

## PUBLIC STATEMENT

### ESMA's Data Operational Plan under a no-deal Brexit scenario on 29 March

The European Securities and Markets Authority (ESMA) is issuing this statement in relation to the impact on ESMA's databases and IT systems of a no-deal Brexit scenario, whereby the United Kingdom (UK) leaves the European Union (EU) on 29 March 2019 at 24:00 CET/23:00 GMT without a withdrawal agreement. This statement complements the previous [statement](#) on the use of UK data in ESMA's databases and performance of MiFID II calculations in case of a no-deal Brexit from 5 February 2019 and provides further details related to the operation of ESMA data systems during the period following a no-deal Brexit occurring on 29 March 2019.

Under a no-deal Brexit scenario, the submission of UK data to ESMA will cease starting from 30 March 2019. Consequently, ESMA is currently preparing all its IT systems and databases to continue functioning for the EU-27, without UK data.

Several actions will need to be performed by ESMA around 29 March, some of which may have a direct or indirect impact on external stakeholders that exchange data with ESMA. The purpose of this document is therefore to provide information and instructions, where needed, to market participants on operations just after 29 March.

This statement covers the actions related to the following systems:

- Financial Instruments Reference Data System (FIRDS);
- Financial Instrument Transparency System (FITRS);
- Double Volume Cap System (DVCAP);
- Transaction reporting systems; and
- ESMA's registers and data.

Finally, this statement also sets out ESMA's further communication plan to external stakeholders.

In order to facilitate reading of this document, ESMA highlighted in 'grey' boxes the actions that market participants interacting with ESMA's IT systems need to take.

## 1 Financial Instruments Reference Data System (FIRDS)

### Maintenance window

The work is planned to be performed during a maintenance window starting from Friday 29 March 2019 21:30 CET until Wednesday 3 April 2019 12:00 CET (noon) for the Financial Instruments Reference Data System (FIRDS). Therefore, this system will be taken out of service during this period. ESMA will not produce any sets of files during the maintenance window.

Despite efforts from ESMA to mitigate potential side effects during the implementation work, there is a risk that technical issues may occur that could render the IT systems unavailable for a longer period than initially planned. However, ESMA will do its utmost to minimise the downtime of its systems and does not expect it to last longer than five working days following the Brexit date.

### Submission and processing of files

ESMA will stop the FIRDS file processing for new incoming files submitted by the National Competent Authorities (NCAs) and market participants after 29 March 2019 21:30 CET. ESMA will continue receiving files but will not produce feedback files.

**Action:** Reporting entities should continue sending DATINS reference data files to ESMA and their NCAs during the maintenance window.

Given that no feedback files will be produced during the period, reporting entities should prevent their systems to resubmit data during the maintenance window in case of non-reception of feedback.

The backlog of DATINS files received during the maintenance window will be processed after the first full files/delta files/invalid record files are produced. Hence, only the latest record for each (ISIN, MIC) will be included in the next publication of full files/delta files/invalid record files.

The ESMA test platform has been rolled-back to the FIRDS version and reporting format currently used in production. The rollback took place on 7-8 March. This will support the onboarding of trading venues, relocating from the UK and setting up in the EU-27 before the Brexit date, to the FIRDS system.

## Processing reference data files published by FIRDS on the first day of publication after Brexit

ESMA will perform the following actions during the maintenance window:

- Terminating all (ISIN, MIC) records for UK trading venues;
- Changing the relevant competent authority (RCA) from UK to an EU-27 country for all those ISINs and their derivatives which currently have the UK as RCA and which will continue to be traded in the EU-27;
- Applying the RCA reassessment for all equity instruments and their derivatives, based on turnover and excluding volumes on UK markets;
- Following these actions, ESMA will resume normal operations of the IT system and publish the reference data for full files/delta files/invalid records files.

On the first day of publication following the maintenance window<sup>1</sup>, delta files and invalid records files will contain information regarding:

- Termination of all UK financial instruments, active (ISIN, MIC) records for MICs in the UK will be terminated and the termination date will be set to 29 March 2019 at 22:59:59 UTC;
- Update of RCA for all instruments which previously had the UK as RCA and which will continue to be traded in the EU-27, and their derivatives;
- Update of RCA, as a result of RCA reassessment for equities and their derivatives.

On the first day of publication following the maintenance window, the full files produced by ESMA will contain information on all instruments which are still active on EU-27 trading venues, along with their latest description and latest RCA information.

**Action:** Market participants need to process those files in accordance with their systems implementation to capture all the above-mentioned changes.

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<sup>1</sup> Planned for Wednesday 3 April 2019.

## 2 FITRS Transparency System (FITRS)

A maintenance window starting from Friday 29 March 2019 21:30 CET until 8 April 2019 12:00 CET (noon) is planned for the FITRS Transparency System (FITRS).

During the maintenance window, the FITRS system will stop the processing of incoming files as well as the creation of transparency calculation results. The system will however continue receiving files and their processing will be delayed until the end of the maintenance window.

**Action:** Reporting entities should continue reporting transparency data during the maintenance window.

Given that no feedback files will be produced during the period, reporting entities should prevent their systems to resubmit data during the maintenance window in case of non-reception of feedback.

It should be noted that depending on the number of files accumulated during the maintenance window, some delays may be experienced in their processing after the maintenance window.

**Action:** Market participants should use the latest transparency calculation results published by ESMA until the first new results are published after Brexit.

In case one or more transparency parameters are missing, market participants should rely on ESMA guidance issued under the Q&As on MiFID II and MiFIR [transparency topics](#) and [market structures topics](#).

## 3 Double Volume Cap System (DVCAP)

During the maintenance window for FIRDS and FITRS, the DVCAP system will stop the processing of incoming files. The system will however continue receiving files and their processing will be delayed until the end of the maintenance window. For more information, please consult ESMA's statement on 5 February 2019.

**Action:** Reporting entities should continue reporting data during the maintenance window.

## 4 Transaction reporting systems

Due to the actions performed on the FIRDS system, ESMA expects that the delivery of updated reference data after no-deal Brexit will be delayed. Nevertheless, reporting entities (i.e. investment firms) shall continue reporting transaction data to the respective NCA during the FIRDS maintenance window. Due to the unavailability of up-to-date reference data to validate the received transaction reports, NCAs shall continue using the latest available reference data from before 29 March 2019 as per paragraph 25 of [Technical Reporting Instructions for MiFIR Transaction Reporting](#).

This could result in incomplete reference data available to NCAs for the validation of transaction data, e.g. new instruments admitted to trading after Brexit would be unavailable in the reference data until the publication of the reference data files. In that case, NCAs will follow the already established process and assign status “Pending” to transactions for which reference data is missing. This status can be assigned to transactions for up to seven days.

**Action:** Reporting entities shall continue reporting transaction data to the relevant NCAs.

## 5 ESMA’s registers and data

ESMA will adjust the contents of its [Registers and data](#), including publications supported by IT systems or published through files like Excel, PDF or contained on an ESMA webpage. ESMA will mainly concentrate its actions in either removing from publication the UK provided records or highlighting them as no longer applicable. Relevant clarifications and disclaimers will be made available as appropriate.

### [Authorised/Registered Entities Register](#)

For all UK data submitted before Brexit, the authorisation end date will be set to 29 March 2019. Due to different legal requirements for different types of entities, the impact of the update will be that the register will no longer display Systematic Internalisers (SIs), trading venues (Regulated Markets, MTFs, and OTFs), whereas for investment firms and data reporting services providers (DRSPs) the register will continue to display those entities with an authorisation end date of 29 March 2019.

### [Short-Selling Exempted Shares Register](#)

The content of the register will remain unchanged until the reported exemptions are verified by the new RCA of the instrument (i.e. the exemptions for the UK instruments will continue to be published). The full update of the register is expected by June 2019.

### [Prospectus Register](#)

The prospectuses issued by UK entities will be assigned with a status equal to cancelled. The IT system will automatically withdraw all prospectuses with this status from the Prospectus register on the ESMA website.

## **6 Communication to external stakeholders**

ESMA has prepared its IT systems so that all actions in this statement can be either executed during the weekend following 29 March or at a later date.

Should a no-deal Brexit occur on 29 March, ESMA will issue a communication before entering into the maintenance window and commencing the Brexit implementation actions as set out above. Upon the completion of the individual items indicated in this statement, ESMA will communicate that the IT systems are operational again, following the successful conclusion of the planned actions.

Should the implementation of the Brexit actions not be completed within the planned time frames set out above, and more time would be required, then ESMA will inform external stakeholders of the current situation and give a new estimated time for completion.

Finally, should a no-deal Brexit not take place on 29 March, ESMA will be able to postpone as appropriate the implementation of the plan here described. In such a case, ESMA will inform relevant stakeholders.