs that reference an index comprising GSIBs, does not explicitly mention the tenor. Therefore, contracts referencing such indices cannot be excluded from the transparency scope based on the tenor. The tenor can nonetheless be considered for the liquidity determination.

206. As for single-name CDSs, ESMA further analysed the liquidity of index CDSs based on the remaining maturity of the contract. On the four indices, the bulk of trading activity occurs on contracts with a maturity up to 5Y. With the exception of the iTraxx Europe Main, there is merely any trading activity on contracts with maturities above 5Y (Table 53). In addition, within the contracts with a remaining maturity below 5Y, ESMA observes that the trading activity is concentrated on the on-the-run and first off-the-run series[31] (Table 54).

In-Scope Index CDS per remaining maturity	Volume (%)	Trade Count (%)	Average Daily Volume (EUR)	Average Daily Number of Trade	Average Trade Size (EUR)
In Scope	**100.0%**	**100.0%**	**41,595,129,376**	**1,016**	**40,937,298**
iTraxx Europe Main	**64.5%**	**46.0%**	**26,828,979,784**	**467**	**57,451,055**
<= 5Y	92.7%	94.2%	24,874,165,248	440	56,570,270
> 5Y	7.3%	5.8%	1,954,814,536	27	71,645,303
iTraxx Europe Crossover	**20.9%**	**40.4%**	8,682,414,154	410	21,160,343
<= 5Y	100.0%	99.9%	8,678,809,923	410	21,165,049
> 5Y	0.0%	0.1%	3,604,231	0.3	13,780,882
iTraxx Europe Senior Financial	**12.0%**	**9.9%**	4,985,857,460	100	49,694,201
<= 5Y	99.9%	99.6%	4,982,829,683	100	49,864,736
> 5Y	0.1%	0.4%	3,027,777	0.4	7,497,352
iTraxx Europe Subordinate Financial	**2.6%**	**3.8%**	**1,097,877,978**	**38**	**28,564,823**
<= 5Y	99.8%	99.0%	1,095,807,469	38	28,799,145
> 5Y	0.2%	1.0%	2,070,508	0.4	5,383,322
Grand Total	**100.0%**	**100.0%**	**41,595,129,376**	**1,016**	**40,937,298**

Table 53: Liquidity measures of index CDSs broken down by remaining maturity. Only cleared contracts are included.

[30] Commission Delegated Regulation (EU) 2016/592 of 1 March 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on the clearing obligation

[31] A proxy of 5Y on-the-run was built filtering contracts with a remaining maturity between 4.70Y and 5.30Y. This reflects the market practice to move to the new on-the-run contract every six months.

In-Scope Index CDS per index and per remaining maturity	Volume (%)	Trade Count (%)	Average Daily Volume (EUR)	Average Daily Number of Trade	Average Trade Size (EUR)
Only maturities up to 5Y	**100.0%**	**100.0 %**	**39,631,612,324**	**988**	**40,123,745**
iTraxx Europe Main	**62.8%**	**44.5%**	**24,874,165,248**	**440**	**56,570,270**
<=1Y	1.5%	0.5%	383,092,100	2	183,095,489
]1-2Y]	3.9%	0.8%	969,300,773	3	284,444,922
]2-3Y]	4.0%	0.9%	1,004,051,844	4	246,276,867
]3-4.69]	14.4%	3.9%	3,594,092,227	17	211,178,300
]4.69-5.30Y]	76.1%	94.0%	18,923,628,305	413	45,807,979
iTraxx Europe Crossover	**21.9%**	**41.5%**	8,678,809,923	410	21,165,049
<=1Y	1.1%	0.2%	93,206,823	1	114,852,009
]1-2Y]	3.4%	0.5%	295,490,357	2	143,602,790
]2-3Y]	4.1%	0.4%	**353,751,579**	**2**	**197,372,126**
]3-4.69]	15.4%	1.9%	1,340,068,463	8	170,542,242
]4.69-5.30Y]	76.0%	96.9%	6,596,292,701	398	16,593,002
iTraxx Europe Senior Financial	**12.6%**	**10.1%**	4,982,829,683	100	49,864,736
<=1Y	1.8%	0.4%	88,531,674	0	247,507,905
]1-2Y]	2.9%	0.6%	142,544,199	1	245,440,342
]2-3Y]	5.8%	1.0%	287,743,006	1	279,153,663
]3-4.69]	14.2%	3.3%	709,553,402	3	218,324,124
]4.69-5.30Y]	75.3%	94.8%	3,754,457,402	95	39,642,581
iTraxx Europe Subordinate Financial	**2.8%**	**3.9%**	1,095,807,469	38	28,799,145
<=1Y	0.5%	0.4%	5,689,758	0	39,982,082
]1-2Y]	3.6%	1.3%	38,928,967	0	80,329,615
]2-3Y]	7.6%	1.2%	83,372,520	0	183,702,163
]3-4.69]	18.6%	5.2%	203,976,024	2	102,978,187
]4.69-5.30Y]	69.7%	92.0%	763,840,200	35	21,831,203
Grand Total	**100.0%**	**100.0 %**	**39,631,612,324**	**988**	**40,123,745**

Table 54: Liquidity measures of index CDSs broken down by maturity. Only cleared contracts with a remaining maturity below 5Y are included.

207. The DEG report recommends distinguishing the on-the-run and first off-the-run index CDSs from the other combinations, to consider their higher liquidity.

208. In light of the above analysis, ESMA suggests the following liquidity determination:

- Liquid instruments:
  - four indices: iTraxx Europe Main, iTraxx Europe Crossover, iTraxx Europe Senior Financials, iTraxx Europe Subordinate Financials;
  - 5Y tenor, on-the-run and first off-the-run series.
- Illiquid instruments: any other index CDSs in the scope of transparency.

209. To take into account the lower liquidity of iTraxx Europe Senior Financials and iTraxx Europe Subordinate Financials compared to the other two indices in scope, ESMA suggests providing longer deferrals for transactions on CDSs referencing iTraxx Europe Senior Financials and iTraxx Europe Subordinate Financials, as further explained in section 3.4.3.5.2 below.

Question 15: Do you agree with the proposed liquidity assessment for OTC index credit derivatives?

3.4.3.5 OTC derivatives – post-trade deferral sizes and durations

3.4.3.5.1 Interest rate swaps

210. To define the trade sizes above which deferrals should apply, ESMA analysed trade size distributions based on volumes and based on trade count, for each combination of contract type, underlying index, and tenors.

Granularity

211. The analysis evidence significant differences in the trade size distributions based on tenors, where the trade size typically decreases as the tenor increases. As an illustration, the median trade size of fixed-to-float IRS on Euribor is close to EUR 500Mn for 1Y tenor, versus around 50Mn for 30Y tenor. There are also significant differences in the trade size distribution based on the underlying reference indices. As a result, ESMA suggests defining different size thresholds for each combination of contract type, underlying index and tenors. This level of granularity is in line with the one suggested in the DEG report.

Methodology and calibration

212. In terms of calibration, the DEG report suggests that for standard swaps[32], the reporting should be in real time where the trade size is below the 67th percentile of the trade size distribution (based on trade count), and end-of day where the trade size is above that threshold. For non-standard swaps, the reporting should be deferred to **end of day** where the trade size is below the 50th percentile of the trade size distribution, and to **T+2** where the trade size is above that threshold.

213. In addition, the DEG suggests that when the trade size is above the 90th percentile, the volume should initially be masked (e.g. published as “XXX Mn+”) and unmasked after three months. Resulting size thresholds based on those percentiles are provided in the annexes of the DEG report.

[32] Considerations on “standard swaps” are included page 10 of the DEG report.

214. In the existing RTS 2, the post-trade LIS thresholds of interest rate derivatives are calculated as percentiles of the trade size distribution, based on volumes and trade count. The percentiles are currently set in table 5.2 of Annex III of RTS 2 at the maximum between the 90th percentile based on trade count, the 70th percentile based on volume, and a fixed floor.

215. Trade size distributions based on volumes and based on trade count are provided below as an illustration for fixed-to-float Euribor. The graph includes only IRD meeting all the relevant conditions to be in the scope of transparency. No distinction is made between spot-starting and forward-starting contracts.

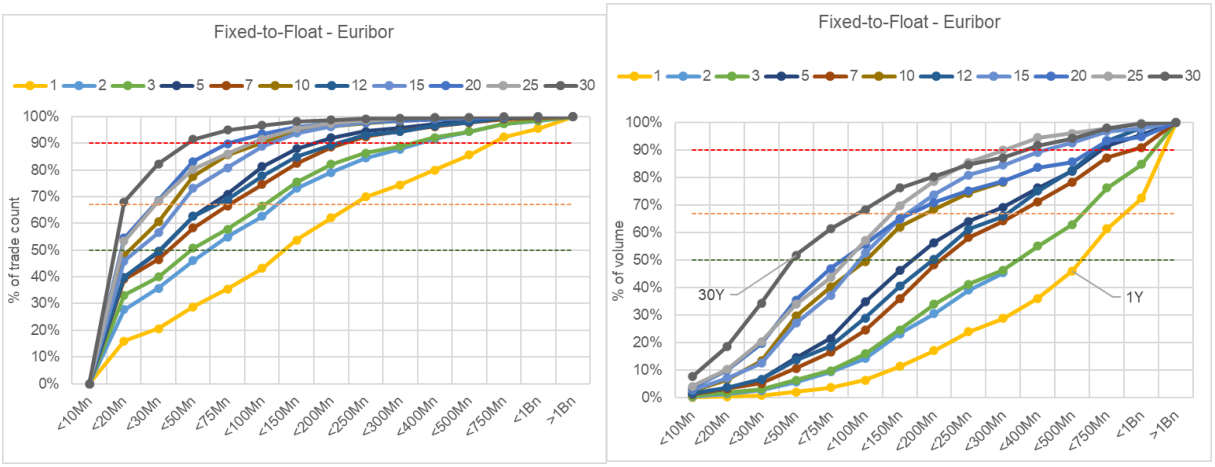


Chart 5: trade size distribution of fixed-to-float Euribor per tenor, based on trade count (left) and based on volumes (right)

Price deferrals:

216. ESMA is suggesting setting a unique price deferral of EoD for liquid instruments and T+1 for illiquid instruments. The same price deferral duration would therefore apply to transactions above the medium, large, and very large thresholds. As price information is less sensitive than volume information, the proposal ensures that prices are disseminated as quickly as possible and deferred only for a short duration, to maximise transparency.

Volume deferrals

217. Given the high granularity at which size thresholds are proposed to be set (Reference rate x tenor), setting a medium, large, and very large threshold for each combination would result in a very complex regime. To reduce the level of complexity, ESMA suggests setting the same thresholds and the same deferral durations for large and very large trades. The calibration for liquid instruments would be as follows:

- when the trade size is between the 80th and the 90th percentile of the distribution based on trade count, the volume should be published end of day for liquid instruments (Cat 1) and in T+1 for illiquid instruments (Cat 2);

- when the trade size is above the 90th percentile of the distribution based on trade count, the volume should be published end of day for liquid instruments (Cat 3 and Cat 5) and T+1 for

illiquid instruments (Cat 4) with a masking up to the 90th percentile. The actual volume should be published after 3 months.

218. The table below illustrates this proposal for fixed-to-float Euribor swaps with a one-year tenor. For this contract, the 80th percentile is 400Mn and the 90th percentile is 750Mn.

Category	Trade size	Published end of day	Published in 3 months
1	[400 – 750Mn[	Actual volume	Not applicable
3 and 5	>=750Mn	750Mn+	Actual volume

Table 55: Illustration of volume deferrals -- fixed-to-float Euribor swaps with a one-year tenor

219. The corresponding medium, large and very large sizes for each combination are shown below. Thresholds are expressed in the currency corresponding to the reference index hence they are expressed in EUR except for FedFunds and SOFR (USD), SONIA (GBP) and TONA (JPY).

	80th percentile (trades)	Corresponding volumes	90th percentile (trades)	Corresponding volumes
Fixed-to-float Euribor	**Medium size**		**Large/Very Large**	
Tenors	**EUR**		**EUR**	
1	400Mn	36.2%	750Mn	61.5%
2	250Mn	39.2%	400Mn	54.4%
3	200Mn	34.0%	400Mn	55.1%
5	100Mn	34.9%	200Mn	56.4%
7	100Mn	24.7%	200Mn	48.3%
10	75Mn	40.3%	100Mn	49.6%
12	75Mn	18.7%	100Mn	29.1%
15	75Mn	37.2%	100Mn	52.6%
20	50Mn	35.6%	100Mn	55.9%
25	50Mn	34.0%	100Mn	57.1%
30	30Mn	34.4%	50Mn	51.8%

Table 56: Size thresholds for fixed-to-float Euribor

	80th percentile (trades)	Corresponding volumes	90th percentile (trades)	Corresponding volumes
OIS	**Medium size**		**Large/Very Large**	
OIS - FedFunds	**USD**		**USD**	
1	250Mn	41.3%	400Mn	52.0%
2	150Mn	35.9%	250Mn	51.4%
3	100Mn	31.7%	200Mn	54.6%
OIS - SOFR	**USD**		**USD**	
1	250Mn	27.5%	500Mn	46.5%
2	150Mn	35.3%	250Mn	49.4%
3	100Mn	27.2%	200Mn	44.0%
5	100Mn	43.0%	150Mn	53.3%
7	75Mn	26.7%	150Mn	46.2%
10	50Mn	35.7%	75Mn	46.4%
12	50Mn	28.5%	75Mn	36.1%
15	50Mn	32.9%	75Mn	42.8%
20	50Mn	43.7%	75Mn	56.2%
25	50Mn	40.1%	75Mn	51.7%
30	30Mn	38.8%	50Mn	51.7%
OIS - SONIA	**GBP**		**GBP**	
1	175Mn	24.4%	355Mn	41.9%
2	135Mn	41.6%	175Mn	51.0%
3	135Mn	32.9%	175Mn	41.7%
5	65Mn	37.8%	90Mn	47.8%
7	65Mn	18.3%	90Mn	25.6%
10	45Mn	42.7%	65Mn	56.2%
12	45Mn	13.9%	65Mn	21.4%
15	45Mn	37.0%	65Mn	53.3%
20	45Mn	45.8%	65Mn	62.8%
25	45Mn	31.8%	65Mn	47.4%
30	20Mn	36.2%	25Mn	51.4%
OIS - TONA	**JPY**		**JPY**	
1	35Bn	44.0%	55Bn	62.5%
2	20Bn	46.5%	30Bn	57.8%
3	20Bn	55.1%	30Bn	65.2%
5	10Bn	49.5%	15Bn	58.8%
7	10Bn	40.1%	15Bn	49.6%
10	7Bn	38.7%	10Bn	48.3%
12	7Bn	21.2%	10Bn	36.0%
15	5Bn	39.3%	7Bn	55.9%
20	3Bn	44.9%	5Bn	55.1%
25	3Bn	24.3%	5Bn	32.6%
30	3Bn	58.2%	3Bn	58.2%
OIS - EuroSTR	**EUR**		**EUR**	

1	300Mn	34.4%	750Mn	66.8%
2	200Mn	29.7%	300Mn	45.5%
3	200Mn	36.5%	300Mn	49.0%

Table 57: Size thresholds for OIS (FedFunds, SOFR, SONIA, TONA, EuroSTR)

	80th percentile (trades)	Corresponding volumes	90th percentile (trades)	Corresponding volumes
Basis Swaps	**Medium size**		**Large/very large**	
Euribor vs EuroSTR	**EUR**		**EUR**	
1	750Mn	65.3%	1Bn	78.5%
2	750Mn	65.9%	1Bn	81.8%
3	500Mn	68.1%	750Mn	78.1%
5	200Mn	55.1%	250Mn	96.1%
7	200Mn	56.4%	250Mn	56.4%
10	150Mn	60.8%	250Mn	94.4%
12	150Mn	14.6%	200Mn	14.6%
15	150Mn	87.4%	150Mn	87.4%
20	75Mn	65.5%	150Mn	65.5%
25	75Mn	100.0%	150Mn	100.0%
30	75Mn	52.2%	150Mn	75.7%
Euribor vs Euribor	**EUR**		**EUR**	
1	1Bn	45.6%	1.5Bn	--
2	750Mn	68.1%	1Bn	84.5%
3	500Mn	60.0%	750Mn	83.9%
5	500Mn	45.4%	750Mn	74.0%
7	200Mn	74.1%	200Mn	74.1%
10	200Mn	52.8%	200Mn	52.8%
12	150Mn	100.0%	200Mn	100.0%
15	150Mn	67.3%	200Mn	100.0%
20	100Mn	51.0%	150Mn	65.1%
25	100Mn	100.0%	150Mn	100.0%
30	75Mn	50.2%	150Mn	73.8%
FRA	**EUR**		**EUR**	
FRA - Euribor				
1	100Mn	31.6%	250Mn	56.2%
2	20Mn	100.0%	30Mn	100.0%

Table 58: Size thresholds for basis swaps and FRAs

Question 16: Do you agree with the proposed deferral framework for OTC interest rate derivatives?

3.4.3.5.2 CDSs

3.4.3.5.2.1 Single-name CDSs

220. To define the trade sizes above which deferrals should apply, ESMA analysed trade size distributions based on volumes and based on trade count (Chart 5). ESMA observed that trades with a size below EUR 10Mn represent 40% of the volumes; and trades with a size below EUR 25Mn represent 60% of the volumes. In terms of trade count, over 80% of transactions have a size below 10Mn and over 90% of transactions have a size below 25Mn. There is no significant difference in the trade size distribution of instruments in scope (cleared, GSIB) versus the rest of single-name CDSs except for larger sizes where there are fewer trades for in-scope CDSs compared to those not in the scope.

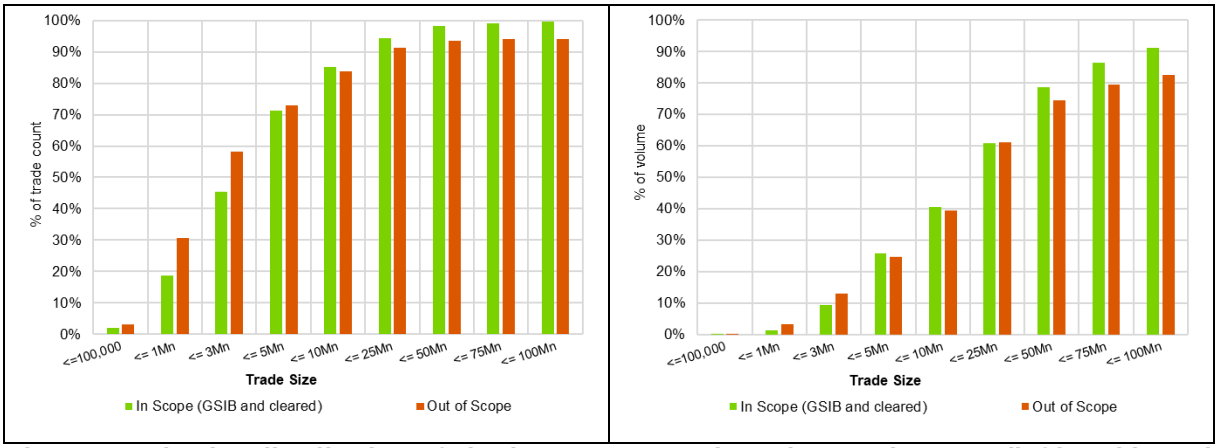


Chart 6: trade size distribution of single-name CDSs, based on trade count (left) and based on volumes (right)

Trade size thresholds included in the DEG report

221. Regarding price deferrals, the DEG report suggests deferrals between one day and four weeks depending on the groups. Price deferrals apply irrespective of the trade size: one day for Group 1, one week for Group 2 and Group 3 and four weeks for Group 4. Hence there is no trade size threshold concerning price deferral.

222. Regarding volume deferrals, the DEG report suggests using the same size thresholds for all categories (USD 3Mn and USD 50Mn) with deferral periods which increase depending on the group (and hence the liquidity). The detailed framework as suggested in the DEG report is shown below:

Group 1	Transaction size	Price deferral	Volume 1 day	Volume in 1 week	Volume in 3 months
5Y single-name CDS with ADV more than $3 million	Below USD 3Mn	1 day	Actual volume		
	USD [3 – 50Mn[		3Mn+	Actual volume	
	Above 50Mn			50Mn+	Actual volume
Group 2	**Transaction size**		**Volume in 1 week**	**Volume in 2 weeks**	**Volume in 3 months**
Non-5Y single-name CDS with ADV more than $3 million	Below USD 3Mn	1 week	Actual volume		
	USD [3 – 50Mn[		3Mn+	Actual volume	
	Above 50Mn			50Mn+	Actual volume
Group 3	**Transaction size**		**Volume in 1 week**	**Volume in 4 weeks**	**Volume in 3 months**
5Y single-name CDS with ADV less than $3 million	Below USD 3Mn	1 week	Actual volume		
	USD [3 – 50Mn[		3Mn+	Actual volume	
	Above 50Mn			50Mn+	Actual volume
Group 4	**Transaction size**		**NA**	**Volume in 4 weeks**	**Volume in 3 months**
Non-5Y single-name CDS with ADV less than $3 million	Below 50Mn	4 weeks		Actual volume	
	Above 50Mn			50Mn+	Actual volume

Table 59: DEG proposals on single-name CDSs volume deferrals

223. ESMA tested the size thresholds suggested in the DEG report on the single-name CDSs in the scope of transparency (cleared, GSIB) and found that transactions with a size below EUR 3Mn account for around 10% of volumes and 45% of trade count. Transactions with a size between EUR 3Mn and EUR 50Mn account for 70% of volumes and 53% of trade count. Transactions with a size above EUR 50Mn make up the remaining 20% of volumes and 2% of trade count.

224. The volume masking, i.e. the publication of volumes above certain sizes as e.g. 50M+ has the merit of providing transparency on the order of magnitude of the trade without revealing its precise size, hence providing additional protection for liquidity providers. This proposal is also implemented or proposed in other jurisdictions.

225. ESMA is suggesting adopting volume masking for large and very large trades, noting that the exact size should ultimately be published, in accordance with the requirement that *"When the period of deferral lapses, all the details of the transactions on an individual basis shall be published."* (Article 11a if MiFIR). As noted by the DEG report, the publication of the actual volume could take place after 3 months, as time will have eroded the risk of causing undue risk.

226. Based on the above, ESMA is suggesting the following trade size thresholds: Medium 3Mn; Large 10Mn; Very Large 50Mn. This calibration broadly corresponds to 10% of volumes below medium size; 40% of volumes below large size and 80% of volumes below very large sizes. In terms of trade count, this calibration broadly corresponds to 45% of trades below medium size; 85% of trades below large size and 98% of trades below very large sizes.

227. Regarding deferral durations, ESMA suggests the following:

- A price deferral of EoD for liquid categories and 1 week for illiquid categories;
- A volume deferral of T+1 for Cat 1, 2 weeks for Cat 3 and 3 months for Cat 5 (liquid);
- A volume deferral of 1 week for Cat 2, 2 weeks for Cat 4 and 3 months for Cat 5 (illiquid);
- In addition, volumes above the medium size are published at T+1 (for liquid) and 1 week (for illiquid) with a masking up to the large size.

Proposals for trade size and deferral duration

Group 1 (liquid)	Cat	Trade size (EUR)	Price deferral	Volume T+1	Volume 2W	Volume 3M
5Y single-name CDSs	1	[3 – 10Mn[	EoD	Actual volume		
	3	[10 – 50Mn[		10Mn+	Actual volume	
	5	Above 50Mn		10Mn+		Actual volume
Group 2 (illiquid)		Transaction size		Volume 1W	Volume 2W	Volume 3M
Other single-name CDSs in scope	2	[3 – 10Mn[	1 week	Actual volume		
	4	[10 – 50Mn[		10Mn+	Actual volume	
	5	Above 50Mn		10Mn+		Actual volume

Table 60: OTC Single-Name CDSs deferrals

Question 17: Do you agree with the proposed deferral framework for OTC single-name CDSs?

3.4.3.5.2.2 Index CDSs

228. To define the trade sizes above which deferrals should apply, ESMA analysed trade size distributions based on volumes and based on trade count. There are important differences in the trade size distributions based on the underlying index, with lower trade sizes on the iTraxx Europe Crossover and the iTraxx Subordinate Financial.

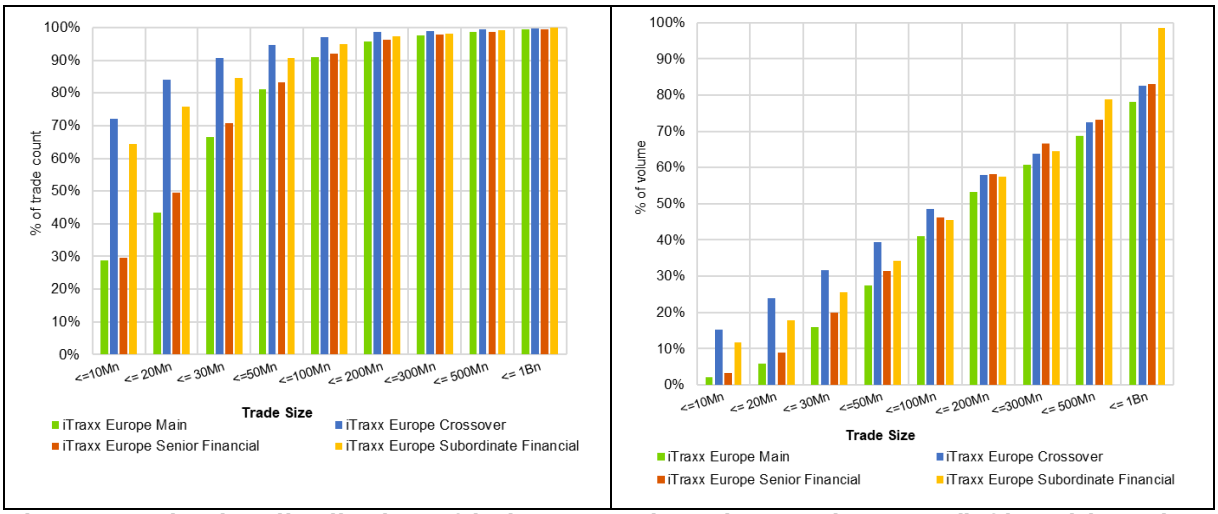


Chart 7: trade size distribution of index CDSs, based on trade count (left) and based on volumes (right)

Trade size thresholds included in the DEG report

229. Regarding price deferrals, the DEG report suggests that (1) transactions of any size in the most liquid instruments can benefit from a price deferral of 15min; (2) transactions of any size in the least liquid instruments can benefit from a price deferral of EoD. Hence there is no trade size thresholds concerning price deferral.

230. Regarding volume deferrals, the DEG report suggests that (1) transactions in the most liquid instruments can benefit from a volume deferral of 15min for trades below caps (1 week for trades above cap, with volume masking); (2) transactions in the least liquid instruments can benefit from a volume deferral of EoD for trades below cap (2 weeks for trades above caps, with volume masking).

231. The caps as suggested in the DEG report would result in roughly 20% of volumes and 80% of trade count benefiting from the shortest deferrals, while the remaining 80% of volumes and 20% of trade count would benefit from the longest deferrals.

232. Like for single-name, ESMA is suggesting adopting volume masking for very large trades, noting that the exact size should ultimately be published, in accordance with the requirement that *"When the period of deferral lapses, all the details of the transactions on an individual basis shall be published."* (Article 11a if MiFIR).

Proposals for trade size and deferral duration

233. Based on the above, ESMA is suggesting a calibration per index, broadly corresponding to 15% of volumes below medium size; 30% of volumes below large size and 60% of volumes below very large sizes. In terms of trade count, this calibration corresponds to 60-70% of trades below medium size; 80-90% of trades below large size and 98% of trades below very large sizes. The corresponding medium, large and very large sizes are provided for each index in the table below.

Liquid/ Illiquid	Index CDS	Feature	Medium	Large	Very Large
Liquid	iTraxx Europe Main	5Y on-the-run and first off-the-run	30Mn	50Mn	300Mn
Liquid	iTraxx Europe Crossover		10Mn	30Mn	300Mn
Liquid	iTraxx Europe Senior Financial		30Mn	50Mn	300Mn
Liquid	iTraxx Europe Subordinate Financial		10Mn	50Mn	300Mn
Illiquid	Any other in-scope Index CDS		10Mn	30Mn	300Mn

Table 61: OTC Index CDSs deferrals trade sizes

234. Regarding deferral durations, ESMA suggests the following for the most liquid instruments (index CDSs referencing iTraxx Europe Main and iTraxx Europe Crossover):

- A price deferral of 15min;
- A volume deferral of 15min for Cat1, EoD for Cat 3 and 3 months for Cat 5;
- In addition, volumes above the medium size are published within 15min with a masking up to the large size.

235. For the least liquid instruments (index CDSs referencing iTraxx Senior Financial and iTraxx Subordinate Financial) and for illiquid instruments, the deferral durations are longer, as shown in the table below.

Proposals for trade sizes and deferral durations

Group 1 (most liquid)	Cat	Index	Trade size (EUR)	Price deferral	Volume 15min	Volume EoD	Volume 3M
5Y index CDS, on-the-run and first off-the-run	1	iTraxx Europe Main	[30 – 50Mn[	15min	Actual volume		
		iTraxx Crossover	[10 – 30Mn[				
	3	iTraxx Europe Main	[50 – 300Mn[		50Mn+	Actual volume	
		iTraxx Crossover	[30 – 300Mn[		30Mn+		
	5	iTraxx Europe Main	Above 300Mn		50Mn+		Actual volume
		iTraxx Europe Crossover			30Mn+		
Group 2 (least liquid)	**Cat**		**Trade size (EUR)**		**Volume 1W**	**Volume 2W**	**Volume 3M**
5Y index CDS, on-the-run and first off-the-run	1	iTraxx Europe Senior Financial	[30 – 50Mn[	15min	Actual volume		
		iTraxx Subordinate Financial	[10 – 50Mn[				
	3	iTraxx Europe Senior Financial	[50 – 300Mn[		50Mn+	Actual volume	
		iTraxx Subordinate Financial	[50 – 300Mn[				
	5	iTraxx Europe Senior Financial	Above 300Mn		50Mn+		Actual volume
		iTraxx Subordinate Financial					
Group 3 (illiquid)	**Cat**		**Trade size (EUR)**		**Volume 1W**	**Volume 2W**	**Volume 3M**
Other index CDSs in scope	2	Index CDSs not in Group 1 nor in Group 2	[10 - 30Mn[	EoD	Actual volume		
	4		[30 - 300Mn[		30Mn+	Actual volume	
	5		Above 300Mn		30Mn+		Actual volume

Table 62: OTC Index CDSs deferrals

Question 18: Do you agree with the proposed deferral framework for OTC index CDSs?

236. ESMA may provide additional Level 3 guidance on the way in which the volume masking should be implemented in the post-trade reports (e.g. publication of the value “10Mn+” in the field ‘Notional Amount’, empty field ‘Notional Amount’, use of post-trade flags etc…).

Question 19: Do you have suggestions on the way to implement the volume masking in the post-trade reports, including the application of flags?

4 The European System of Central Banks (ESCB) Exemption

4.1 Mandate

237. The text below sets out the revised mandate given to ESMA regarding the ESCB exemption.

Article 1(8) of MiFIR

ESMA shall, in close cooperation with the ESCB, develop draft regulatory technical standards to specify the monetary, foreign exchange and financial stability policy operations and the types of transactions to which paragraphs 6 and 7 apply with regard to members of the ESCB which are not members of the Eurosystem.

ESMA shall submit those draft regulatory technical standards to the Commission ~~by 3 July 2015~~ 29 March 2026.

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

4.2 Background

238. Article 1(6) of MiFIR sets out the conditions under which MiFIR pre- and post-trade transparency requirements are disapplied to transactions entered by a member of the European System of Central Banks (ESCB). Article 1(7) of MiFIR specifies the transactions to which the Article 1(6) exemption does not apply.

239. The MiFIR review introduces a distinction in the scope of the transactions eligible to the transparency exemption depending on whether the member of the ESCB entering into the transaction is a member of the Eurosystem. When the member of the ESCB is a member of the Eurosystem, all the transactions entered into for the performance of its monetary, foreign exchange or financial stability policy are eligible to the Article 1(6) exemption. A narrower exemption applies to transactions entered into by members of the ESCB which are not a member of the Eurosystem.

240. As a consequence, ESMA is mandated to develop draft regulatory technical standards to specify the policy operations and the type of operations to which Article 1(6) and (7) applies with regard to members of the ESCB which are not a member of the Eurosystem only. This requires amending Articles 14 and 15 of RTS 2.

4.3 Analysis and proposals

241. In line with ESMA's mandate, it is suggested that Article 14 of RTS 2 focusses on the transactions to which the exemption in Article 1(6) of MiFIR applies with regard to members of the ESCB which are not members of the Eurosystem. It is also proposed to keep the structure of Article 14 and introduce some limited amendments to reflect its narrower scope.

242. As regards transactions carried out for monetary policy operations (Article 14(a) of RTS 2), ESMA proposes to only keep reference to the operations carried out under national provisions by members of the ESCB that are not members of the Eurosystem where those national provisions are equivalent to the relevant Article in the Statute of the ESCB and of the annexed to the Treaty on the European Union.

243. As regards foreign-exchange transactions (Article 14(b) of RTS 2), ESMA proposes to clarify that Article 1(6) of MiFIR only applies to foreign exchange transactions carried out to hold or manage official reserves of Member States whose currency is not the Euro.

244. In Article 15 of RTS 2, which sets out the transactions to which the exemptions in Article 1(6) of MiFIR do not apply with regard to members of the ESCB which are not members of the Eurosystem, it only appears necessary to clarify that the transactions referred to in the Article are those transactions entered into by a member of the ESCB which is not a member of the Eurosystem.

245. The proposed changes to Articles 14 and 15 of RTS 2 appear below in red.

Article 14

Transactions to which the exemption in Article 1(6) of Regulation (EU) No 600/2014 applies with regard to members of the ESCB which are not a member of the Eurosystem

(Article 1(6) of Regulation (EU) No 600/2014)

A transaction shall be considered to be entered into by a member of the European System of Central Banks (ESCB) which is not a member of the Eurosystem in performance of monetary, foreign exchange and financial stability policy where that transaction meets any of the following requirements:

(a) the transaction is carried out for the purposes of monetary policy, including ~~an operation carried out in accordance with Articles 18 and 20 of the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on European Union or~~ an operation carried out under ~~equivalent~~ national provisions equivalent to Articles 18 and 20 of the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on European Union ~~for members of the ESCB in Member States whose currency is not the euro~~;

(b) the transaction is a foreign-exchange operation, including operations carried out to hold or manage official foreign reserves of the Member States whose currency is not the euro or the reserve management service provided by a member of the ESCB which is not a member of

the Eurosystem to central banks in other countries to which the exemption has been extended in accordance with Article 1(9) of Regulation (EU) No 600/2014;

(c) the transaction is carried out for the purposes of financial stability policy.

Article 15

Transactions to which the exemption in Article 1(6) of Regulation (EU) No 600/2014 does not apply with regard to members of the ESCB which are not a member of the Eurosystem

(Article 1(7) of Regulation (EU) No 600/2014)

Article 1(6) of Regulation (EU) No 600/2014 shall not apply to the following types of transactions entered into by a member of the ESCB which is not a member of the Eurosystem for the performance of an investment operation that is unconnected with that member's performance of one of the tasks referred to in Article 14:

(a) transactions entered into for the management of its own funds;

(b) transactions entered into for administrative purposes or for the staff of the member of the ESCB which include transactions conducted in the capacity as administrator of a pension scheme for its staff;

(c) transactions entered into for its investment portfolio pursuant to obligations under national law.

Question 20: Do you agree with the proposed amendments to Articles 14 and 15 of RTS 2? Please explain.

5 Package Orders

5.1 Mandate

246. The text below provides the new Article 8b of MiFIR:

Article 8b of MiFIR

1. ►M7 Competent authorities shall be able to waive the obligation for market operators and investment firms operating a trading venue to make public the information referred to in Article 8(1), Article 8a(1) and (2) and Article 8b(1) for: ◄

[…]

(e) package orders that meet one of the following conditions:

(i) at least one of its components is a financial instrument for which there is not a liquid market, unless there is a liquid market for the package order as a whole;

(ii) at least one of its components is large in scale compared with the normal market size, unless there is a liquid market for the package order as a whole.

[…]

2a. Competent authorities shall be able to waive the obligation referred to in Article 8b(1) for each individual component of a package order.

[…]

6. In order to ensure the consistent application of points (i) and (ii) of paragraph (1)(e), ESMA shall develop draft regulatory technical standards to establish a methodology for determining those package orders for which there is a liquid market. When developing such methodology for determining whether there is a liquid market for a package order as a whole, ESMA shall assess whether packages are standardised and frequently traded.

ESMA shall submit those draft regulatory technical standards to the Commission by 28 February 2017.

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

5.2 Background

247. The MiFIR review amends the scope of non-equity instruments and of the trading systems subject to pre-trade transparency. In this context, although neither the definition of package orders nor the mandate for ESMA in relation to package orders have changed in MiFIR, ESMA considers necessary to review Commission Delegated Regulation (EU) 2017/2194 (“Package order RTS“).

5.3 Analysis and proposals

248. As a reminder, under MiFIR, pre-trade transparency obligations apply only to ETD and certain OTC derivatives (namely, interest rate derivatives and credit derivatives with certain characteristics) when traded on a trading venue applying a central limit order book or periodic auction trading system. The following table summarises the new transparency scope.

Traded on….	ETD derivatives	Certain OTC interest rate derivatives	Certain OTC credit derivatives	Other OTC

CLOB	Pre-trade transparency applies	Pre-trade transparency applies	Pre-trade transparency applies	Pre-trade transparency does not apply
Periodic auctions	Pre-trade transparency applies	Pre-trade transparency applies	Pre-trade transparency applies	Pre-trade transparency does not apply
Other trading systems	Pre-trade transparency does not apply	Pre-trade transparency does not apply	Pre-trade transparency does not apply	Pre-trade transparency does not apply

249. Therefore, the package order waiver should be available for those packages including at least one or more instruments subject to pre-trade transparency.

250. Article 9(1)(e) of revised MiFIR specifies that the pre-trade transparency obligations can be waived when the package orders meet one of the following conditions:

- at least one of its components is a financial instrument for which there is not a liquid market, unless there is a liquid market for the package order as a whole;
- at least one of its components is large in scale compared with the normal market size, unless there is a liquid market for the package order as a whole.

251. The Package order RTS provides for the classes of instruments for which there is a liquid market as a whole and for which the package order waiver is therefore not available.

252. More specifically, as per Article 1(a) of the Package order RTS, a package is considered having a liquid market as a whole (and therefore not being eligible for the package waiver) if it consists of no more than four components that belong to classes of derivatives that have been declared subject to the trading obligation for derivatives in accordance with the procedure described in Article 32 of MiFIR, unless one of the following applies:

(i) all the components of the package order are large in scale compared to normal market size

(ii) the components of the package order do not exclusively belong to one of the asset classes as referred to Annex III of RTS 2.

253. ESMA considers that this provision is still relevant and that only the reference to Annex III of RTS 2 has to be amended and be replaced by the equivalent list of derivatives classes of equity derivatives, commodity derivatives, interest rate derivatives and credit derivatives. Indeed, Annex III of RTS 2 is removed due to the new static liquidity assessment.

254. Alternatively, as per Article 1(b) a package is considered having a liquid market as a whole if the package order meets all of the following conditions:

(i) all components of the package order are available for trading on the same trading venue;

(ii) all components of the package order are subject to the clearing obligation in accordance with Article 5 of EMIR or the clearing obligation in accordance with Article 29(1) of MiFIR;

(iii) at least one of the components of the package order has a liquid market or is not large in scale compared to normal market size;

(iv) the package order meets the criteria applicable to the relevant asset class and laid down in Articles 2, 3, 4 or 5.

255. To the above conditions, ESMA proposes to add the below point (iiia) because it does not appear appropriate to subject package orders to pre-trade transparency when some components are not subject to pre-trade transparency requirements. A package would therefore only be considered to have a liquid market as a whole when all the components are subject to pre-trade transparency requirements.

(iiia) all the components are subject to pre-trade transparency requirements under Article 8a of Regulation (EU) No 600/2014.

256. The package order RTS sets out the asset class specific requirements in Articles 2-5, analysed in the following sub-sections.

Interest rate derivatives

257. Article 2 of the CDR 2017/2194 defines the additional criteria for package orders consisting exclusively of interest rate derivatives and requires that:

(a) the package order has no more than three components;

(b) all components of the package order belong to the same sub-asset class as referred to in in Section 5 of Annex III to Delegated Regulation (EU) 2017/583;

(c) all components of the package order are denominated in the same notional currency of either EUR, USD or GBP;

(d) where the package order consists of interest rate swaps, the components of that package order have a tenor of 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 15, 20 or 30 years;

(e) where the package order consists of interest rate future components, those components are either of the following:

(i) contracts with a maturity not exceeding 6 months for interest rate futures based on 3 months interest rates;

(ii) contracts with the expiration date closest to the current date for interest rate futures based on 2, 5 and 10 year interest rates;

(f) where the package order consists of bond futures, the package order replaces a position in a contract that is nearest to expiry with a position in a contract with the same underlying expiring at the next maturity date.

For the purpose of point (d), a component of a package order shall be deemed to have a tenor of 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 15, 20 or 30 years where the period of time between the effective date of the contract and the termination date of the contract equals one of the time periods mentioned in point (d), plus or minus 5 days.

258. ESMA considers that, in Article 2(d), the maturities of those OTC derivatives not covered by pre-trade transparency requirements should be removed since in such cases a package order cannot have a liquid market as a whole under new Article 1(b)(iiia). At the same time those included in Article 8a of MiFIR but not included in point d) should be added since in such cases a package order can have a liquid market as a whole. This is achieved by referencing the tenors under Article 8a of MiFIR. This approach has also the benefit of not having to change the RTS on package orders in the case of a change of the classes of OTC derivatives subject to transparency per Article 8a(4).

259. Moreover, considering that a tenor for the liquidity assessment is determined as the difference between the effective date of the contract and the termination date of the contract[33] without consideration for a margin of +/- 5 days, the second subparagraph of Article 2 should be amended.

260. Furthermore, the reference to Annex III has to be removed, considering that there is no longer such annex. Instead, the sub-classes currently set out in the Annex will be now spelled out to cater for the possibility that those could be ETD at any point in time.

Equity derivatives

261. Article 3 of the CDR 2017/2194 defines the additional criteria for package orders consisting exclusively of equity derivatives and requires that:

(a) the package order has no more than two components;

(b) all components of the package order belong to the same sub-asset class as referred to in Section 6 of Annex III to Delegated Regulation (EU) 2017/583;

(c) all components of the package order are denominated in the same notional currency of either EUR, USD or GBP;

(d) all components of the package order have the same underlying index;

[33] To distinguish between full versus broken tenor, ESMA relied on the methodology provided in Annex 5 of the DEG report. For non-IMM swaps with effective date DD1 MM1 YY1 and termination date DD2 MM2 YY2, the contract has a full year tenor if DD1 = DD2 and MM1 = MM2 and YY2 > YY1 (example: a swap with effective date 3 March 2025 and expiry date 3 March 2030 has a full year tenor of 5 years). For IMM swaps with effective date DD1 MM1 YY1 and termination date DD2 MM2 YY2, the contract has a full year tenor if DD1 is the third Wednesday of the month MM1/YY1 and DD2 is the third Wednesday of the month MM2/YY2 and MM1 = MM2 and YY2 > YY1 (example: a swap with effective date 19 March 2025 and expiry date 20 March 2030 has a full year tenor of 5 years). Full year tenors include both IMM and non-IMM swaps, provided they meet the above conditions.

(e) the expiry date of all components of the package order does not exceed 6 months;

(f) where the package order contains options, all options have the same expiry date.

262. ESMA considers that the reference to Annex III has to be removed, considering that there is no longer such annex. Instead, the sub-classes currently set out in the Annex will be now spelled out.

Credit derivatives

263. Article 4 of the CDR 2017/2194 defines the additional criteria for package orders consisting exclusively of credit derivatives and requires that:

(a) the package order has no more than two components;

(b) all components of the package order are index credit default swaps as referred to in Section 9 of Annex III to Delegated Regulation (EU) 2017/583;

(c) all components of the package order are denominated in the same notional currency of either EUR or USD;

(d) all components of the package order have the same underlying index;

(e) all components of the package order have a tenor of 5 years;

(f) the package order replaces a position in a next-to-recent version of an index series (latest off-the-run) with a position in the most recent version (on-the-run).

264. ESMA considers that the reference to Annex III should be removed since such annex no longer exist. Instead, it should be replaced by the definition of index CDSs as per the annex. In other words, point (b) should now read as follows: “all components of the package order are index credit default swaps defined as swaps whose exchange of cash flows is linked to the creditworthiness of several issuers of financial instruments composing an index and the occurrence of credit events”.

Commodity derivatives

265. Article 5 of the CDR 2017/2194 defines the additional criteria for package orders consisting exclusively of commodity derivatives and requires that:

(a) the package order has no more than two components;

(b) all components of the package order are commodity derivative futures as referred to in Section 7 of Annex III to Delegated Regulation (EU) 2017/583;

(c) all components of the package order have the same underlying commodity defined at the most granular level as specified in Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/585 (1);

(d) all components of the package order are denominated in the same notional currency of either EUR, USD or GBP;

(e) the package order replaces a position in a contract that is nearest to expiry with a position in a contract expiring at the next maturity date.

266. ESMA considers that the reference to Annex III should be removed as it does no longer exist. Instead, it should point (b) should now read as follows: “all components of the package order are commodity derivative futures with underlying agricultural, energy or metal commodity”.

Question 21: Do you agree with the proposed amendments to CDR 2017/2194, the RTS on package orders? Please explain.

6 RTS on input/output data for OTC derivatives CTP

6.1 Mandate

Article 22b – Data quality

1. The data transmitted to the CTP pursuant to Article 22a(1) and the data disseminated by the CTP pursuant to Article 27h(1), point (d), shall comply with the regulatory technical standards adopted pursuant to Article 4(6), point (a), Article 7(2), point (a), Article 11(4), point (a), and Article 11a(3), point (a), unless provided otherwise in the regulatory technical standards adopted pursuant to paragraph 3, points (b) and (d), of this Article.

2. The Commission shall establish an expert stakeholder group by [three months from the date of entry into force of this amending Regulation] to provide advice on the quality and the substance of data and the quality of the transmission protocol referred to in Article 22a(1). The expert stakeholder group and ESMA shall work closely together. The expert stakeholder group shall make its advice public.

The expert stakeholder group shall be composed of members with a sufficiently wide range of expertise, skills, knowledge and experience to provide adequate advice.

The members of the expert stakeholder group shall be selected following an open and transparent selection procedure. In selecting the members of the expert stakeholder group, the Commission shall ensure that they reflect the diversity of market participants across the Union.

The expert stakeholder group shall elect a Chair from among its members, for a term of two years. The European Parliament may invite the Chair of the expert stakeholder group to make a statement before it and to answer any questions from its members whenever so requested.

3. ***ESMA shall develop draft regulatory technical standards to specify the quality of the transmission protocol, measures to address erroneous trade reporting and enforcement standards in relation to data quality, including arrangements regarding cooperation between data contributors and the CTP, and, where necessary, the quality and the substance of the data for the operation of the consolidated tapes.***

Those draft regulatory technical standards shall in particular specify all of the following:

a) the minimum requirements for the quality of the transmission protocols referred to in Article 22a(1);

b) the presentation of the core market data to be disseminated by the CTP, in accordance with prevailing industry standards and practices;

c) what constitutes the transmission of data as close to real time as technically possible;

d) where necessary, the data needed to be transmitted to the CTP in order for it to be operational, taking into account the advice of the expert stakeholder group established pursuant to paragraph 2, including the substance and the format of those data, in accordance with prevailing industry standards and practices.

For the purposes of the first subparagraph of this paragraph, ESMA shall take into account the advice from the expert stakeholder group established pursuant to paragraph 2 of this Article, international developments, and standards agreed at Union or international level. ESMA shall ensure that the draft

regulatory technical standards take into account the transparency requirements laid down in Articles 3, 6, 8, 8a, 8b, 10, 11, 11a, 14, 20, 21 and 27g.

ESMA shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 29 December 2024.

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

267. Article 22b of the revised MiFIR text empowers ESMA to develop draft RTS prescribing data quality requirements for prospective CTPs and data contributors, with the aim to contribute to the removal of the obstacles preventing the establishment of CTPs.

268. Specifically, Article 22b(3) of MiFIR requires ESMA to specify:

a. the minimum requirements for the quality of the transmission protocols utilised for the transmission of data to the CTP;

b. data quality measures and enforcement standards to be implemented by the CTP;

c. the quality and the substance of the data for the operation of the consolidated tapes.

269. As explained in Section 3.1 – Box 1 of the Consultation Package on the MiFIR Review[34] published in May 2024, ESMA proposed to deliver the RTS on CTP input-output data in two stages: a first set of requirements applicable to bond and equity CTPs delivered in December 2024 and a second set of requirements applicable to the derivatives CTP to be delivered by September 2025.

270. This phased approach is justified by the requirement that data transmitted to and disseminated by the CTP must comply with the pre- and post-trade transparency obligations set out in RTS 1 and RTS 2. Given that the derivative provisions contained in RTS 2 required a review subsequent to the legal deadline for RTS input-output data, it was necessary to follow this phased approach.

271. Additionally, since transmission protocols and data quality requirements are independent of the RTS 2 review, they were already included in the RTS on CTP input output data submitted in December 2024[35]. Consequently, this Consultation Paper focuses exclusively on the specific data fields relevant to the derivatives CTP.

[34] ESMA74-2134169708-7225 MiFIR Review Consultation Package - CTPs and DRSPs
[35] ESMA74-2134169708-7768_-_MiFIR_review_-_Final_Report_on_CTPs_and_DRSPs.pdf

6.2 Data to be transmitted to the CTP to be operational (input) and to be disseminated by the CTP (output)

272. To develop the proposals on the input/output data for the OTC derivatives CTP, the same general approach and principles defined in the CP for the bond CTP in section 3.2.2.3.1 are applied.

273. More specifically:

a. Parsimony: the input data to the CTP should only be specified where necessary, i.e. where the data is not already specified in RTS 2; and

b. Consistency: where the data is already specified in RTS 2, the RTS on input/output should be drafted in such a way that the same information is not present in both RTS (via cross-references). This approach ensures that future changes to RTS 2 are automatically applied to the CTP fields defined in the CTP RTS on input/output.

6.2.1 Regulatory data

6.2.1.1 Background

274. The concept of 'regulatory data' was introduced by the MiFIR review. As a result, there is no existing specification of this data in RTS 2. Regulatory data is defined in Article 2(36c) of MiFIR as data related to the status of systems matching orders in financial instruments and data related to the trading status of individual financial instruments.

275. In addition, Recital (13) of the Regulation amending MiFIR explains that "Data contributors should also provide regulatory data to keep investors informed of the status of the system matching orders, for example in the event of a market outage, and of the status of the financial instrument, for example in the event of suspensions or trading halts."

6.2.1.2 Analysis and proposal

276. ESMA is examining below some characteristics of regulatory data:

a. Granularity: while core market data are granular at the level of one transaction, regulatory data are granular at the level of one trading system ("data related to the status of systems matching orders in financial instruments") and at the level of one instrument ("data related to the status of individual financial instruments").

b. Scope of instruments: the definition of regulatory data in Article 2(36c) of MiFIR does not refer to a specific asset class, indicating that CTPs are expected to disseminate regulatory data for all asset classes. In the case of the RTS on input/output data for OTC derivatives, the scope is limited to OTC derivatives as referred to in Article 8a(2) of MiFIR.

277. Finally, regulatory data should be provided to the CTP only by trading venues because regulatory data are not relevant for APAs: the status of systems matching orders only concerns trading venues and the status of financial instruments is understood to be the one on the trading venue.

278. **Data related to the status of individual financial instruments.** Regarding the first table related to the status of financial instruments, ESMA proposes to require the CTP to disseminate information on the status of a financial instrument with a level of granularity that includes the financial instrument, the trading venue, the type of trading system and currency. The status of the financial instrument on a given trading venue can be:

- suspended from trading: a financial instrument can be suspended from trading on any type of trading venue when that instrument no longer complies with the rules of the trading venue (Article 32 of MiFID II for MTFs and OTFs);

- removed from trading: a financial instrument can be removed from trading on any type of trading venue when that instrument no longer complies with the rules of the trading venue (Article 32 of MiFID II for MTFs and OTFs);

- subject to a trading halt: trading venues can temporarily halt or constrain trading in financial instruments if there is a significant price movement in a financial instrument on that market or a related market during a short period (Article 48(5) of MiFID II for regulated market, which article is extended to apply also to MTFs and OTFs via Article 18(5) of MiFID II); or

- available for trading: a financial instrument is available for trading when it is not subject to any suspension, removal, or trading halt, meaning it can be actively traded on the given trading venue.

279. The instrument should be identified with an ISIN[36] and the trading venue with a MIC. In addition, the CTP should disseminate information on the validity period of the instrument status to the extent possible (date and time from which the instrument status is valid and date and time from which the instrument status is no longer valid and the instrument is back to be available for trading).

280. Based on the above, ESMA suggests that the following Table 66 should be disseminated by the CTP. ESMA considers that some of the information provided by regulatory data on OTC derivatives might be of limited relevance for CTP users. However, as Level 1 is binding in specifying regulatory data also for OTC derivatives, ESMA has sought to minimise the amount of information requested for regulatory data. ESMA is seeking input in the consultation on whether this approach is balanced

[36] To the purpose of reporting the field “Instrument identification code”, the proposal refers to the revised ISIN, as explained in Section 3.3.3.1.1. and 3.3.3.1.2. of this document

Table 63 – Regulatory data: Data related to the status of individual financial instruments

#	Field identifier	Description	Format Equivalent formats can be used, depending on the syntax used for data transmission	Input /Output data field
1	Instrument identification code	Code used to identify the financial instrument	{ISIN}	Both
2	Instrument status start date and time	Date and time from which the instrument status is valid. The level of granularity shall be in accordance with the requirements set out in Article 20 of this Regulation.	{DATE_TIME_FORMAT}	Both
3	Currency	Major currency in which the instrument is traded	{CURRENCY CODE_3}	Both
4	Dissemination date and time	Date and time when the instrument status is disseminated by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	{DATE_TIME_FORMAT}	Output
5	Instrument status	Description of the status of the financial instrument. The status of the financial instrument can be: (1) suspended from trading, on the trading venue identified in the field “Trading venue”, in accordance with Articles 32 and 52 of Directive 2014/65/EU (2) removed from trading, on the trading venue identified in the field “Trading venue”, in accordance with Articles 32 and 52 of Directive 2014/65/EU (3) subject to a trading halt, on the trading venue identified in the field “Trading venue”, in accordance with Articles 18(5) and 48(5) of Directive 2014/65/EU	‘SUSP’ – the instrument is suspended ‘REMV’ – the instrument is removed ‘HALT’ – the instrument is subject to a trading halt ‘ACTV’ - the instrument is available for trading after a suspension, removal or halt	Both

#	Field identifier	Description	Format Equivalent formats can be used, depending on the syntax used for data transmission	Input /Output data field
		(4) available for trading after a suspension, removal or halt**.**		
6	Trading venue	Identification of the trading venue on which the instrument status is valid (segment MIC, where available, otherwise operating MIC). The trading venue is an MTF or an OTF.	{MIC}	Both
7	Trading system	Type of trading system on which the instrument is traded	'CLOB' **-** Central Limit Order Book 'QDTS' **-** Quote Driven Market 'PATS' - Periodic Auction 'RFQT' Request for Quotes 'VOIC' - Voice trading system 'HYBR' - Hybrid System 'OTHR' - Any Other	Both

Data related to the status of systems matching orders:

281. In accordance with Recital (16) of MiFIR, data contributors should provide regulatory data to keep investors informed of the status of the system matching orders, for example in the event of a market outage.

282. Given the reference to “system matching orders” in Article 2(36c) of MiFIR, this type of information is only relevant for trading venues, hence excluding SI and bilateral OTC trading..

283. Information on the current trading phase (e.g. pre-trading, opening, trading, closing auction, closed) could also be valuable information for investors, as the type of order that can be placed on a trading venue depends on the trading phase.

284. One difficulty with displaying information on the status of systems matching orders pertains to the identification of such trading system. Trading venues may identify themselves with a MIC but that would be insufficiently granular because there can be several trading systems under the same MIC.

285. As a result, it is suggested to identify the trading system using a combination of the MIC and the type of trading system, relying on the same list of trading systems as the one proposed in the field “Type of trading system” in the core market data (see below). ESMA is seeking stakeholders’ view on whether other identifiers for the trading system may be used.

Table 64 - Regulatory data: Data related to the status of systems matching orders

#	Field identifier	Description	Format Equivalent formats can be used, depending on the syntax used for data transmission	Input /Output data field
1	Trading venue	Identification of the trading venue on which the system status is valid (segment MIC, where available, otherwise operating MIC). The trading venue is an MTF or an OTF.	{MIC}	Both

2	Trading system	Type of trading system on which the system status is provided	'CLOB' - Central Limit Order Book 'QDTS' - Quote Driven Market 'PATS' - Periodic Auction 'RFQT' Request for Quotes 'VOIC' - Voice trading system 'HYBR' - Hybrid System 'OTHR' - Other	Both
3	System status start date and time	Date and time from which the system status is valid The level of granularity shall be in accordance with the requirements set out in Article 20 of this Regulation.	{DATE_TIME_ FORMAT}	Both
4	Dissemination date and time	Date and time when the system status is disseminated by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	{DATE_TIME_ FORMAT}	Output
5	Trading system status	Status of the trading system on which the instrument is traded	'ACTV' – Active System 'OTAG' - Outage of the trading system 'POTG' - Partial outage of the trading system	Both

Question 22: Do you agree with the proposals on regulatory data for OTC derivatives? Please distinguish in your reply between regulatory data per instrument vs. regulatory data per system matching order.

6.2.2 Core market data

6.2.2.1 Background

286. ESMA compared the core market data that CTPs shall receive and disseminate with the post-trade transparency fields defined in RTS 2 to identify gaps and overlaps. The outcome of such comparison was that a limited number of fields need to be defined anew.

6.2.2.2 Analysis and proposal

287. Two fields are present in the definition of core market data and absent from RTS 2:

"the timestamp information on the dissemination of core market data" *[Article 2(36b)(b)(v) for Non-Equity]*
This field should contain the date and time at which the CTP disseminates data to the users. This information is not known by trading venues and APA, which cannot therefore report it to the CTP. As a result, this timestamp field should be part of the CTP output data but should not be part of the CTP input data

"the type of trading system" *[Article 2(36b)(b)(vi) for Non-Equity]*
CTPs are required to disseminate the type of trading system as output data. It is therefore necessary that trading venues and APAs provide this information to the CTP. This information is currently absent from RTS 2. However, in the final report covering the reviews of RTS 2 for bonds, the field "type of trading system" was added to the table of post-trade fields to be published by trading venues and APAs (Table 2 of Annex II of RTS 2). Since this field is also relevant for OTC derivatives, it is proposed to cross-refer to this new field in this CP, to ensure consistency between the two sets of reporting requirements.

288. Two fields are not present in the definition of "core market data" and present in RTS 2:

"Venue of publication" - the code used to identify the trading venue and APA publishing the transaction *[Field 16 in Table 2 of Annex II of RTS 2]*

This data field identifies the trading venue / APA where the transaction was published and was intended to be published exclusively by the CTP, prior to the MiFIR review. As no CTP existed, this field remained in RTS 1 and RTS 2 but in practical terms, it was not applicable.

The CTP needs to be able to identify the trading venue / APA from which it receives market data, notably to ensure that the CTP can effectively check the completeness of the data transmitted by data contributors, identify obvious errors and request the re-submission of data, in accordance with Article 27h(1)(f). As a result, the field "Venue of publication" should be part of the CTP input data.

In addition, the dissemination of the field by the CTP would help data users to identify the APA that performed the publication of the report as published by the CTP (in the case of off-venue transactions) and to reconcile this information with the one published individually by APAs. Therefore, it is considered relevant to include this field in the CTP output data.

In the final report covering the review of RTS 2 for bonds, a proposal was made to amend the field "venue of publication" in RTS 2 to require its publication by trading venues and APAs. This field is relevant for all non-equity instruments. Having the field "venue of publication" in both RTSs by means of a cross-reference (RTS 2 and the RTS on input/output) would maintain consistency between the sets of reporting requirements.

"Transaction Identification Code" - a transaction code assigned by trading venues and APAs used in any subsequent reference to the specific transaction

[Field 17 in Table 2 of Annex II of RTS 2]

This data field identifies uniquely each transaction and is used to reconcile transactions in the case of e.g. amendments, cancellations, publication after a deferral.

The CTP needs to be able to uniquely identify the transactions it receives from market data contributors, notably to ensure that the CTP can effectively check the completeness of the data transmitted by data contributors, identify obvious errors and request the re-submission of data, in accordance with Article 27h(1)(f). As a result, the field "Transaction Identification Code" should be part of the CTP input data.

In addition, this field is essential to allow data users to obtain an accurate and comprehensive picture of the transactions which have taken place, including events affecting those transactions after their initial publication (amendments, cancellations, deferrals). Furthermore, the dissemination of this field by the CTP ensures consistency between the two sets of reporting requirements (CTP publications and trading venues/APA publications). As a result, the field "Transaction Identification Code" should be part of the CTP output data.

289. Based on the feedback from the consultation on the RTS CTP input-output data for bond and equity CTPs, as outlined in the Final Report[37] (section 3.2.3.2), ESMA proposes the inclusion of two additional fields that are not currently present in RTS 2 or the definition of "core market data," but are essential for the CTP's operational functionality.

"Date and Time when the data contributor received the data" – applicable only to input data transmitted by APAs
This field provide precise timestamp of when trades are received by APAs from investment firms/DPEs and transmitted to the CTP. APAs are required to transmit the data to the CTP within a specified time frame from the moment they receive it from investment firms/DPEs, rather than from the time of execution, as is the case for transactions on a TV. Therefore, this timestamp is essential for the CTP to verify compliance of APAs with latency requirements, as well as to enhance data accuracy and traceability. As a result, the field "date and time when the data contributor received the data" should be part of the input data to be transmitted by APAs.

"Reception Date and Time by the CTP" – applicable only to output data disseminated by the CTP
This field captures the exact date and time when the CTP receives data from APAs and trading venues. The primary purpose of this timestamp is to enhance transparency and ensure accountability regarding the CTP's performance. It provides a clear audit trail, ensuring that the CTP process input data and disseminates output data without undue delays.

"Suspicious Data Flag" – applicable only to output data disseminated by the CTP
As detailed in Section 3.3 – Data quality measures of the Final_Report_on_RTSs on CTPs_and_DRSPs, feedback from market participants strongly highlighted the role and responsibilities of the CTP in managing data quality issues. Specifically, several respondents to the consultation recommended that ESMA assigns the CTP a role in flagging potentially erroneous data to the public. In response, stakeholders suggested adding an "suspicious data flag" to the list of output fields to indicate trades with potential inaccuracies.

[37] ESMA74-2134169708-7768_-_MiFIR_review_-_Final_Report_on_CTPs_and_DRSPs.pdf

Therefore, ESMA proposes that, for the OTC derivatives CTP —just as for equity and bond CTPs trades appearing potentially erroneous should be flagged by the CTP for its clients through the use of this flag. However, it is essential to clearly define what constitutes a "potentially erroneous" trade. In this context, ESMA specifies that input data that is incomplete or does not adhere to the prescribed formats—meaning it is non-compliant with MiFIR reporting instructions—shall not be published by the CTP. In such cases, the CTP is required to promptly notify the data contributor that submitted the data, who must acknowledge the issue and initiate the process of resubmitting corrected data.

Conversely, information that appears likely to be erroneous, such as outliers or anomalous numerical values (e.g., unusually high or low monetary amounts), should still be published but accompanied by a flag indicating a potential data quality issue. This ensures that market participants remain informed of data anomalies while maintaining access to the full dataset.

This field is proposed to have binary values (i.e., TRUE or FALSE). Further guidance on how to implement the flagging of such data will be provided by ESMA in Level 3 measures.

290. As a result of the gap analysis between RTS 2 and definition of “core market data”, ESMA proposes the following fields, presented in the table below, as relevant for the operation of the CTP. The table provides a comprehensive list of all necessary fields, including a column specifying whether a reference to RTS 2 exists and indicating whether each field applies to input data, output data, or both.

291. The changes to the existing post-trade transparency fields, which have been proposed in Section 3.3.3.1 of this CP, are reflected in the table below.

Table 65 - Core market data fields

#	**Field identifier**	**Description and details to be published**	**Type of execution or publication venue**	**Format to be populated as defined in Table 1** Equivalent formats can be used, depending on the syntax used for data transmission	**Input /Output data field**
1	Trading date and time	Field 1 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both

2	Instrument identification code	Field 2 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
3	Effective date	Field 2a of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].I			Both
4	Expiration date	Field 2b of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
5	Price	Field 3 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
6	Up-front payment amount	Field 3a of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
7	Spread	Field 3b of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
8	Missing Price	Field 4 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives]			Both
9	Price currency	Field 5 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
10	Price notation	Field 6 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
11	Quantity	Field 7 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both

12	Notional amount	Field 10 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
13	Notional currency	Field 11 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
14	Venue of execution	Field 13 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
15	Third-country trading venue of execution	Field 14 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
16	Date and Time when the data contributor received the data	Date and time when the transaction report was received by an APA. The level of granularity shall be in accordance with the requirements set out in Article 24 of this Regulation.	APA	{DATE_TIME_ FORMAT}	Input
17	Date and Time when the data contributor published the transaction	Field 15 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
18	Venue of publication	Field 16 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
19	Transaction Identification Code	Field 17 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
20	Date and Time of reception by the CTP	Date and time when the transaction was received by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	CTP	{DATE_TIME_ FORMAT}	Output

21	Date and Time of publication by the CTP	Date and time when the transaction was published by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	CTP	{DATE_TIME_ FORMAT}	Output
22	Flags	Field 19 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both
23	Suspicious Data Flag	Data quality flag to be populated by the CTP when the APA or the CTP have identified trades that, in their view, might be subject to data quality issues.	CTP	TRUE or FALSE	Output
24	Trading System Type	Field 20 of Table 2 of Annex II of Commission Delegated Regulation (EU) XXXX/XXX [RTS 2 for derivatives].			Both

Question 23: Do you agree with the proposals on core market data for OTC derivatives?

7 Annexes

7.1 Annex I - Summary of questions

Section 3 Transparency regime for derivatives

Question 1: Do you agree with the proposals regarding pre-trade transparency?

Question 2: Do you agree with the proposed amendments to Table 2 (fields) and Table 3 (flags) of Annex II of RTS 2? Please explain.

Question 3: Do you agree not to change the concept of “as close to real-time as technically possible”? If not, what would be in your view the maximum permissible delay?

Question 4: Do you agree with the general approach described above?

Question 5: Which option do you prefer for the liquidity assessment for equity exchange-traded derivatives, option A, option B, option C or another alternative?

Question 6: Which option do you prefer for the liquidity assessment for interest rate exchange-traded derivatives, Option A, Option B or another alternative?

Question 7: Do you agree with the liquidity assessment for commodity and emission allowances exchange traded derivatives?

Question 8: Do you agree with the liquidity assessment for the following ETD asset classes: FX, Credit, securitised derivatives and other derivatives?

Question 9: Regarding the size thresholds for the deferral regime of Equity exchange traded derivatives, which option do you prefer?

Question 10: What is your view on the size thresholds for the deferral regime of Interest rate exchange traded derivatives?

Question 11: What is your view on the size thresholds for the deferral regime of commodity and emission allowances exchange traded derivatives?

Question 12: Do you agree with the size thresholds for the deferral regime of the following ETD asset classes: FX, Credit, securitised derivatives and other derivatives?

Question 13: Do you agree with the proposed liquidity assessment for OTC interest rate derivatives? Should you support a different assessment for spot-starting and forward-starting interest rate derivatives, please support your response with a data analysis.

Question 14: Do you agree with the proposed liquidity assessment for OTC single-name credit derivatives?

Question 15: Do you agree with the proposed liquidity assessment for OTC index credit derivatives?

Question 16: Do you agree with the proposed deferral framework for OTC interest rate derivatives?

Question 17: Do you agree with the proposed deferral framework for OTC single-name CDSs?

Question 18: Do you agree with the proposed deferral framework for OTC index CDSs?

Question 19: Do you have suggestions on the way to implement the volume masking in the post-trade reports, including the application of flags?

Section 4 The European System of Central Banks (ESCB) Exemption

Question 20: Do you agree with the proposed amendments to Articles 14 and 15 of RTS 2? Please explain.

Section 5 Package Orders RTS

Question 21: Do you agree with the proposed amendments to CDR 2017/2194, the RTS on package orders? Please explain.

Section 6 RTS on input/output data for OTC derivatives CTP

Question 22: Do you agree with the proposals on regulatory data for OTC derivatives? Please distinguish in your reply between regulatory data per instrument vs. regulatory data per system matching order.

Question 23: Do you agree with the proposals on core market data for OTC derivatives?

7.2 Annex II - Cost-benefit analysis

The explanatory section of the consultation paper provides a high-level cost-benefit analysis (CBA) of the draft technical standards. A more detailed CBA will be published together with the ESMA Final Report.

The final CBA will include the feedback received from stakeholders to provide a more refined assessment of the impact of the ESMA proposal on market participants.

7.3 Annex III - Draft technical standards

7.3.1 Draft technical standards on the transparency requirements in respect of derivatives

COMMISSION DELEGATED REGULATION (EU) .../...

of [ ]

supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of derivatives

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012[38], and in particular Article 1(8), Article 9(5), Article 11a(3), and Article 21(5), thereof,

Whereas:

(1) The review of Regulation (EU) No 600/2014 of the European Parliament and of the Council introduced new provisions aimed at enhancing data transparency, improving availability and quality of market data, thereby fostering a more transparent and efficient financial market within the Union. The review introduced new requirements for pre- and post-trade transparency in non-equity instruments for trading venues and investment firms.

(2) A new empowerment to specify the characteristics of central limit order books (CLOB) and periodic auctions was introduced in Regulation (EU) No 600/2014. It is appropriate to clarify a limited number of technical terms related to the definition of these trading systems. These technical definitions are necessary to ensure the uniform application in the Union of the provisions contained in this Regulation and, hence, contribute to the establishment of a single rulebook for Union financial markets. Those definitions serve only for the purpose of setting out the

[38] OJ L 173, 12.6.2014, p. 84.

transparency obligations for non-equity financial instruments and should be strictly limited to understanding this Regulation.

(3) Trading systems operated by means of an order book that only includes market maker quotes, and a trading algorithm operated without human intervention that matches incoming buy and sell orders with resting market maker quotes on the basis of the best available price on a continuous basis should be considered as continuous orderbook trading systems. Trading systems operated by means of an order book where the quotes of the liquidity providers are confirmed before the potential execution of an incoming order and a trading algorithm operated without human intervention that matches incoming buy and sell orders with the confirmed quotes of the liquidity providers on the basis of the best available price on a continuous basis should also be considered as continuous order book trading systems.

(4) Where a CLOB trading system combines elements of a continuous order book trading system and of a periodic auction trading system, the continuous order book part and the periodic auction part of the CLOB trading system should be subject to the pre-trade transparency requirements respectively set out in Annex I of this Regulation.

(5) Amendments to pre-trade transparency waivers were also introduced in Regulation (EU) No 600/2014. In particular, a static determination of liquidity for non-equity instruments was introduced aiming at achieving a more stable transparency regime and should apply to the illiquid waiver. A static determination of liquidity should also be introduced to the large in scale waiver.

(6) The new deferral regime aims at ensuring an appropriate level of transparency and protection, so it does not expose liquidity providers to undue risk. To ensure that the regime is simple and, at the same time, appropriately calibrated, it is appropriate to define derivatives in accordance with the contract type, type of underlying, and time to maturity. For commodity derivatives, contracts are defined in accordance with additional contract characteristics to reflect the heterogeneity of this market, for example the load type and the delivery location of energy derivatives. The liquidity assessment should be applicable not only to the deferral regime, but also to the liquidity waiver.

(7) In addition, this Regulation should specify the sizes of either liquid or illiquid derivatives for which a deferral may be applied and the duration of such deferral. The quantitative assessment performed was based on trade data and took into account the contract type, type of underlying, and time to maturity of the derivative contract to introduce a simple and effective regime.

(8) One of the primary ESCB responsibilities under the Treaty and the Statute and under equivalent national provisions for members of the ESCB in Member States

whose currency is not the euro, is the performance of foreign exchange policy, which entails holding and managing foreign reserves to ensure that, whenever necessary, there is a sufficient amount of liquid resources available for its foreign exchange policy operations. The application of transparency requirements to foreign reserve management operations may result in unintended signals to the market, which could interfere with the foreign exchange policy of the Eurosystem and of members of the ESCB in Member States whose currency is not the euro. Similar considerations may also apply to foreign reserve management operations in the performance of monetary and financial stability policy on a case-by-case basis.

(9) The exemption from transparency obligations for transactions where the counterparty is a member of the ESCB should not apply in respect of transactions entered into by any member of the ESCB in performance of their investment operations. This should include operations conducted for administrative purposes or for the staff of the member of the ESCB, including transactions conducted in the capacity as an administrator of a pension scheme in accordance with Article 24 of the Statute.

(10) The temporary suspension of transparency obligations should only be imposed in exceptional situations which represent a significant decline in liquidity across a class of financial instruments based on objective and measurable factors. It is necessary to differentiate between classes initially determined as having or not having a liquid market as a further significant decline in relative terms in a class already determined as illiquid is likely to occur more easily. Therefore, a suspension of transparency requirements in instruments determined as not having a liquid market should be imposed only if a decline by a higher relative threshold has occurred.

(11) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission.

(12) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established by Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council[39].

(13) ESMA has considered the advice of the expert stakeholder group on equity and non-equity market data quality and transmission protocols in accordance with

[39] Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

Article 22b(3)(b) of Regulation (EU) No 600/2014 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:

CHAPTER I

DEFINITIONS AND SUBJECT MATTER

Article 1

Subject matter

This Regulation specifies pre-trade transparency requirements, under Article 8a Regulation (EU) No 600/2014,waivers from pre-trade transparency requirements under Article 9 of Regulation (EU) No 600/2014, transparency requirements for deferred publications under Article 11a of Regulation (EU) No 600/2014 and post-trade disclosure requirements under Article 21 of Regulation (EU) No 600/2014 in respect of derivatives.

Article 2

Definitions

For the purposes of this Regulation, the following definitions shall apply:

1. “Central Limit Order Book trading system” means either of the following:

(a) a continuous order book trading system that by means of an order book and a trading algorithm operated without human intervention matches sell orders with buy orders on the basis of the best available price on a continuous basis;

(b) a trading system combining elements of a continuous order book trading as referred to in point (a) and of a periodic auction trading system defined in paragraph 2.

2. “Periodic auction trading system” means a trading system that matches orders on the basis of a periodic auction and a trading algorithm operated without human intervention.’;

CHAPTER II

PRE-TRADE TRANSPARENCY FOR REGULATED MARKETS, MULTILATERAL TRADING FACILITIES AND ORGANISED TRADING FACILITIES

Article 3

Pre-trade transparency obligations

(Article 8a(1) and (2) of Regulation (EU) No 600/2014)

Market operators and investment firms operating a trading venue shall make public the range of bid and offer prices and the depth of trading interest at those prices, in accordance with the type of trading system they operate, and the information requirements set out in Annex I.

Article 4

Orders which are large in scale

(Article 9(1)(a) of Regulation (EU) No 600/2014)

1. For determining whether, for exchange traded derivatives, an order is large in scale compared with normal market size where, at the point of entry of the order or following any amendment to the order, it is equal to or larger than the minimum size of order, the following should apply:

(a) for equity derivatives as specified in Table 2.1 of Annex III.

(b) for interest derivatives as specified in Table 2.2 of Annex III.

(c) for commodity and emission allowance derivatives as specified in Table 2.3 of Annex III.

(d) for credit derivatives as specified in Table 2.4 of Annex III.

(e) for foreign exchange derivatives as specified in Table 2.5 of Annex III.

(f) for securitised derivatives as specified in Table 2.6 of Annex III.

2. For determining whether, for an OTC derivative, an order is large in scale compared with normal market size where, at the point of entry of the order or following any amendment to the order, it is equal to or larger than the minimum size of order, the following should apply:

(a) for OTC derivatives as specified in Article 8a(2)(a) of Regulation 600/2014 as defined in Table 3.1 and 3.2 of Annex III.

(b) for OTC derivatives as specified in Article 8a(2)(b) of Regulation 600/2014 as defined in Table 4.1 of Annex III.

(c) for OTC derivatives as specified in Article 8a(2)(c) of Regulation 600/2014 as defined in Tables 5.1 of Annex III.

Article 5

Type and minimum size of orders held in an order management facility

(Article 9(1)(a) of Regulation (EU) No 600/2014)

1. The type of order held in an order management facility of a trading venue pending disclosure for which pre-trade transparency obligations may be waived is an order which:

(a) is intended to be disclosed to the order book operated by the trading venue and is contingent on objective conditions that are defined in advance by the system's protocol;

(b) does not interact with other trading interest prior to disclosure to the order book operated by the trading venue;

(c) once disclosed to the order book it interacts with other orders in accordance with the rules applicable to orders of that kind at the time of disclosure.

2. The minimum size of orders held in an order management facility of a trading venue pending disclosure for which pre-trade transparency obligations may be waived shall, at the point of entry and following any amendment, be one of the following:

(a) in the case of a reserve order, greater than or equal to EUR 10 000

(b) for all other orders, a size that is greater than or equal to the minimum tradable quantity set in advance by the system operator under its rules and protocols.

3. A reserve order referred to in paragraph 2(a) shall be considered a limit order consisting of a disclosed order relating to a portion of the quantity and a non-disclosed order relating to the remainder of the quantity, where the non-disclosed quantity is capable of execution only after its release to the order book as a new disclosed order.

4. For the purposes of paragraph 2, point (a), the size of orders held in an order management facility shall be measured by the notional amount of the traded contracts as referred to in Annex II, table 2, field 10.

Article 6

The classes of exchange traded derivatives and OTC derivatives for which there is a liquid market

(Article 9(1)(c) of Regulation (EU) No 600/2014)

1. For determining whether an exchange traded derivative shall be considered to have a liquid market, the following static determination should apply:

(a) for equity derivatives as specified in Table 2.1 of Annex III.

(b) for interest derivatives as specified in Table 2.2 of Annex III.

(c) for commodity and emission allowance derivatives as specified in Table 2.3 of Annex III.

(d) for credit derivatives as specified in Table 2.4 of Annex III.

(e) for foreign exchange derivatives as specified in Table 2.5 of Annex III.

(f) for securitised derivatives as specified in Table 2.6 of Annex III.

2. For determining whether an OTC derivative shall be considered to have a liquid market, the following static determination should apply:

(a) for OTC derivatives as referred to in Article 8a(2)(a) of Regulation 600/2014 as specified in Table 3.1 and 3.2 of Annex III.

(b) for OTC derivatives as defined in Article 8a(2)(b) of Regulation 600/2014 as specified in Table 4.1 of Annex III.

(c) for OTC derivatives as defined in Article 8a(2)(c) of Regulation 600/2014 as specified in Tables 5.1 of Annex III.

CHAPTER III

POST-TRADE TRANSPARENCY FOR TRADING VENUES AND INVESTMENT FIRMS TRADING OUTSIDE A TRADING VENUE

Article 7

Post-trade transparency obligations

(Article 10(1) and Article 21(1) and (5) of Regulation (EU) No 600/2014)

1. Investment firms trading outside the rules of a trading venue and market operators and investment firms operating a trading venue shall make public by reference to each transaction the details set out in Tables 1 and 2 of Annex II and use each applicable flag listed in Table 3 of Annex II.

   The field names in Table 2 of Annex II shall be made public using the same naming conventions as defined in the field identifier of that table.

2. Where a previously published trade report is cancelled, investment firms trading outside a trading venue and market operators and investment firms operating a trading venue shall make public a new trade report which contains all the details of the original trade report and the cancellation flag specified in Table 3 of Annex II.

3. Where a previously published trade report is amended, investment firms trading outside a trading venue and market operators and investment firms operating a trading venue shall make the following information public:

(a) new trade report that contains all the details of the original trade report and the cancellation flag specified in Table 3 of Annex II;

(b) a new trade report that contains all the details of the original trade report with all necessary details corrected and the amendment flag as specified in Table 3 of Annex II.

4. Post-trade information shall be made available as close to real time as is technically possible and in any case within 5 minutes after the execution of the relevant transaction.

5. Investment firms shall take all reasonable steps to ensure that the transaction is made public as a single transaction. For that purpose, two matching trades entered at the same time and for the same price with a single party interposed shall be considered to be a single transaction.

6. Information relating to a package transaction shall include the package transaction flag or the exchange for physicals transaction flag as specified in Table 3 of Annex II.

Article 8

Deferred publication of transactions for exchange traded derivatives

(Article 11a(1) and (3) of Regulation (EU) No 600/2014)

1. Market operators operating a regulated market may defer the publication of the details of transactions in respect of exchange traded derivatives in accordance with the following:

(a) for equity derivatives as specified in Table 2.1 of Annex III.

(b) for interest derivatives as specified in Table 2.2 of Annex III.

(c) for commodity and emission allowance derivatives as specified in Table 2.3 of Annex III.

(d) for credit derivatives as specified in Table 2.4 of Annex III.

(e) for foreign exchange derivatives as specified in Table 2.5 of Annex III.

(f) for securitised derivatives as specified in Table 2.6 of Annex III.

Article 9

Deferred publication of transactions for OTC derivatives

(Article 11a(1) and (3) and Article 21(4) of Regulation (EU) No 600/2014)

1. Market operators and investment firms operating an MTF or an OTF and investment firms trading outside of a trading venue may defer the publication of the details of transactions, except the publication of the volume, in respect of OTC derivatives until:

(a) In respect of OTC derivatives as defined in Article 8a(2)(a) of Regulation 600/2014 until:

(i) fifteen minutes after the transaction, for credit derivatives that are deemed liquid in accordance with Article 6(2)(a) of this Regulation, and in respect

of interest rate derivatives that are deemed liquid in accordance with Article 6(2)(a) of this Regulation, the end of the trading day.

(ii) the end of the trading day, for credit derivatives that are deemed illiquid in accordance with Article 6(2)(a) of this Regulation, and in respect of interest rate derivatives that are deemed illiquid in accordance with Article 6(2)(a) of this Regulation, the end of the first trading day after the date of the transaction.

(b) in respect of OTC derivatives as defined in Article 8a(2)(b) of Regulation 600/2014, until:

(i) the end of the trading day, for instrument that are deemed liquid in accordance with Article 6(2)(b) of this Regulation.

(ii) one week after the date of the transaction, for instruments that are deemed illiquid in accordance with Article 6(2)(b) of this Regulation.

(c) in respect of OTC derivatives as defined in Article 8a(2)(c) of Regulation 600/2014, until:

(i) fifteen minutes after the transaction, for instrument that are deemed liquid in accordance with Article 6(2)(c) of this Regulation.

(ii) The end of the trading day, for instruments that are deemed illiquid in accordance with Article 6(2)(c) of this Regulation.

2. Market operators and investment firms operating an MTF or an OTF and investment firms trading outside of a trading venue may defer the publication of the volume of transactions in respect of OTC derivatives in accordance with the following:

(a) for OTC derivatives as specified in Article 8a(2)(a) of Regulation 600/2014 as defined in Table 3.1 and 3.2 of Annex III.

(b) For OTC derivatives as specified in Article 8a(2)(b) of Regulation 600/2014 as defined in Table 4.1 of Annex III.

(c) for OTC derivatives as specified in Article 8a(2)(c) of Regulation 600/2014 as defined in Tables 5.1 of Annex III.

Article 10

Application of post-trade transparency to certain transactions executed outside a trading venue

(Article 21(1) of Regulation (EU) No 600/2014)

The obligations set out in Article 21(1) of Regulation (EU) No 600/2014 shall not apply to transactions listed in Article 2(5) of Commission Delegated Regulation (EU) 2017/590 ([2]).

CHAPTER IV

PROVISIONS COMMON TO PRE-TRADE AND POST-TRADE TRANSPARENCY

Article 11

Transactions to which the exemption in Article 1(6) of Regulation (EU) No 600/2014 applies with regard to members of the ESCB which are not a member of the Eurosystem

(Article 1(6) of Regulation (EU) No 600/2014)

A transaction shall be considered to be entered into by a member of the European System of Central Banks (ESCB) which is not a member of the Eurosystem in performance of monetary, foreign exchange and financial stability policy where that transaction meets any of the following requirements:

(a) the transaction is carried out for the purposes of monetary policy, including an operation carried out under national provisions equivalent to Articles 18 and 20 of the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on European Union;

(b) the transaction is a foreign-exchange operation, including operations carried out to hold or manage official foreign reserves of the Member States whose currency is not the euro or the reserve management service provided by a member of the ESCB which is not a member of the Eurosystem to central banks in other countries to which the exemption has been extended in accordance with Article 1(9) of Regulation (EU) No 600/2014;

(c) the transaction is carried out for the purposes of financial stability policy.

Article 12

Transactions to which the exemption in Article 1(6) of Regulation (EU) No 600/2014 does not apply with regard to members of the ESCB which are not a member of the Eurosystem

(Article 1(7) of Regulation (EU) No 600/2014)

Article 1(6) of Regulation (EU) No 600/2014 shall not apply to the following types of transactions entered into by a member of the ESCB which is not a member of the

Eurosystem for the performance of an investment operation that is unconnected with that member's performance of one of the tasks referred to in Article 14:

(a) transactions entered into for the management of its own funds;

(b) transactions entered into for administrative purposes or for the staff of the member of the ESCB which include transactions conducted in the capacity as administrator of a pension scheme for its staff;

(c) transactions entered into for its investment portfolio pursuant to obligations under national law.

Article 13

Temporary suspension of transparency obligations

(Article 9(5)(a) of Regulation (EU) No 600/2014)

1. For financial instruments for which there is a liquid market in accordance with the methodology set out in Article 6, a competent authority may temporarily suspend the obligations set out in Articles 8a and 10 Regulation (EU) No 600/2014 where for derivatives, the total volume as defined in Table 4 of Annex II calculated for the previous 30 calendar days represents less than 40 % of the average monthly volume calculated for the 12 full calendar months preceding those 30 calendar days.

2. For financial instruments for which there is not a liquid market in accordance with the methodology set out in Article 6, a competent authority may temporarily suspend the obligations referred to in Articles 8a and 10 of Regulation (EU) No 600/2014 when for a class of derivatives, the total volume as defined in Table 4 of Annex II calculated for the previous 30 calendar days represents less than 20 % of the average monthly volume calculated for the 12 full calendar months preceding those 30 calendar days.

3. Competent authorities shall take into account the transactions executed on all venues in the Union for derivatives concerned when performing the calculations referred to in paragraphs 1 and 2. The calculations shall be performed at the level of the class of financial instruments to which the liquidity test set out in Article 6 is applied.

4. Before competent authorities decide to suspend transparency obligations, they shall ensure that the significant decline in liquidity across all venues is not the result of seasonal effects of the relevant class of financial instruments on liquidity.

Article 14

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from [6 months after entry into force]

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

The President

[For the Commission

On behalf of the President]

ANNEX I

Description of the type of system and the related information to be made public in accordance with Article 2

Type of system	**Information to be made public**
Continuous order book trading system	For each financial instrument, the aggregate number of orders and the volume they represent at each price level, for at least the five best bid and offer price levels.
Periodic auction trading system	For each financial instrument, the price at which the auction trading system would best satisfy its trading algorithm and the volume that would potentially be executable at that price by participants in that system.

ANNEX II

Details of transactions to be made available to the public

Table 1

Symbol table for Table 2

SYMBOL	DATA TYPE	DEFINITION
{ALPHANUM-n}	Up to n alphanumerical characters	Free text field.
{CURRENCYCODE_3}	3 alphanumerical characters	3 letter currency code, as defined by ISO 4217 currency codes
{DATE_TIME_FORMAT}	ISO 8601 date and time format	Date and time in the following format: YYYY-MM-DDThh:mm:ss.ddddddZ. Where: — ‘YYYY’ is the year; — ‘MM’ is the month; — ‘DD’ is the day; —‘T’ — means that the letter ‘T’ shall be used — ‘hh’ is the hour; — ‘mm’ is the minute; —‘ss.dddddd’ is the second and its fraction of a second; — Z is UTC time. Dates and times shall be reported in UTC.
{DECIMAL-n/m}	Decimal number of up to n digits in total of which up to m digits can be fraction digits	Numerical field for both positive and negative values:

		— decimal separator is '.' (full stop); —negative numbers are prefixed with '-' (minus). Where applicable, values shall be rounded and not truncated.
{ISIN}	12 alphanumerical characters	ISIN code, as defined in ISO 6166
{MIC}	4 alphanumerical characters	Market identifier as defined in ISO 10383

Table 2

List of details for the purpose of post-trade transparency for derivatives

The field names (column headers) as published shall be identical to the field identifier provided in Table 2

#	Field identifier	Financial instruments	Description and details to be published	Type of execution or publication venue	Format to be populated as defined in Table 1
1	Trading date and time	For all derivatives	Date and time when the transaction was executed. For transactions executed on a trading venue, the level of granularity shall be in accordance with the requirements set out in Article 2 of Commission Delegated Regulation (EU) 2017/574 (1). For transactions not executed on a trading venue, the date and time shall be when the parties agree the content of the following fields: quantity, price, currencies, as specified in fields 31, 34 and 44 of Table 2 of Annex I of Delegated Regulation (EU) 2017/590, instrument identification code, instrument classification and underlying instrument code, where applicable. For transactions not executed on a trading venue the time reported shall be granular to at least the nearest second. Where the transaction results from an order transmitted by the executing firm on behalf of a client to a third party where the conditions for transmission set out in Article 4 of Delegated Regulation (EU) 2017/590 were not satisfied, this shall be the date and time of the transaction rather than the time of the order transmission.	Regulated Market (RM) Multilateral Trading Facility (MTF), Organised Trading Facility (OTF) Approved Publication Arrangement (APA)	{DATE_TIME_ FORMAT}
2	Instrument identification code	For all derivatives	Code used to identify the financial instrument	RM, MTF, OTF, APA	{ISIN}
2a	Effective Date	For OTC interest rate derivatives	Date on which the obligations under the interest rate derivative contract comes into effect.	MTF, OTF, APA	{DATEFORMAT}

2b	Expiry Date	For OTC interest rate derivatives	Expiry date of the interest rate derivative contract.	MTF, OTF, APA	{DATEFORMAT}
3	Price	For all derivatives	Traded price of the transaction excluding, where applicable, commission and accrued interest. The traded price shall be reported in accordance with standard market convention. The value provided in this field shall be consistent with the value provided in the field “Price Notation”. Where price is currently not available but pending (“PNDG”) or not applicable (“NOAP”), this field shall not be populated.	RM, MTF, OTF, APA	{DECIMAL-18/13} in case the price is expressed as monetary value {DECIMAL-11/10} in case the price is expressed as percentage or yield {DECIMAL-18/17} in case the price is expressed as basis points
3a	Up-front payment amount	For credit derivatives	Monetary value of any up-front payment received or paid by the seller. Where the seller receives the up-front payment, the value populated is positive. Where the seller pays the up-front payment, the value populated is negative.	RM, MTF, OTF, APA	{DECIMAL-18/5}
3b	Spread	For Interest rate swaps	For fixed-to-float, OIS and inflation swaps against a fixed leg: the spread of floating leg 1 expressed in percentage. For float-to-float swaps: the spread of floating leg 1 expressed in percentage. For fixed-to-fixed swaps: not applicable.	RM, MTF, OTF, APA	{DECIMAL-11/10}

4	Missing Price	For all derivatives	Where price is currently not available but pending, the value shall be “PNDG”. Where price is not applicable the value shall be “NOAP”.	RM, MTF, OTF, APA	“PNDG” in case the price is not available “NOAP” in case the price is not applicable
5	Price currency	For all derivatives	Major currency in which the price is expressed (applicable if the price is expressed as monetary value).	RM, MTF, OTF, APA	{CURRENCY CODE_3}
6	Price notation	For all derivatives	Indication as to whether the price is expressed in monetary value, in percentage, in basis points or in yield The price notation shall be reported in accordance with standard market convention. For credit default swaps, this field shall be populated with “BAPO”. The value provided in this field shall be consistent with the value provided in the field “Price”. Where the price is reported in monetary terms, it shall be provided in the major currency unit. Where the price is currently not available but pending (“PNDG”) or not applicable (“NOAP”), this field shall not be populated.	RM, MTF, OTF, APA	“MONE” —Monetary value “PERC” —Percentage “YIEL” — Yield “BAPO” — Basis points
7	Quantity	For all derivatives	For financial instruments traded in units, the number of units of the financial instrument. Empty otherwise.	RM, MTF, OTF, APA	{DECIMAL- 18/17}
8	Quantity in measurement unit	For contracts designated in units	The equivalent amount of commodity or emission allowance traded expressed in measurement unit.	RM, MTF, OTF, APA	{DECIMAL- 18/17}

9	Notation of the quantity in measurement unit	For contracts designated in units	Indication of the notation in which the quantity in measurement unit is expressed.	RM, MTF, OTF, APA	“TOCD” —tonnes of carbon dioxide equivalent, for any contract related to emission allowances “TONE” — metric tonnes “MWHO” —megawatt hours “MBTU” — one million British thermal units “THMS” — Therms “DAYS”— days or {ALPHANUM-4} otherwise
10	Notional amount	For all derivatives	This field shall be populated: (i) for securitised derivatives, with the number of instruments exchanged between the buyers and sellers multiplied by the price of the instrument exchanged for that specific transaction. Equivalently, with the price field multiplied by the quantity field; (ii) for credit default swaps, with the notional amount for which the protection is acquired or disposed of; (iii) for options, swaptions, swaps other than those in (ii), futures and forwards, with the notional amount of the contract; (iv) for spread bets, with the monetary value wagered per point movement in the underlying financial instrument at the time of the transaction; (v) for contracts for difference, with the number of instruments exchanged between the buyers and sellers multiplied by the price of the instrument exchanged for that specific transaction. Equivalently, with the price field multiplied by the quantity field.	RM, MTF, OTF, APA	{DECIMAL-18/5}

11	Notional currency	For all derivatives	Major currency in which the notional amount is denominated. In the case of an FX derivative contract or a multi-currency swap or a swaption where the underlying swap is multi-currency or a currency CFD or spread-betting contract, this will be the notional currency of leg 1.	RM, MTF, OTF, APA	{CURRENCY CODE_3}
12	[Keep empty]				
13	Venue of execution	For all derivatives	Identification of the venue where the transaction was executed. Use the ISO 10383 segment MIC for transactions executed on an EU trading venue. Where the segment MIC does not exist, use the operating MIC. Use “XOFF” when the transaction is not executed on an EU trading venue. If the transaction is executed on an organised trading platform outside of the EU then in addition to “XOFF” also the population of the field “Third-country trading venue of execution” is required.	RM, MTF, OTF, APA	{MIC} – EU trading venues or “XOFF” — otherwise
14	Third-country trading venue of execution	For all derivatives	Identification of the third-country trading venue where the transaction was executed. Use the ISO 10383 segment MIC. Where the segment MIC does not exist, use the operating MIC. Where the transaction is not executed on a third-country trading venue, the field shall not be populated.	APA	{MIC}

15	Publication Date and Time	For all derivatives	Date and time when the transaction was published by a trading venue or APA. For transactions executed on a trading venue, the level of granularity shall be in accordance with the requirements set out in Article 2 of Delegated Regulation (EU) 2017/574. For transactions not executed on a trading venue, the time reported shall be granular to at least the nearest second.	RM, MTF, OTF, APA	{DATE_TIME_ FORMAT}
16	Venue of publication	For all derivatives	Code used to identify the trading venue and APA publishing the transaction.	RM, MTF, OTF, APA	{MIC}
17	Transaction Identification Code	For all derivatives	Alphanumerical code assigned by trading venues (pursuant to Article 12 of Commission Delegated Regulation (EU) 2017/580 (2)) and APAs and used in any subsequent reference to the specific trade.	RM, MTF, OTF, APA	{ALPHA NUMERICAL-52}
18	[keep empty]				
19	Flags	For all derivatives	One or multiple fields should be populated with the applicable flags as described in Table 3 of Annex II. Where none of the specified circumstances apply, the transaction should be published without a flag. Where a combination of flags is possible and reported in one field, the flags should be reported separated by commas.	RM, MTF, OTF, APA	As defined in Table 3 of Annex II

20	Trading System	For all derivatives	Type of trading system on which the transaction was executed. When the field 'Venue of execution' is populated with "SINT" or "XOFF", this field shall not be populated.	RM, MTF, OTF	'CLOB' -- central limit order book trading system, as defined in Article 1(1) of this RTS. 'QDTS' -- quote driven trading systems, meaning a system where transactions are concluded on the basis of firm quotes that are continuously made available to participants, which requires the market makers to maintain quotes in a size that balances the needs of members and participants to deal in a commercial size and the risk to which the market maker exposes itself. 'PATS' -- periodic auction trading systems, as defined in Article 1(2) of this RTS. 'RFQT' -- request for quote trading systems, meaning a trading system where a quote or quotes are provided in response to a request for a quote submitted by one or more other members or participants. The quote is executable exclusively by the requesting member or market participant. The requesting member or participant may conclude a transaction by accepting the quote or quotes provided to it on request. 'VOIC' – voice trading system, meaning a trading system where transactions between members are arranged through voice negotiation. 'HYBR' – hybrid trading system meaning a system falling into two or more of the types of trading systems referred to above.

Table 3

List of flags for the purpose of post-trade transparency

Flag	Name of Flag	Type of execution/publication venue	Description
'BENC'	Benchmark transaction flag	RM, MTF, OTF APA CTP	All kinds of volume weighted average price transactions and all other trades where the price is calculated over multiple time instances according to a given benchmark.
'NPFT'	Non-price forming transaction flag	RM, MTF, OTF CTP	All types of transactions listed under Article 10 of this Regulation and which do not contribute to the price formation.
'TPAC'	Package transaction flag	RM, MTF, OTF APA CTP	Package transactions which are not exchange for physicals as defined in Article 4(1)(50) of Regulation (EU) 600/2014.
'XFPH'	Exchange for physicals transaction flag	RM, MTF, OTF APA CTP	Exchange for physicals as defined in Article 4(1)(48) of Regulation (EU) 600/2014.
'CANC'	Cancellation flag	RM, MTF, OTF APA CTP	When a previously published transaction is cancelled.
'AMND'	Amendment flag	RM, MTF, OTF APA CTP	When a previously published transaction is amended.
'PORT'	Portfolio trade flag	RM, MTF, OTF, APA	Transaction in five or more different financial instruments where those transactions are traded at the same time by the same client and against a single lot price and that is not a 'package transaction' as referred to in Article 1(1).

	‘MTCH’	Matched principal trading flag	OTF	Matched principal transactions as set out in Article 4(1)(38) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments
	‘NEGO’	Negotiated transaction flag	RM, MTF, OTF	Transactions which are negotiated privately but reported under the rules of a trading venue
	‘MLF1’	Medium Liquid Flag	RM, MTF, OTF APA CTP	Transactions in derivatives benefiting from a deferral applicable to transactions of a medium size in a financial instrument for which there is a liquid market in accordance with Article 8 or 9 of this Regulation.
	‘MIF2’	Medium Illiquid Flag	RM, MTF, OTF APA CTP	Transactions in derivatives benefiting from a deferral applicable to transactions of a medium size in a financial instrument for which there is not a liquid market in accordance with Article 8 or 9 of this Regulation.
	‘LLF3’	Large Liquid Flag	RM, MTF, OTF APA CTP	Transactions in derivatives benefiting from a deferral applicable to transactions of a large size in a financial instrument for which there is a liquid market in accordance with Article 8 or 9 of this Regulation.
	‘LIF4’	Large Illiquid Flag	RM, MTF, OTF APA CTP	Transactions in derivatives benefiting from a deferral applicable to transactions of a large size in a financial instrument for which there is not a liquid market in accordance with Article 8 or 9 of this Regulation.
	‘VLF5’	Very Large Liquid Flag	RM, MTF, OTF APA CTP	Transactions in derivatives benefiting from a deferral applicable to transactions of a very large size in a financial instrument for which there is a liquid market in accordance with Article 8 or 9 of this Regulation.
	VIF5	Very Large Illiquid Flag	RM, MTF, OTF APA CTP	Transactions in derivatives benefiting from a deferral applicable to transactions of a very large size in a financial instrument for which there is not a liquid market in accordance with Article 8 or 9 of this Regulation.
	‘DEFF’	Deferral Flag	RM, MTF, OTF APA CTP	Transactions in derivatives benefiting from a deferral applicable to transactions for which there is only one deferral size available.

Table 4

Measure of volume

Type of instrument	Volume
Securitised derivatives	Number of units traded (3)
Interest rate derivatives	Notional amount of traded contracts
Foreign Exchange Derivatives	Notional amount of traded contracts
Equity derivatives	Notional amount of traded contracts
Commodity derivatives	Notional amount of traded contracts
Credit derivatives	Notional amount of traded contracts
Contract for differences	Notional amount of traded contracts
C10 derivatives	Notional amount of traded contracts
Emission allowance derivatives	Tons of Carbon Dioxide equivalent

(1) Commission Delegated Regulation (EU) 2017/574 of 7 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks (see page 148 of this Official Journal).

(2) Commission Delegated Regulation (EU) 2017/580 of 24 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the maintenance of relevant data relating to orders in financial instruments (see page 193 of this Official Journal).

(3) Price per unit.

ANNEX III

1. Instructions for the purpose of this annex

1. ‘Future’ means a contract to buy or sell a commodity or financial instrument in a designated future date at a price agreed upon at the initiation of the contract by the buyer and seller. Every futures contract has standard terms that dictate the minimum quantity and quality that can be bought or sold, the smallest amount by which the price may change, delivery procedures, maturity date and other characteristics related to the contract.
2. ‘Option’ means a contract that gives the owner the right, but not the obligation, to buy (call) or sell (put) a specific financial instrument or commodity at a predetermined price, strike or exercise price, at or up to a certain future date or exercise date.
3. ‘Swap’ means a contract in which two parties agree to exchange cash flows in one financial instrument for those of another financial instrument at a certain future date.
4. ‘Portfolio Swap’ means a contract by which end-users can trade multiple swaps.
5. ‘Forward’ or ‘Forward agreement’ means a private agreement between two parties to buy or sell a commodity or financial instrument at a designated future date at a price agreed upon at the initiation of the contract by the buyer and seller.
6. ‘Swaption’ means a contract that gives the owner the right, but not the obligation, to enter a swap at or up to a certain future date or exercise date.

2. Exchange Traded Derivatives

Table 2.1

Equity Derivatives – liquidity determination, pre-trade LiS threshold, deferral regime

Class ID	Class	Liquidity	Pre-trade LiS	Medium size post-trade	Large size post-trade	Very Large size post-trade
EQ01	Single stock futures with time to maturity up 6 months	Liquid	625,000 EUR	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ02	Stock index futures with time to maturity up to 3 months	Liquid	1,750,000 EUR	3,500,000 EUR	17,500,000 EUR	35,000,000 EUR
EQ03	Volatility index futures with time to maturity up to 3 months	Liquid	750,000 EUR	1,500,000 EUR	4,500,000 EUR	22,500,000 EUR
EQ04	Single stock options with time to maturity up 3 years	Liquid	625,000 EUR	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR
EQ05	Stock index options with time to maturity up 6 months	Liquid	750,000 EUR	1,500,000 EUR	7,500,000 EUR	15,000,000 EUR
EQ06	Any other equity derivatives	Illiquid	250,000 EUR	500,000 EUR	1,500,000 EUR	15,000,000 EUR
Deferral duration				**End of day**	**T+1**	**T+2**

Table 2.2

Interest rate Derivatives – liquidity determination, pre-trade LIS threshold, deferral regime

Class ID	Class	Liquidity	Pre-trade LiS	Medium size post-trade	Large size post-trade	Very Large size post-trade
IR01	BOBL futures	Liquid	500,000 EUR	1,000,000 EUR	5,000,000 EUR	10,000,000 EUR
IR02	BUND futures	Liquid	250,000 EUR	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IR03	BUXL futures	Liquid	250,000 EUR	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IR04	Schatz futures	Liquid	1,000,000 EUR	2,000,000 EUR	10,000,000 EUR	20,000,000 EUR
IR05	Euro-OAT futures	Liquid	250,000 EUR	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IR06	Long-Term Euro-BTP futures	Liquid	250,000 EUR	500,000 EUR	2,500,000 EUR	5,000,000 EUR
IR07	Short-Term Euro-BTP futures	Liquid	500,000 EUR	1,000,000 EUR	5,000,000 EUR	10,000,000 EUR
IR08	Three-Month Euro STR futures	Liquid	1,250,000 EUR	2,500,000 EUR	12,500,000 EUR	25,000,000 EUR
IR09	Options on BOBL futures	Liquid	1,250,000 EUR	2,500,000 EUR	3,750,000 EUR	5,000,000 EUR
IR10	Options on BUND futures	Liquid	2,750,000 EUR	5,500,000 EUR	8,250,000 EUR	11,000,000 EUR
IR11	Any other interest rate derivatives	Illiquid	50,000 EUR	100,000 EUR	500,000 EUR	1,000,000 EUR
Deferral duration				**End of day**	**T+1**	**T+2**

Table 2.3

Commodity and emission allowance derivatives – liquidity determination, pre-trade LIS threshold, deferral regime

Class ID	Class	Liquidity	Pre-trade LIS	Medium size post-trade	Large size post-trade	Very Large size post-trade
AG01	Milling Wheat futures	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
AG02	Rapeseed futures	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
AG03	Corn futures	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
EA01	European Union Emission allowances futures	Liquid	50,000 tCO2	100,000 tCO2	150,000 tCO2	200,000 tCO2
EL01	German power futures (baseload, monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
EL02	French power futures (baseload, monthly)	Liquid	250,000 EUR	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL03	Italian power futures (baseload, monthly)	Liquid	250,000 EUR	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL04	Nordic power futures (baseload, monthly)	Liquid	250,000 EUR	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL05	Spanish power futures (baseload, monthly)	Liquid	250,000 EUR	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL06	Dutch power futures (baseload, monthly)	Liquid	250,000 EUR	500,000 EUR	1,000,000 EUR	1,500,000 EUR
EL07	Hungarian power futures (baseload, monthly)	Liquid	250,000 EUR	500,000 EUR	1,000,000 EUR	1,500,000 EUR
NG01	Dutch TTF gas futures (monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
NG02	German THE gas futures (monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
NG03	Options on Dutch TTF gas futures (monthly)	Liquid	500,000 EUR	1,000,000 EUR	1,500,000 EUR	2,000,000 EUR
Deferral duration				**End of Day**	**T+1**	**T+2**

Class ID	Class	Liquidity	Pre-trade LIS	Medium/Large/Very Large size post-trade
	Any other commodity, C10 and emission allowance derivatives	Illiquid	100,000EUR	200,000EUR

Deferral duration	**T+2**

Table 2.4

Credit Derivatives – liquidity determination, pre-trade LIS threshold, deferral regime, pre-trade LIS threshold, deferral regime

Class ID	Class	Liquidity	Pre-trade LIS	Medium/Large/Very Large size post-trade
CR01	Credit derivatives	Illiquid	5,000,000 EUR	10,000,000 EUR
Deferral duration				**T+2**

Table 2.5

FX Derivatives – liquidity determination, pre-trade LIS threshold, deferral regime, pre-trade LIS threshold, deferral regime

Class ID	Class	Liquidity	Pre-trade LIS	Medium/Large/Very Large size post-trade
FX01	FX derivatives	Illiquid	12,500,000 EUR	25,000,000 EUR
Deferral duration				**T+2**

Table 2.6

Securitised Derivatives – liquidity determination, pre-trade LIS threshold, deferral regime

Class ID	Class	Liquidity	Pre-trade LIS	Medium	Large	Very Large
SD01	Securitised derivatives	Liquid	50,000 EUR	60,000 EUR	90,000 EUR	100,000 EUR
Deferral duration				**End of day**	**T+1**	**T+2**

3. OTC derivatives as defined in Article 8a(2)(a) of Regulation 600/2014

Table 3.1 Credit Default Swaps – liquidity determination, pre-trade LIS threshold, deferral regime

Credit Default Swaps Index CDS	Feature	Liquidity	Pre-trade LIS	Medium size post-trade	Large size post-trade	Very Large size post-trade
iTraxx Europe Main	5Y on-the-run and first off-the-run	Liquid	15,000,000	30,000,000	50,000,000	300,000,000
iTraxx Europe Crossover		Liquid	5,000,000	10,000,000	30,000,000	300,000,000
Deferral Duration				**15 minutes**	**End of Day**	**Three months**
Any other Index CDS as defined in Article 8a(2)(a) of Regulation 600/2014	Any	Illiquid	5,000,000	10,000,000	30,000,000	300,000,000
Deferral Duration				**One Week**	**Two Weeks**	**Three months**

Table 3.2 – Interest Rate Derivatives: liquidity determination, pre-trade LIS threshold, deferral regime

Class - Fixed to Float Euribor Tenors (Years)	Liquidity	Pre-trade LIS (EUR)	Medium size post-trade (EUR)	Large / Very Large size post-trade (EUR)
1	Liquid	200,000,000	400,000,000	750,000,000
2	Liquid	12,500,000	25,000,000	400,000,000
3	Liquid	100,000,000	200,000,000	400,000,000
5	Liquid	50,000,000	100,000,000	200,000,000
7	Liquid	50,000,000	100,000,000	200,000,000
10	Liquid	37,500,000	75,000,000	100,000,000
12	Liquid	37,500,000	75,000,000	100,000,000
15	Liquid	37,500,000	75,000,000	100,000,000
20	Liquid	25,000,000	50,000,000	100,000,000
25	Liquid	25,000,000	50,000,000	100,000,000
30	Liquid	15,000,000	30,000,000	50,000,000
Deferral Duration			**End of Day**	**Three months**

Class - OIS FEDFUNDS Tenors (Years)	Liquidity	Pre-trade LIS (USD)	Medium size post-trade (USD)	Large / Very Large size post-trade (USD)
1	Illiquid	125,000,000	250,000,000	400,000,000

2	Illiquid	75,000,000	150,000,000	250,000,000
3	Illiquid	50,000,000	100,000,000	200,000,000
Deferral Duration			**T+1**	**Three months**

Class - OIS SOFR				
Tenors (Years)	**Liquidity**	**Pre-trade LIS (USD)**	**Medium size post-trade (USD)**	**Large / Very Large size post-trade (USD)**
1	Liquid	125,000,000	250,000,000	500,000,000
2	Liquid	75,000,000	150,000,000	250,000,000
3	Liquid	50,000,000	100,000,000	200,000,000
5	Liquid	50,000,000	100,000,000	150,000,000
7	Liquid	37,500,000	75,000,000	150,000,000
10	Liquid	25,000,000	50,000,000	75,000,000
12	Liquid	25,000,000	50,000,000	75,000,000
15	Liquid	25,000,000	50,000,000	75,000,000
20	Liquid	25,000,000	50,000,000	75,000,000
25	Liquid	25,000,000	50,000,000	75,000,000
30	Liquid	15,000,000	30,000,000	50,000,000
Deferral Duration			**End of Day**	**Three months**

Class - OIS SONIA				
Tenors (Years)	**Liquidity**	**Pre-trade LIS (GBP)**	**Medium size post-trade (GBP)**	**Large / Very Large size post-trade (GBP)**
1	Liquid	87,500,000	175,000,000	355,000,000
2	Liquid	67,500,000	135,000,000	175,000,000
3	Liquid	67,500,000	135,000,000	175,000,000
5	Liquid	32,500,000	65,000,000	90,000,000
7	Liquid	32,500,000	65,000,000	90,000,000
10	Liquid	22,500,000	45,000,000	65,000,000
12	Liquid	22,500,000	45,000,000	65,000,000
15	Liquid	22,500,000	45,000,000	65,000,000
20	Liquid	22,500,000	45,000,000	65,000,000
25	Liquid	22,500,000	45,000,000	65,000,000
30	Liquid	10,000,000	20,000,000	25,000,000
Deferral Duration			**End of Day**	**Three months**

Class - OIS TONA				
Tenors (Years)	**Liquidity**	**Pre-trade LIS (JPY)**	**Medium size post-trade (JPY)**	**Large / Very Large size post-trade (JPY)**

1	Liquid	17,500,000,000	35,000,000,000	55,000,000,000
2	Liquid	10,000,000,000	20,000,000,000	30,000,000,000
3	Liquid	10,000,000,000	20,000,000,000	30,000,000,000
5	Liquid	5,000,000,000	10,000,000,000	15,000,000,000
7	Liquid	5,000,000,000	10,000,000,000	15,000,000,000
10	Liquid	3,500,000,000	7,000,000,000	10,000,000,000
12	Liquid	3,500,000,000	7,000,000,000	10,000,000,000
15	Liquid	2,500,000,000	5,000,000,000	7,000,000,000
20	Liquid	1,500,000,000	3,000,000,000	5,000,000,000
25	Liquid	1,500,000,000	3,000,000,000	5,000,000,000
30	Liquid	1,500,000,000	3,000,000,000	3,000,000,000
Deferral Duration			**End of Day**	**Three months**

Class - OIS EuroSTR

Tenors (Years)	Liquidity	Pre-trade LIS (EUR)	Medium size post-trade (EUR)	Large / Very Large size post-trade (EUR)
1	Liquid	150,000,000	300,000,000	750,000,000
2	Liquid	100,000,000	200,000,000	300,000,000
3	Liquid	100,000,000	200,000,000	300,000,000
Deferral Duration			**End of Day**	**Three months**

Class - Basis Swaps EURIBOR vs EuroSTR

Tenors (Years)	Liquidity	Pre-trade LIS (EUR)	Medium size post-trade (EUR)	Large / Very Large size post-trade (EUR)
1	Illiquid	375,000,000	750,000,000	1,000,000,000
2	Illiquid	375,000,000	750,000,000	1,000,000,000
3	Illiquid	250,000,000	500,000,000	750,000,000
5	Illiquid	100,000,000	200,000,000	250,000,000
7	Illiquid	100,000,000	200,000,000	250,000,000
10	Illiquid	75,000,000	150,000,000	250,000,000
12	Illiquid	75,000,000	150,000,000	200,000,000
15	Illiquid	75,000,000	150,000,000	150,000,000
20	Illiquid	37,500,000	75,000,000	150,000,000
25	Illiquid	37,500,000	75,000,000	150,000,000
30	Illiquid	37,500,000	75,000,000	150,000,000
Deferral Duration			**T+1**	**Three months**

Class - Basis Swaps EURIBOR vs EURIBOR

Tenors (Years)	Liquidity	Pre-trade LIS (EUR)	Medium size post-trade (EUR)	Large / Very Large size post-trade (EUR)
1	Illiquid	500,000,000	1,000,000,000	1,500,000,000
2	Illiquid	375,000,000	750,000,000	1,000,000,000
3	Illiquid	250,000,000	500,000,000	750,000,000
5	Illiquid	250,000,000	500,000,000	750,000,000
7	Illiquid	100,000,000	200,000,000	200,000,000
10	Illiquid	100,000,000	200,000,000	300,000,000
12	Illiquid	75,000,000	150,000,000	200,000,000
15	Illiquid	75,000,000	150,000,000	200,000,000
20	Illiquid	50,000,000	100,000,000	150,000,000
25	Illiquid	50,000,000	100,000,000	150,000,000
30	Illiquid	37,500,000	75,000,000	150,000,000
Deferral Duration			**T+1**	**Three months**

Class - FRA - EURIBOR Tenors (Years)	Liquidity	Pre-trade LIS (EUR)	Medium size post-trade (EUR)	Large / Very Large size post-trade (EUR)
1	Illiquid	50,000,000	100,000,000	250,000,000
2	Illiquid	10,000,000	20,000,000	30,000,000
Deferral Duration			**T+1**	**Three months**

4. OTC derivatives as defined in Article 8a(2)(b) of Regulation 600/2014

Table 4.1 Single Name CDS – liquidity determination, pre-trade LIS threshold, deferral regime

Class - Credit Default Swaps - Single name Tenors (Years)	Liquidity	Pre-trade LIS (EUR)	Medium size post-trade (EUR)	Large size post-trade (EUR)	Very Large size post-trade (EUR)
5	Liquid	1,500,000	3,000,000	10,000,000	50,000,000
			T+1	**Two Weeks**	**Three months**
Any other tenor	Illiquid	1,500,000	3,000,000	10,000,000	50,000,000
			One week	**Two weeks**	**Three months**

5. OTC derivatives as defined in Article 8a(2)(c) of Regulation 600/2014

Table 5.1 Index CDS referencing GSIBS – liquidity determination, pre-trade LIS threshold, deferral regime

Credit Default Swaps Index CDS - referencing GSIBS	Feature	Liquidity	Pre-trade LIS (EUR)	Medium size post-trade (EUR)	Large size post-trade (EUR)	Very Large size post-trade (EUR)

iTraxx Europe Senior Financials	5Y on-the-run and first off-the-run	Liquid	15,000,000	30,000,000	50,000,000	300,000,000
iTraxx Europe Subordinate Financial		Liquid	5,000,000	10,000,000	50,000,000	300,000,000
Any other Index CDS as defined in Article 8a(2)(c) of Regulation 600/2014	Any	Illiquid	5,000,000	10,000,000	30,000,000	300,000,000
Deferral Duration				**One Week**	**Two Weeks**	**Three months**

7.3.2 Draft technical standards on the amendment of the package order RTS

COMMISSION DELEGATED REGULATION (EU) …/…

of [ ]

amending Commission Delegated Regulation (EU) 2017/2194 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to package orders

(Text with EEA relevance)

THE EUROPEAN COMMISSION

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2024/ 791 of the European Parliament and of the Council of 28 February 2024 amending Regulation (EU) No 600/2014, and in particular Article 9(1) thereof,

Whereas,

(1) The review of Regulation (EU) No 600/2014 of the European Parliament and of the Council introduced new provisions aimed, among others, at fostering a more transparent and efficient financial market within the Union. The review reshaped the scope of the transparency regime in non-equity instruments, and it required the redefinition of their liquidity assessment. Those amendments lead to the revision of Commission Delegated Regulation 2017/2194.

(2) In particular, it is important to ensure that when there is one component which is not subject to pre-trade transparency there cannot be a liquid market as a whole. Indeed, it does not appear appropriate to subject package orders to pre-trade transparency when some components are not subject to pre-trade transparency.

(3) After the amendment of Commission Delegated Regulation 2017/583 because of the different approach for the liquidity determination of classes of derivatives now based on reference data, Annex III will be removed. Therefore, it is important to ensure that when the reference to Annex III is removed, i it is substituted by equivalent wording to ensure there is no unintended amendment to the current provisions.

(4) This Regulation is based on the draft regulatory technical standards submitted by European Securities and Markets Authority (ESMA) to the Commission.

(5) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established by Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2017/2194

Delegated Regulation (EU) 2017/2194 is amended as follows:

(1) In Article 1, point (a)(ii) is amended as follows:

> (II) the components of the package order do not exclusively belong to one of the asset classes of equity derivatives, commodity derivatives, interest rate derivatives and credit derivatives provided for in Commission Delegated Regulation (EU) 20XX/XXX [RTS 2 derivatives] (1).

(2) In Article 1, point (b) the following point is inserted:

(iiia) all the components are subject to pre-trade transparency requirements under Article 8a of Regulation (EU) No 600/2014.

(3) Article 2, point (b), first subparagraph is amended as follows:

> (b) all components of the package order belong to the same sub-asset class of interest rate derivatives. The sub-asset classes of interest rate derivatives are:
>
> (I) interest rate futures;
>
> (ii) interest rate options;
>
> (iii) bond futures;
>
> (iv) bond options;
>
> (v) swaptions;
>
> (vi) single currency fixed to float swaps;
>
> (vii) single currency float-to-float swaps;
>
> (viii) single currency OIS;
>
> (ix) single currency fixed to fixed swaps;
>
> (x) inflation single currency swaps;
>
> (xi) multi-currency fixed to float swaps;
>
> (xii) multi-currency float-to-float swaps;

(xiii) multi-currency OIS;

(xiv) multi-currency fixed to fixed swaps;

(xv) inflation multi-currency swaps.

(4) Article 2, point (d) is amended as follows:

(d) where the package order consists of interest rate swaps, the components of that package order have a tenor of those provided in Article 8a(2)(a) of Regulation (EU) 600/2014

(5) Article 2, second subparagraph is amended as follows:

For the purpose of point (d), a component of a package order shall be deemed to have a tenor of those provided in Article 8a(2)(a) of Regulation (EU) 600/2014 where the period of time between the effective date of the contract and the termination date of the contract equals one of the time periods mentioned in point (d).

(6) Article 3, point (b) is amended as follows:

(b) all components of the package order belong to the same sub-asset class of equity derivatives. The sub-asset classes of equity derivatives are

(i) stock options

(ii) stock futures;

(iii) stock index options;

(iv) stock index futures;

(v) dividend futures;

(vi) dividend options;

(vii) stock dividend futures;

(viii) stock dividend options;

(ix) volatility index options;

(x) volatility index futures;

(xi) ETF options;

(xii) ETF futures;

(xiii) swaps;

(xiv) portfolio swaps.

(6) Article 4, point (b) is amended as follows:

(b) all components of the package order are index credit default swaps defined as swaps whose exchange of cash flows is linked to the creditworthiness of several issuers of financial instruments composing an index and the occurrence of credit events.

(7) Article 5, point (b) is amended as follows:

(b) all components of the package order are commodity derivative futures with underlying agricultural, energy or metal commodity.

7.3.3 Draft technical standards on the amendment of RTS on input and output data of CTPs

ESMA clarifies that the amendments contained in this proposal refer to the draft RTS on input and output data of CTPs provided by ESMA in the Final Report[40] published in December 2024 – Annex III Section 7.3.1

[40] ESMA74-2134169708-7768_-_MiFIR_review_-_Final_Report_on_CTPs_and_DRSPs.pdf

COMMISSION DELEGATED REGULATION (EU) …/…

of [ ]

amending Commission Delegated Regulation (EU) 2025/XXXX supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on the quality of the transmission protocol, measures to address erroneous trade reporting and enforcement standards in relation to data quality, and quality and substance of the data for the operation of the consolidated tapes

(Text with EEA relevance)

THE EUROPEAN COMMISSION

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 2024/7911 and in particular Article 22b(3), fifth subparagraph thereof,

Whereas,

(1) Regulation (EU) No 600/2014 requires the establishment of consolidated tapes (CTPs) for bonds, equities, and OTC derivatives. The regulatory data and core market data requirements for bonds and equities have been specified by the Commission Delegated Regulation (EU) 2025/XXXX. To fulfil the mandate set out in Regulation (EU) No 600/2014, it is necessary to extend these reporting instructions to include regulatory data and post-trade core market data for OTC derivatives.

(2) In defining the required data fields to be transmitted to and disseminated by the CTP for OTC derivatives, alignment with existing transparency requirements under the Commission Delegated Regulation (EU) 2017/583 has been ensured. Furthermore, to maintain coherence and interoperability across asset classes, the data fields required for data contributors and CTP in relation to OTC derivatives are designed to align with those applicable to the CTPs for bonds and equities to the extent possible.

(3) This Regulation is based on the draft regulatory technical standards submitted by European Securities and Markets Authority (ESMA) to the Commission.

(4) In accordance with Article 10 of Regulation (EU) No 1095/20104 ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010.

(5) ESMA has considered the advice of the expert stakeholder group in accordance with Article 22b third subparagraph thereof of Regulation (EU) No 600/2014.

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2025/XXXX

Delegated Regulation (EU) 2025/XXXX is amended as follows:

(1) the followings articles are inserted:

- *Article 6a*

  Data to be transmitted to the CTP for OTC derivatives

  1. With regard to core market data for a given OTC derivative, data contributors shall transmit to the data centre of the CTP, by reference to each transaction, the details set out in Table 10 of Annex II of this Regulation. The details shall be those flagged as input or both in the last column.

  2. With regard to regulatory data, data contributors shall transmit to the data centre of the CTP, by reference to each financial instrument, the details set out in Table 8 of Annex II of this Regulation. The details shall be those flagged as “both” in the last column of Table 8.

  3. With regard to regulatory data, data contributors shall transmit to the data centre of CTP, by reference to each trading system, the details set out in Table 9 of Annex II. The details shall be those flagged as “both” in the last column of Table 9.

- *Article 8a*

  Data to be disseminated by the CTP for OTC derivatives

  1. With regard to core market data for a given OTC derivative, the CTP shall disseminate by reference to each transaction the details set out in Table 10 of Annex II of this Regulation. The details shall be those flagged as output or both in the last column of Table 10.

  2. With regard to regulatory data relating to OTC derivatives, the CTP shall disseminate:

  (a) by reference to each financial instrument, the details set out in Table 8 of Annex II of this Regulation. The details shall be those flagged as output or both in the last column of Table 8.

(b) by reference to each trading system, the details set out in Table 9 of Annex II of this Regulation. The details shall be those flagged as output or both in the last column of Table 9

(2) the following Tables are inserted into Annex II:

Table 8

Regulatory data for OTC derivatives, per instrument

#	Field identifier	Description	Format Equivalent formats can be used, depending on the syntax used for data transmission	Input /Output data field
1	Instrument identification code	Code used to identify the financial instrument	{ISIN}	Both
2	Instrument status start date and time	Date and time from which the instrument status is valid. The level of granularity shall be in accordance with the requirements set out in Article 20 of this Regulation.	{DATE_TIME_FORMAT}	Both
3	Currency	Major currency in which the instrument is traded	{CURRENCY CODE_3}	Both
4	Dissemination date and time	Date and time when the instrument status is disseminated by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	{DATE_TIME_FORMAT}	Output
5	Instrument status	Description of the status of the financial instrument. The status of the financial instrument can be: (1) suspended from trading, on the trading venue identified in the field “Trading venue”, in accordance with Articles 32 and 52 of Directive 2014/65/EU	‘SUSP’ – the instrument is suspended ‘REMV’ – the instrument is removed	Both

#	Field identifier	Description	Format Equivalent formats can be used, depending on the syntax used for data transmission	Input /Output data field
		(2) removed from trading, on the trading venue identified in the field "Trading venue", in accordance with Articles 32 and 52 of Directive 2014/65/EU (3) subject to a trading halt, on the trading venue identified in the field "Trading venue", in accordance with Articles 18(5) and 48(5) of Directive 2014/65/EU (4) available for trading after a suspension, removal or halt.	'HALT' – the instrument is subject to a trading halt 'ACTV' - the instrument is available for trading after a suspension, removal or halt	
6	Trading venue	Identification of the trading venue on which the instrument status is valid (segment MIC, where available, otherwise operating MIC). The trading venue is an MTF or an OTF.	{MIC}	Both
7	Trading system	Type of trading system on which the instrument is traded	'CLOB' - Central Limit Order Book 'QDTS' - Quote Driven Market 'PATS' - Periodic Auction 'RFQT' Request for Quotes 'VOIC' - Voice trading system 'HYBR' - Hybrid System	Both

#	Field identifier	Description	Format Equivalent formats can be used, depending on the syntax used for data transmission	Input /Output data field
			'OTHR' - Any Other	

Table 9

Regulatory data for OTC derivatives, per order matching system

#	Field identifier	Description	Format Equivalent formats can be used, depending on the syntax used for data transmission	Input /Output data field
1	Trading venue	Identification of the trading venue on which the system status is valid (segment MIC, where available, otherwise operating MIC). The trading venue is an MTF or an OTF.	{MIC}	Both

2	Trading system	Type of trading system on which the system status is provided	'CLOB' - Central Limit Order Book 'QDTS' - Quote Driven Market 'PATS' - Periodic Auction 'RFQT' Request for Quotes 'VOIC' - Voice trading system 'HYBR' - Hybrid System 'OTHR' - Other	Both
3	System status start date and time	Date and time from which the system status is valid The level of granularity shall be in accordance with the requirements set out in Article 20 of this Regulation.	{DATE_TIME_FORMAT}	Both
4	Dissemination date and time	Date and time when the system status is disseminated by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	{DATE_TIME_FORMAT}	Output
5	Trading system status	Status of the trading system on which the instrument is traded	'ACTV' – Active System 'OTAG' - Outage of the trading system 'POTG' - Partial outage of the trading system	Both

Table 10

Post-trade core market data for OTC derivatives

#	**Field identifier**	**Description and details to be published**	**Type of execution or publication venue**	**Format to be populated as defined in Table 1** Equivalent formats can be used, depending on the syntax used for data transmission	**Input /Output data field**
1	Trading date and time	Field 1 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
2	Instrument identification code	Field 2 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
3	Effective date	Field 2a of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].I			Both
4	Expiration date	Field 2b of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
5	Price	Field 3 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
6	Up-front payment amount	Field 3a of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
7	Spread	Field 3b of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
8	Missing Price	Field 4 of Table 2 of Annex II of Commission Delegated Regulation			Both

		(EU) xxxx/xxx [RTS 2 for derivatives]			
9	Price currency	Field 5 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
10	Price notation	Field 6 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
11	Quantity	Field 7 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
12	Notional amount	Field 10 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
13	Notional currency	Field 11 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
14	Venue of execution	Field 13 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
15	Third-country trading venue of execution	Field 14 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
16	Date and Time when the data contributor received the data	Date and time when the transaction report was received by an APA. The level of granularity shall be in accordance with the requirements set out in Article 24 of this Regulation.	APA	{DATE_TIME_ FORMAT}	Input
17	Date and Time when the data contributor	Field 15 of Table 2 of Annex II of Commission Delegated Regulation			Both

	published the transaction	(EU) xxxx/xxx [RTS 2 for derivatives].			
18	Venue of publication	Field 16 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
19	Transaction Identification Code	Field 17 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
20	Date and Time of reception by the CTP	Date and time when the transaction was received by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	CTP	{DATE_TIME_ FORMAT}	Output
21	Date and Time of publication by the CTP	Date and time when the transaction was published by the CTP. The level of granularity shall be in accordance with the requirements set out in Article 23 of this Regulation.	CTP	{DATE_TIME_ FORMAT}	Output
22	Flags	Field 19 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both
23	Suspicious Data Flag	Data quality flag to be populated by the CTP when the APA or the CTP have identified trades that, in their view, might be subject to data quality issues.	CTP	TRUE or FALSE	Output
24	Trading System Type	Field 20 of Table 2 of Annex II of Commission Delegated Regulation (EU) xxxx/xxx [RTS 2 for derivatives].			Both