Final Report

Amendment to Commission Implementing Regulation (EU) 2016/1646

11 December 2019 | ESMA70-156-1535

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Acronyms used

ADT	Average daily turnover
ATS	Alternative Trading System
CA	Competent Authority
CP	Consultation Paper
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012
CRR II	Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013
ESMA	European Securities and Markets Authority
ITS	Implementing Technical Standard
MIFID II	Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
MTF	Multilateral Trading Facilities
NSE	National Stock Exchanges
OJ	Official Journal
RTS	Regulatory Technical Standards
SEC	Securities Exchange Commission
TFEU	Treaty on the Functioning of the European Union
UK	United Kingdom
US	United States of America

1 Executive Summary

Reasons for publication

Commission Implementing Regulation (EU) 2016/1646 (Implementing Regulation (EU) 2016/1646) specifies the main indices and recognised exchanges pursuant to paragraph 8 of Article 197 of the Capital Requirements Regulation (EU) 575/2013 (CRR).

In this context, ESMA considers it necessary to introduce amendments to Implementing Regulation (EU) 2016/1646 to ensure that the most relevant criteria are applied to specify the main indices and that the list of recognised exchanges is updated to reflect legislative changes and changes in market structures. This final report explains ESMA's proposal on the amendments to Implementing Regulation (EU) 2016/1646 taking into account alternative scenarios in the context of the United Kingdom and Northern Ireland leaving the Union.

Contents

Section 3 explains the proposal with regard to the change of the methodology to select the main indices by providing in Section 3.1 a description of the general approach, in Section 3.2 the analysis of the feedback received during the consultation period and in Section 3.3 the conclusions drawn. Section 4 explains the proposal with regard to the recognised exchanges. Annex I contains the full text of the draft ITS under two scenarios depending on the Brexit outcome. Annex II includes the cost-benefit analysis of the proposal, Annex III the detailed feedback to the consultation paper and Annex IV a brief analysis of additional indices suggested in the responses to the consultation.

Next Steps

ESMA will submit this final report, including the draft ITS amending Implementing Regulation (EU) 2016/1646, to the European Commission for endorsement.

2 Introduction

1. The Capital Requirement Regulation (CRR) entered into force on 1 January 2014 with the aim to minimise the effects of credit institutions and investment firms ("institutions") failing, by ensuring that they hold enough financial resources to cover the risks associated with their business. An important element of this is prescribing the way in which organisations should treat the credit risk of assets they are taking as collateral. The CRR's definition of when securities can be eligible as collateral refers to equities and convertible bonds that are constituents of a "main index" and to debt securities that are listed on a "recognised exchange".

2. Paragraph 8 of Article 197 of the CRR requires ESMA to specify "main index" and "recognised exchange", as follows:

Article 197 of CRR

"8. ESMA shall develop draft implementing technical standards to specify the following:

the main indices referred to in point (f) of paragraph 1 of this Article, in point (a) of Article 198(1), in Article 224(1) and (4), and in point (e) of Article 299(2);

the recognised exchanges referred to in point (a) of paragraph 4 of this Article, in point (a) of Article 198(1), in Article 224(1) and (4), in point (e) of Article 299(2), in point (k) of Article 400(2), in point (e) of Article 416(3), in point (c) of Article 428(1), and in point 12 of Annex III in accordance with the conditions laid down in point (72) of Article 4(1).

ESMA shall submit those draft implementing technical standards to the Commission by 31 December 2014."

3. On 19 December 2014 ESMA submitted the draft ITS with regard to main indices and recognised exchanges in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms to the European Commission (EC). The EC on 17 December 2015 proposed to adopt the ITS with amendments concerning the list of main indices. Following ESMA's opinion[1] on the proposed amendments on 28 January 2016, the Commission adopted the draft ITS in the form of the Commission Implementing Regulation (EU) No. 2016/1646 (Implementing Regulation (EU) 2016/1646) on 13 September 2016.

4. In particular, Implementing Regulation (EU) 2016/1646 establishes the criteria to identify the main indices and recognised exchanges for the purposes of the CRR, listed in its Annexes.

5. However, in order to identify the main indices on the basis of the most appropriate methodology and to reflect legislative changes and changes in the market structure ESMA needs to amend the list of main indices and recognised exchanges contained in the Annexes to the Implementing Regulation (EU) 2016/1646. The necessary amendments

[1] https://www.esma.europa.eu/sites/default/files/library/2016-163_-_opinion_on_crr_its_final.pdf

are incorporated in an amending ITS which ESMA is now proposing for adoption to the Commission.

6. ESMA published a consultation paper (CP) on the amendments to Implementing Regulation (EU) 2016/1646 on 24 May 2019 and invited stakeholders to provide feedback by 5 July 2019. ESMA has received feedback on the amendments to Implementing Regulation (EU) 2016/1646 from four market participants.

3 Main indices

3.1 General approach

7. In its consultation paper ESMA proposed, under option B, to modify the methodology used to identify the main indices whose components can be used as collateral. On the other hand, option A proposed to maintain the original approach.

8. In particular, option B in the consultation paper provided for two tests: the first test to identify those indices was identical to the absolute test of the original approach (option A). Such test aims at capturing those indices that are composed predominantly by medium and large cap stocks. More specifically, the first test requires that at least 90% of the components of the index (i.e. 90 out of 100 components) have a minimum free float of 500,000,000 EUR or, in the absence of the information about the free float, a minimum market capitalisation of 1,000,000,000 EUR. The indices passing such test qualify as main indices. No further checks are applied.

9. However, under option B in the consultation paper ESMA suggested to modify the second test of the original approach (option A) i.e. the so-called relative test[2]. In particular, as it was already the case for the relative test, this second test shall be applied to those indices not passing the first one. Furthermore, this test aims at capturing those indices that are composed predominantly of small cap stocks which have a minimum level of liquidity measured by the average daily turnover (ADT). This test is based on a two-step approach:

    a. the first step requires that at least 80% of the components of the index (i.e. 80 out of 100 components) must have a minimum free float of 25,000,000 EUR or, in the absence of the information about the free float, a minimum market capitalisation of 50,000,000 EUR;

    b. the second step requires that all components of the index (i.e. 100 out of 100 components) must have a minimum ADT. Different levels of ADT are required on the basis of the market capitalisation of the share. In particular, all components with a market capitalisation:

[2] The relative test required that (i) the equity index should not include more than half of the total number of companies whose shares are traded on the market on which the index is based (ii) the average daily turnover (ADT) of each component is at least EUR 100,000; and two of the following three conditions are also met (a) the total market capitalisation of the index is a least 40% of the market capitalisation of all the companies whose shares are traded on that market, (b) the total turnover of trading in the components of the index is at least 40% of total turnover of all equity trading on that market, (c) the index serves as an underlying for derivatives products.

i. smaller than EUR 10,000,000,000 should have a minimum ADT of EUR 500,000;

ii. greater than or equal to EUR 10,000,000,000 should have a minimum ADT of EUR 1,000,000.

If both steps are passed, the index qualifies as a main index.

10. As a last consideration, whenever more than one index meets the criteria to be eligible as a main index and one index includes all components of another index, only the broader one should be included in the list.

11. As far as the convertible bond indices are concerned, ESMA considered that the current methodology is appropriate. Consequently, convertible bond indices should be considered as main indices if the constituent bonds can be converted into equities and where at least 90% of those equities have a minimum free float of EUR 500,000,000, or in the absence of the information about the free float, a market capitalisation of at least EUR 1,000,000,000. Consequently, ESMA did not propose to change the list of convertible bond indices.

3.2 Analysis

12. The respondents were generally in favour of the new proposed methodology, based on the fact that the ADT is a simple and easy parameter to identify, but also because the tests take the size of the market capitalisation into account, which allows for broader indices to become eligible, namely the ones that are composed predominantly of small cap stocks.

13. However, the feedback provided also raised some concerns related to the criteria for determining the appropriate level of ADT based on market capitalisation, as the proposed approach might exclude some regional indices that include smaller stocks.

14. ESMA considers that it is necessary to have a sufficient level of liquidity to deem the securities eligible as collateral for the purpose of CRR. Therefore, the proposed levels of ADT are considered to be appropriate for the purpose of identifying EEA and non-EEA indices with components that are suitable for credit risk mitigation. In particular, the smallest ADT threshold of EUR 500,000 is half of the threshold required to determine a liquid share for the purpose of the transparency requirements in accordance with Article 1 of Commission Delegated Regulation2017/567 which nevertheless also require that three other parameters, in addition to the market capitalisation threshold, are met.

15. Following the recommendations of the respondents to the CP to include further indices in the list, ESMA performed the necessary tests. However, ESMA could only assess three indices out of 25 and all of them qualify. Nevertheless, none of them is included in the ITS because Cboe UK 100 is a subset of FTSE 350, which is already included and, the Cboe Brexit Low 50 index and the Cboe Brexit High 50 index are sub-sets of Cboe UK 100. Regarding the regional indices that were mentioned in the responses, all of them are included in the list or already encompassed in other indices in the ITS.

16. One respondent suggested to use instead of the ADT a different measure, the percentage of the adjusted free-float to total trading ratio, where the free-float should be adjusted for the weight that the component has in the index. ESMA considered this approach whose results are provided in Annex V. Nevertheless, the difficulty to find information on the weights and the unsatisfactory results lead ESMA to discard such proposal.

17. One respondent raised the issue that, following the new proposed methodology, EEA banks might be at a competitive disadvantage, considering that other jurisdictions are adopting more flexible approaches. In their opinion, an impact assessment should be performed in order to assess the effects of the changes in the eligibility of indices using different thresholds. ESMA considered different thresholds for the preparation of the CP. Two Options were considered: under Option B.1, ADTs of 500,000 and 1,000,000 where applied for the second step of the second test whereas under Option B.2, ADTs of 100,000 and 500,000 where applied for the second step of the second test.

18. Under both Options results were similar and, as a consequence, only one option was included in the CP. Under both options a similar percentage of components (unique ISINs) included in the current ITS as eligible collateral was maintained (61% under Option B.1 versus 63% of Option B.2). At the same time under Option B.1 a smaller total number of indices qualified as main indices (50 under Option B.1 versus 63 under Option B.2). More specifically, the use of Option B.2 would have led to the inclusion of 4 more indices among those that currently qualify in the ITS as main indices compared to Option B.1, resulting in 50 indices under Option B.2 and 46 under option B.1. Furthermore, under Option B.1, 4 new additional indices also qualify as main indices, for a total of 50, while under Option B.2 13 new additional indices would also qualify as main indices, for a total of 63. Currently the list of indices proposed, which has been compiled under Option B.1 (current Option B), contains 46 indices as 4 were excluded as explained in the next section.

19. ESMA did consider this view and aimed at collecting quantitative data through the CBA, to provide an assessment of the impact of the proposal on market participants. Unfortunately, no quantitative data was provided by any of the relevant stakeholders to enable ESMA to assess the impact.

3.3 Conclusions

20. Considering that:

    a. ESMA did not received feedback from banks;

    b. The feedback received is limited to four respondents two of which are index providers;

    c. The local indices that are claimed to be excluded by the list of main indices by one respondent are all either included in the list or all their components are included in other indices with a larger number of components;

d. The ADT of EUR 500,000 for small cap stocks is half of that used to assess liquidity for transparency purposes as per Article 1(1) of Commission Delegated Regulation2017/567;

ESMA has decided to maintain Option B as its proposal for the amended draft implementing technical standards. One index has been excluded (MSCI Russia Index) following the consultation after having checked that it is indeed part of another index. ESMA has also removed 3 additional indices since they are all part of other indices already included in the list in the ITS, namely AEX, FTSE Bursa Malaysia KLCI and Hang Seng Index.

21. As far as convertible bonds indices are concerned, ESMA does not propose to change the list of such indices.

4 Recognised exchanges

4.1 General approach

22. In the CP, ESMA has not proposed to make any changes to the lists of recognised exchanges based on new considerations. ESMA has therefore asked all NCAs to apply the same criteria to their jurisdictions in order to identify any changes necessary (including removing regulated markets that are no longer active). Taking into account the feedback received from NCAs, ESMA proposes that all markets listed in the Annex to the draft ITS in the CP are to be considered recognised exchanges for the purposes of the CRR.

23. As far as third country exchanges are concerned, and as advised by the EC at the time of the submission of the original ITS, references to such exchanges were not included in the proposed draft ITS.

4.2 Conclusions

24. Respondents to the CP did not provide any comment on this section. ESMA will therefore maintain its proposal regarding EU regulated markets and will keep the Annex to the draft ITS as proposed in the CP. This Annex incorporates all updates to the list of recognised exchanges due to the establishment of new exchanges or due to name changes as a consequence of mergers, acquisitions, etc.

4.2.1 Treatment of third-country exchanges

25. ESMA notes however that Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 (CRR II)[3] was published in the Official Journal on 7 June 2019. The CRR II text introduces an amendment to the definition of recognised exchanges provided in Article 4 (72) of the CRR by including *"third-country market that is considered to be equivalent to a regulated market in*

[3] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0876&from=BG

accordance with the procedure set out in point (a) of Article 25(4) of Directive 2014/65/EU of the European Parliament and of the Council", applicable as of 27 of June 2019.

26. The consequence of this amendment is that the list of recognised exchanges specified in the Annex to the draft ITS should now include third country exchanges from those jurisdictions for which the EC has adopted equivalence decisions under Article 25(4) of MiFID II. For the time being the equivalence decisions of the EC in force are in respect of Australia[4], Hong Kong[5] and the United States of America[6] (US).

27. ESMA notes that the Commission Equivalence Decision for the US of 13 December 2017 is not limited to National Stock Exchanges but also incorporates Alternative Trading Systems. As a consequence, pursuant to Article 4(72) of CRR II and after discussing the matter with the EC, ESMA notes that the US Alternative Trading Systems have to be included in the list of recognised exchanges contained in Annex II of the Implementing Regulation (EU) 2016/1646 while EU alternative venues like MTFs remain excluded.

28. ESMA also understands that the US Equivalence Decision is limited to only those Alternative Trading Systems registered with the SEC whose shares are also traded on National Stock Exchanges. It therefore seems that the addition of the US Alternative Trading Systems would not make a substantial difference in practice and more importantly would not undermine the main purpose of CRR II as supplemented by the Implementing Regulation (EU) 2016/1646 to promote financial stability and ensure that the instruments used as collateral provide an adequate level of liquidity.

29. ESMA therefore has included all trading venues listed on the EC equivalence decisions in the Annex II of the amending ITS.

4.2.2 Impact of Brexit

30. Given the remaining uncertainties around the type and time of Brexit the open question that remains for ESMA is whether to include UK exchanges on the list of recognised exchanges.

31. As long as the UK remains a member of the Union UK exchanges should remain on the list. When the UK leaves the Union and in the absence of an equivalence decision the UK exchanges should be removed from the list.

32. As the uncertainties around Brexit remain currently and in order not to delay the update of Implementing Regulation (EU) 2016/1646 for longer than absolutely necessary, ESMA has decided to incorporate two different versions of the amended ITS into this final report. The first version of the ITS (cf. Section 5.1.1) includes UK exchanges and should be used in case there is a "deal" or an equivalence decision. The second version of the ITS (cf. Section 5.1.2) excludes UK exchanges and should be used in case of a "no-deal" outcome and in the absence of an equivalence decision in respect of the UK.

[4] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D2318&from=EN
[5] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D2319&from=EN
[6] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D2320&from=EN

33. ESMA believes that this way of proceeding allows for a timely update of Implementing Regulation (EU) 2016/1646 as soon as there is clarity on the type and time of Brexit. ESMA would ask the EC to endorse the appropriate version of the draft ITS in line with future Brexit developments.

5 Annexes

5.1 Annex I - Draft technical standards

5.1.1 Brexit deal scenario

COMMISSION IMPLEMENTING REGULATION (EU) .../...

of [ ]

amending Implementing Regulation (EU) 2016/1646 as regards the main indices and recognised exchanges in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council

(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 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012[7], and in particular Article 197(8) thereof,

Whereas:

(1) Commission Implementing Regulation (EU) 2016/1646[8] lays down implementing technical standards specifying the main indices and recognised exchanges pursuant to Regulation (EU) No 575/2013.

(2) Regulation (EU) No 575/2013 states that equities or convertible bonds included in a main index may be used by institutions as eligible collateral. One of the eligibility criteria for collateral is that it should be sufficiently liquid. To be considered as main indices for the purposes of Regulation (EU) No 575/2013, equity indices should therefore mainly consist of equities that can reasonably be expected to be realisable when an institution needs to liquidate them. This should still be the case when applying the same criteria indicated in Implementing Regulation (EU) 2016/1646, when at least 90% of the components of an index have a free float

[7] OJ L 176, 27.6.2013, p. 1.
[8] Commission Implementing Regulation (EU) 2016/1646 of 13 September 2016 laying down implementing technical standards with regard to main indices and recognised exchanges in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (OJ L 245, 14.9.2016, p. 5).

of at least EUR 500 000 000 or, in the absence of information about free float, a market capitalisation of at least EUR 1 000 000 000.

(3) It should also be possible for institutions to recognise as eligible collateral instruments included in main indices that do not meet the above criteria, but whose components are sufficiently traded. Based on past experience, the criteria indicated in Implementing Regulation (EU) 2016/1646 proved difficult to apply against a main index established in a third country which affected the proper achievement of the objective of Regulation (EU) No 575/2013 to ensure a minimum threshold of liquidity of the index components. To deal with this issue different criteria to specify the main indices should be considered.

(4) The new criteria would ensure the adequacy of the instruments as eligible collateral and hence, ensure a sufficient liquidity threshold independently from the market on which an index is based, where two conditions are fulfilled. The first condition would require that at least 80% of the components of an index have a free float of at least EUR 25 000 000 or, in the absence of information about free float, a market capitalisation of at least EUR 50 000 000. The second condition would require that all components of the index having a market capitalisation smaller than or equal to EUR 10 000 000 000 have a minimum average daily turnover of EUR 500 000 and all components of the index having a market capitalisation greater than EUR 10 000 000 000 have a minimum average daily turnover of EUR 1 000 000. The average daily turnover should be calculated over the twelve months of the calendar year preceding the assessment, or where applicable, the period of the twelve months of the preceding calendar year during which the financial instrument was available for trading.

(5) Regulation (EU) No 575/2013 states that debt securities issued by certain institutions, not having a credit assessment by an external credit assessment institution (ECAI), may be used as eligible collateral where they fulfil a number of criteria, one of them being that they are listed on a recognised exchange, as defined in Regulation (EU) No 575/2013. Implementing Regulation (EU) 2016/1646 specifies the recognised exchanges for the purposes of Regulation (EU) No 575/2013 taking into account the criteria set out in Regulation (EU) No 575/2013.

(6) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019[9] amends the definition of recognised exchanges by including third country markets that are considered to be equivalent to a regulated market in accordance with the procedure set out in point (a) of Article 25(4) of Directive 2014/65/EU of the European Parliament and of the Council[10].

[9] Regulation (EU) 2019/876 of the European parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 14.6.2019, p.1).

[10] Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

(7) In addition, there are changes in market structure which occurred after the entry into force of Implementing Regulation (EU) 2016/1646, particularly as regards the appearance of new exchanges, mergers, name changes or cessation of activities.

(8) Therefore, to include exchanges for which the Commission has adopted an equivalence decision pursuant to Article 25(4)(a) of Directive 2014/65/EU and to reflect changes in market structure, the list of specified recognised exchanges should also be amended.

(9) This Regulation is based on the draft implementing technical standards submitted by the European Securities and Markets Authority (ESMA) to the Commission.

(10) ESMA has conducted open public consultation on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and has requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council[11].

HAS ADOPTED THIS REGULATION:

Article 1

Amendment to Implementing Regulation (EU) 2016/1646

Implementing Regulation (EU) No 2016/1646 is amended as follows:

(1) Table 1 of Annex I to Implementing Regulation (EU) 2016/1646 is replaced by the text set out in Annex I to this Regulation.

(2) Annex II to Implementing Regulation (EU) 2016/1646 is replaced by the text set out in Annex II to this Regulation.

Article 2

Entry into force

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

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

[11] 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).

Done at Brussels, []

For the Commission
The President

[For the Commission
On behalf of the President

[Position]

ANNEX I

MAIN INDICES SPECIFIED UNDER ARTICLE 197 OF REGULATION (EU) No 575/2013

Table 1

Equity indices

Index	**Country/Area**
Austrian Traded Index	Austria
BEL 20	Belgium
CETOP20	Central Europe
CNX 100	India
CSI 300 Index	China
EGX 30	Egypt
FTSE 350	UK
FTSE All World Europe	Europe
FTSE All-World Index	Global
FTSE MIB	Italy
FTSE Nasdaq Dubai UAE 20 Index	UAE
FTSE RAFI Emerging Index	Emerging markets
FTSE Straits Times Index	Singapore
FTSE/JSE Capped Top 40	South Africa
FTSE/JSE Industrial 25	South Africa
Hang Seng Mainland 100 Index	Hong Kong
HDAX	Germany
IBEX 35	Spain

IBOVESPA	Brazil
ISEQ 20	Ireland
KOSPI 100	South Korea
MSCI ACWI Index	Global
MSCI EM 50	Emerging markets
NASDAQ-100	USA
Nikkei 300	Japan
NYSE ARCA China Index	China
OBX	Norway
OMX Copenhagen 25	Denmark
OMX Helsinki 25	Finland
OMXS60	Sweden
Qatar Exchange General Index	Qatar
S&P 500	USA
S&P BSE 100	India
S&P Latin America 40	Latin America
S&P/ASX 100	Australia
S&P/BMV IPC	Mexico
S&P/NZX 10	New Zealand
S&P/TSX 60	Canada
SBF 120	France
SET 50	Thailand
SMI Expanded	Switzerland
STOXX Asia/Pacific 600	Asia/Pacific

STOXX Europe 600	Europe
TOPIX Mid 400	Japan
TSEC Taiwan 50	Taiwan
WIG20	Poland

ANNEX II

RECOGNISED EXCHANGES4 SPECIFIED UNDER ARTICLE 197 OF REGULATION (EU) No 575/2013

Table 1

Recognised exchanges on which contracts listed in Annex II of Regulation (EU) No 575/2013 are not traded

Regulated market	**MIC**
AIAF — MERCADO DE RENTA FIJA	XDRF, SEND
ATHENS EXCHANGE SECURITIES MARKET	XATH
BADEN-WUERTTEMBERGISCHE WERTPAPIERBOERSE	STUC, STUA
BOERSE BERLIN	BERC, BERA, EQTB, EQTA
BOERSE DUESSELDORF	DUSC, DUSA
BOERSE MUENCHEN	MUNC, MUNA
BOLSA DE BARCELONA	XBAR, SBAR
BOLSA DE BILBAO	XBIL, SBIL
BOLSA DE MADRID	XMAD, MERF
BOLSA DE VALENCIA	XVAL
BONDSPOT SECURITIES MARKET	RPWC
BOURSE DE LUXEMBOURG	XLUX
BRATISLAVA STOCK EXCHANGE	XBRA
BUCHAREST STOCK EXCHANGE	XBSE
BUDAPEST STOCK EXCHANGE	XBUD
BULGARIAN STOCK EXCHANGE — SOFIA JSC	XBUL

CBOE AMSTERDAM	CCXE
CBOE EUROPE EQUITIES REGULATED MARKET - INTEGRATED BOOK SEGMENT	BART
CBOE EUROPE EQUITIES REGULATED MARKET - OFF-BOOK SEGMENT	BARO
CBOE EUROPE EQUITIES REGULATED MARKET - REFERENCE PRICE BOOK SEGMENT	BARK
CYPRUS STOCK EXCHANGE	XCYS
ELECTRONIC BOND MARKET	MOTX
ELECTRONIC ETF AND ETC/ETN MARKET – ETFplus	ETFP
ELECTRONIC SECONDARY SECURITIES MARKET	HDAT
ELECTRONIC SHARE MARKET	MTAA
EURONEXT AMSTERDAM	XAMS
EURONEXT BRUSSELS	XBRU
EURONEXT DUBLIN	XMSM
EURONEXT LISBON	XLIS
EURONEXT LONDON	XLDN
EURONEXT PARIS	XPAR
FRANKFURTER WERTPAPIERBOERSE (REGULIERTER MARKT)	FRAA, XETA
GIBRALTAR STOCK EXCHANGE	GSXL
HANSEATISCHE WERTPAPIERBOERSE HAMBURG (REGULIERTER MARKT)	HAMA
LJUBLJANA STOCK EXCHANGE OFFICIAL MARKET	XLJU
LONDON STOCK EXCHANGE — REGULATED MARKET	XLON
MALTA STOCK EXCHANGE	XMAL, IFSM
MARKET FOR INVESTMENT VEHICLES (MIV)	MIVX
MTS GOVERNMENT MARKET	MTSC
NASDAQ COPENHAGEN	XCSE
NASDAQ HELSINKI	XHEL

NASDAQ ICELAND	XICE
NASDAQ RIGA	XRIS
NASDAQ STOCKHOLM	XSTO
NASDAQ TALLINN	XTAL
NASDAQ VILNIUS	XLIT
NEX AMSTERDAM	BTAM
NEX EXCHANGE MAIN BOARD (EQUITY)	NEXL
NEX EXCHANGE MAIN BOARD (NON-EQUITY)	NEXD
NIEDERSAECHSISCHE BOERSE ZU HANNOVER (REGULIERTER MARKT)	HANA
NORDIC GROWTH MARKET NGM	XNGM
NXCHANGE	XNXC
OSLO AXESS	XOAS
OSLO BØRS	XOSL
PRAGUE STOCK EXCHANGE	XPRA
RM-SYSTEM CZECH STOCK EXCHANGE	XRMZ
TRADEGATE EXCHANGE (REGULIERTER MARKT)	XGRM
VIENNA STOCKEXCHANGE OFFICIAL MARKET (AMTLICHER HANDEL)	WBAH
WARSAW STOCK EXCHANGE	XWAR, WBON, WETP
ZAGREB STOCK EXCHANGE	XZAG
ASX LIMITED	XASX
CHI-X AUSTRALIA PTY LTD	CHIA
THE STOCK EXCHANGE OF HONG KONG LIMITED (SEHK)	SHKG
BOX OPTIONS EXCHANGE LLC	XBOX
CBOE BYX EXCHANGE, INC. (FORMERLY BATS BYX EXCHANGE, INC.; BATS Y-EXCHANGE, INC.)	BATY
CBOE BZX EXCHANGE, INC. (FORMERLY BATS BZX EXCHANGE, INC.; BATS EXCHANGE, INC.)	BATS

CBOE C2 EXCHANGE, INC.	C2OX
CBOE EDGA EXCHANGE, INC. (FORMERLY BATS EDGA EXCHANGE, INC.; EDGA EXCHANGE, INC.)	EDGA
CBOE EDGX EXCHANGE, INC. (FORMERLY BATS EDGX EXCHANGE, INC.; EDGX EXCHANGE, INC.)	EDGX
CBOE EXCHANGE, INC.	CBSX
CHICAGO STOCK EXCHANGE, INC.	XCHI
THE INVESTORS EXCHANGE LLC	IEXG
MIAMI INTERNATIONAL SECURITIES EXCHANGE	XMIO
MIAX PEARL, LLC	MPRL
NASDAQ BX, INC. (FORMERLY NASDAQ OMX BX, INC.; BOSTON STOCK EXCHANGE)	BOSD
NASDAQ GEMX, LLC (FORMERLY ISE GEMINI)	GMNI
NASDAQ ISE, LLC (FORMERLY INTERNATIONAL SECURITIES EXCHANGE, LLC)	XISX
NASDAQ MRX, LLC (FORMERLY ISE MERCURY)	MCRY
NASDAQ PHLX LLC (FORMERLY NASDAQ OMX PHLX, LLC; PHILADELPHIA STOCK EXCHANGE)	XPHL
THE NASDAQ STOCK MARKET	XNAS
NEW YORK STOCK EXCHANGE LLC	XNYS
NYSE ARCA, INC.	ARCX
AQUA SECURITIES L.P.	AQUA
ATS-1	MSTX
ATS-4	MSPL
ATS-6	MSRP
BARCLAYS ATS	BARX
BARCLAYS DIRECTEX	BCDX
BIDS TRADING, L.P.	BIDS
CIOI	CIOI
CITIBLOC	CBLC
CITICROSS	CICX

CODA MARKETS, INC	CODA
CREDIT SUISSE SECURITIES (USA) LLC	CAES
DEUTSCHE BANK SECURITIES, INC	DBSX
EBX LLC	LEVL
INSTINCT X	BAML
INSTINET CONTINUOUS BLOCK CROSSING SYSTEM (CBX)	ICBX
INSTINET, LLC (INSTINET CROSSING, INSTINET BLX)	XINS
INSTINET, LLC (BLOCKCROSS)	BLKX
JPB-X	JPBX
J.P. MORGAN ATS ('JPM-X')	JPMX
JSVC LLC	*
LIQUIDNET H2O ATS	LIUH
LIQUIDNET NEGOTIATION ATS	LIUS
LUMINEX TRADING & ANALYTICS LLC	LMNX
NATIONAL FINANCIAL SERVICES, LLC	NFSC
POSIT	ITGI
SIGMA X2	SGMT
SPOT QUOTE LLC	*
SPREAD ZERO LLC	*
UBS ATS	UBSS
USTOCKTRADE	*
VIRTU MATCHIT	VFMI
XE	PJCX

*MIC codes not available on the ISO 10383 – Codes for exchanges and market identification list

Table 2

Recognised exchanges on which contracts listed in Annex II of Regulation (EU) No 575/2013 are traded

Regulated market	**MIC**
ATHENS EXCHANGE DERIVATIVES MARKET	XADE
BUDAPEST STOCK EXCHANGE	XBUD
EUREX DEUTSCHLAND	XEUR
EURONEXT BRUSSELS DERIVATIVES	XBRD
EUROPEAN ENERGY EXCHANGE	XEEE, XEER
FISH POOL	FISH
HUDEX ENERGY EXCHANGE	HUDX
ICE ENDEX DERIVATIVES	NDEX
ICE FUTURES EUROPE — AGRICULTURAL PRODUCTS DIVISION	IFLX
ICE FUTURES EUROPE — ENERGY PRODUCTS DIVISION	IFEU
ICE FUTURES EUROPE — EQUITY PRODUCTS DIVISION	IFLO
ICE FUTURES EUROPE — FINANCIAL PRODUCTS DIVISION	IFLL
ITALIAN DERIVATIVES MARKET	XDMI
LONDON STOCK EXCHANGE DERIVATIVES MARKET	XLOD
MATIF	XMAT
MEFF EXCHANGE	XMRV, XMPW
MERCADO DE FUTUROS E OPCOES	MFOX
MONEP	XMON
NASDAQ OSLO	NORX
NASDAQ STOCKHOLM	XSTO
NOREXECO	NEXO
OMIP – POLO PORTUGUES	OMIP
OSLO BØRS	XOSL
POWER EXCHANGE CENTRAL EUROPE	XPXE

POWERNEXT DERIVATIVES	XPOW
THE LONDON METAL EXCHANGE	XLME
EURONEXT EQF — EQUITIES AND INDICES DERIVATIVES	XEUE
WARSAW STOCK EXCHANGE/COMMODITIES/POLISH POWER EXCHANGE/COMMODITY DERIVATIVES	PLPD
WARSAW STOCK EXCHANGE/FINANCIAL DERIVATIVES	WDER

5.1.2 No-deal Brexit scenario

COMMISSION IMPLEMENTING REGULATION (EU) .../...

of [ ]

amending Implementing Regulation (EU) 2016/1646 as regards the main indices and recognised exchanges in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council

(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 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012[12] and in particular Article 197(8) thereof,

Whereas:

(1) Commission Implementing Regulation (EU) 2016/1646[13] lays down implementing technical standards specifying the main indices and recognised exchanges pursuant to Regulation (EU) No 575/2013.

(2) Regulation (EU) No 575/2013 states that equities or convertible bonds included in a main index may be used by institutions as eligible collateral. One of the eligibility criteria for collateral is that it should be sufficiently liquid. To be considered as main indices for the purposes of Regulation (EU) No 575/2013, equity indices should therefore mainly consist of equities that can reasonably be expected to be realisable when an institution needs to liquidate them. This should still be the case when applying the same criteria indicated in Implementing Regulation (EU) 2016/1646, when at least 90% of the components of an index have a free float of at least EUR 500 000 000 or, in the absence of information about free float, a market capitalisation of at least EUR 1 000 000 000.

(3) It should also be possible for institutions to recognise as eligible collateral instruments included in main indices that do not meet the above criteria, but whose components are sufficiently traded. Based on past experience, the criteria indicated in Implementing Regulation (EU) 2016/1646 proved difficult to apply against a main index established in a third country

[12] OJ L 176, 27.6.2013, p. 1.
[13] Commission Implementing Regulation (EU) 2016/1646 of 13 September 2016 laying down implementing technical standards with regard to main indices and recognised exchanges in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (OJ L 245, 14.9.2016, p. 5).

which affected the proper achievement of the objective of Regulation (EU) No 575/2013 to ensure a minimum threshold of liquidity of the index components. To deal with this issue different criteria to specify the main indices should be considered.

(4) The new criteria would ensure the adequacy of the instruments as eligible collateral and hence, ensure a sufficient liquidity threshold independently from the market on which an index is based, where two conditions are fulfilled. The first condition would require that at least 80% of the components of an index have a free float of at least EUR 25 000 000 or, in the absence of information about free float, a market capitalisation of at least EUR 50 000 000. The second condition would require that all components of the index having a market capitalisation smaller than or equal to EUR 10 000 000 000 have a minimum average daily turnover of EUR 500 000 and all components of the index having a market capitalisation greater than EUR 10 000 000 000 have a minimum average daily turnover of EUR 1 000 000. The average daily turnover should be calculated over the twelve months of the calendar year preceding the assessment, or where applicable, the period of the twelve months of the preceding calendar year during which the financial instrument was available for trading.

(5) Regulation (EU) No 575/2013 states that debt securities issued by certain institutions, not having a credit assessment by an external credit assessment institution (ECAI), may be used as eligible collateral where they fulfil a number of criteria, one of them being that they are listed on a recognised exchange, as defined in Regulation (EU) No 575/2013. Implementing Regulation (EU) 2016/1646 specifies the recognised exchanges for the purposes of Regulation (EU) No 575/2013 taking into account the criteria set out in Regulation (EU) No 575/2013.

(6) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019[14] amends the definition of recognised exchanges by including third country markets that are considered to be equivalent to a regulated market in accordance with the procedure set out in point (a) of Article 25(4) of Directive 2014/65/EU of the European Parliament and of the Council[15].

(7) Moreover, following the withdrawal of the United Kingdom from the Union pursuant to Article 50 of the Treaty on European Union, the Treaties have ceased to apply to the United Kingdom from 1 February 2020 and the United Kingdom is now a third country. At present, there is no equivalence decision adopted by the Commission in respect of the United Kingdom in accordance with Article 25(4)(a) of Directive 2014/65/EU.

(8) In addition, there are changes in market structure which occurred after the entry into force of Implementing Regulation (EU) 2016/1646, particularly as regards the appearance of new exchanges, mergers, name changes or cessation of activities.

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[14] Regulation (EU) 2019/876 of the European parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 14.6.2019, p.1).

[15] Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

(9) Therefore, to include exchanges for which the Commission has adopted an equivalence decision pursuant to Article 25(4)(a) of Directive 2014/65/EU, to exclude exchanges established in the United Kingdom for which there is no an equivalence decision adopted by the Commission pursuant to Article 25(4)(a) of Directive 2014/65/EU and to reflect changes in market structure, the list of specified recognised exchanges should also be amended.

(10) This Regulation is based on the draft implementing technical standards submitted by the European Securities and Markets Authority (ESMA) to the Commission.

(11) ESMA has conducted open public consultation on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and has requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council[16].

HAS ADOPTED THIS REGULATION:

Article 1

Amendment to Implementing Regulation (EU) 2016/1646

Implementing Regulation (EU) No 2016/1646 is amended as follows:

(1) Table 1 of Annex I to Implementing Regulation (EU) 2016/1646 is replaced by the text set out in Annex I to this Regulation.

(2) Annex II to Implementing Regulation (EU) 2016/1646 is replaced by the text set out in Annex II to this Regulation.

Article 2

Entry into force

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

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

[16] 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).

Done at Brussels, []

For the Commission
The President

[For the Commission
On behalf of the President

[Position]

ANNEX I

MAIN INDICES SPECIFIED UNDER ARTICLE 197 OF REGULATION (EU) No 575/2013

Table 1

Equity indices

Index	**Country/Area**
Austrian Traded Index	Austria
BEL 20	Belgium
CETOP20	Central Europe
CNX 100	India
CSI 300 Index	China
EGX 30	Egypt
FTSE 350	UK
FTSE All World Europe	Europe
FTSE All-World Index	Global
FTSE MIB	Italy
FTSE Nasdaq Dubai UAE 20 Index	UAE
FTSE RAFI Emerging Index	Emerging markets
FTSE Straits Times Index	Singapore
FTSE/JSE Capped Top 40	South Africa
FTSE/JSE Industrial 25	South Africa
Hang Seng Mainland 100 Index	Hong Kong
HDAX	Germany

IBEX 35	Spain
IBOVESPA	Brazil
ISEQ 20	Ireland
KOSPI 100	South Korea
MSCI ACWI Index	Global
MSCI EM 50	Emerging markets
NASDAQ-100	USA
Nikkei 300	Japan
NYSE ARCA China Index	China
OBX	Norway
OMX Copenhagen 25	Denmark
OMX Helsinki 25	Finland
OMXS60	Sweden
Qatar Exchange General Index	Qatar
S&P 500	USA
S&P BSE 100	India
S&P Latin America 40	Latin America
S&P/ASX 100	Australia
S&P/BMV IPC	Mexico
S&P/NZX 10	New Zealand
S&P/TSX 60	Canada
SBF 120	France
SET 50	Thailand
SMI Expanded	Switzerland

STOXX Asia/Pacific 600	Asia/Pacific
STOXX Europe 600	Europe
TOPIX Mid 400	Japan
TSEC Taiwan 50	Taiwan
WIG20	Poland

ANNEX II

RECOGNISED EXCHANGES SPECIFIED UNDER ARTICLE 197 OF REGULATION (EU) No 575/2013

Table 1

Recognised exchanges on which contracts listed in Annex II of Regulation (EU) No 575/2013 are not traded

Regulated market	**MIC**
AIAF — MERCADO DE RENTA FIJA	XDRF, SEND
ATHENS EXCHANGE SECURITIES MARKET	XATH
BADEN-WUERTTEMBERGISCHE WERTPAPIERBOERSE	STUC, STUA
BOERSE BERLIN	BERC, BERA, EQTB, EQTA
BOERSE DUESSELDORF	DUSC, DUSA
BOERSE MUENCHEN	MUNC, MUNA
BOLSA DE BARCELONA	XBAR, SBAR
BOLSA DE BILBAO	XBIL, SBIL
BOLSA DE MADRID	XMAD, MERF
BOLSA DE VALENCIA	XVAL
BONDSPOT SECURITIES MARKET	RPWC
BOURSE DE LUXEMBOURG	XLUX
BRATISLAVA STOCK EXCHANGE	XBRA
BUCHAREST STOCK EXCHANGE	XBSE
BUDAPEST STOCK EXCHANGE	XBUD

BULGARIAN STOCK EXCHANGE — SOFIA JSC	XBUL
CBOE AMSTERDAM	CCXE
CYPRUS STOCK EXCHANGE	XCYS
ELECTRONIC BOND MARKET	MOTX
ELECTRONIC ETF AND ETC/ETN MARKET – ETFplus	ETFP
ELECTRONIC SECONDARY SECURITIES MARKET	HDAT
ELECTRONIC SHARE MARKET	MTAA
EURONEXT AMSTERDAM	XAMS
EURONEXT BRUSSELS	XBRU
EURONEXT DUBLIN	XMSM
EURONEXT LISBON	XLIS
EURONEXT PARIS	XPAR
FRANKFURTER WERTPAPIERBOERSE (REGULIERTER MARKT)	FRAA, XETA
HANSEATISCHE WERTPAPIERBOERSE HAMBURG (REGULIERTER MARKT)	HAMA
LJUBLJANA STOCK EXCHANGE OFFICIAL MARKET	XLJU
MALTA STOCK EXCHANGE	XMAL, IFSM
MARKET FOR INVESTMENT VEHICLES (MIV)	MIVX
MTS GOVERNMENT MARKET	MTSC
NASDAQ COPENHAGEN	XCSE
NASDAQ HELSINKI	XHEL
NASDAQ ICELAND	XICE
NASDAQ RIGA	XRIS
NASDAQ STOCKHOLM	XSTO
NASDAQ TALLINN	XTAL
NASDAQ VILNIUS	XLIT
NEX AMSTERDAM	BTAM

NIEDERSAECHSISCHE BOERSE ZU HANNOVER (REGULIERTER MARKT)	HANA
NORDIC GROWTH MARKET NGM	XNGM
NXCHANGE	XNXC
OSLO AXESS	XOAS
OSLO BØRS	XOSL
PRAGUE STOCK EXCHANGE	XPRA
RM-SYSTEM CZECH STOCK EXCHANGE	XRMZ
TRADEGATE EXCHANGE (REGULIERTER MARKT)	XGRM
VIENNA STOCKEXCHANGE OFFICIAL MARKET (AMTLICHER HANDEL)	WBAH
WARSAW STOCK EXCHANGE	XWAR, WBON, WETP
ZAGREB STOCK EXCHANGE	XZAG
ASX LIMITED	XASX
CHI-X AUSTRALIA PTY LTD	CHIA
THE STOCK EXCHANGE OF HONG KONG LIMITED (SEHK)	SHKG
BOX OPTIONS EXCHANGE LLC	XBOX
CBOE BYX EXCHANGE, INC. (FORMERLY BATS BYX EXCHANGE, INC.; BATS Y-EXCHANGE, INC.)	BATY
CBOE BZX EXCHANGE, INC. (FORMERLY BATS BZX EXCHANGE, INC.; BATS EXCHANGE, INC.)	BATS
CBOE C2 EXCHANGE, INC.	C2OX
CBOE EDGA EXCHANGE, INC. (FORMERLY BATS EDGA EXCHANGE, INC.; EDGA EXCHANGE, INC.)	EDGA
CBOE EDGX EXCHANGE, INC. (FORMERLY BATS EDGX EXCHANGE, INC.; EDGX EXCHANGE, INC.)	EDGX
CBOE EXCHANGE, INC.	CBSX
CHICAGO STOCK EXCHANGE, INC.	XCHI
THE INVESTORS EXCHANGE LLC	IEXG
MIAMI INTERNATIONAL SECURITIES EXCHANGE	XMIO

MIAX PEARL, LLC	MPRL
NASDAQ BX, INC. (FORMERLY NASDAQ OMX BX, INC.; BOSTON STOCK EXCHANGE)	BOSD
NASDAQ GEMX, LLC (FORMERLY ISE GEMINI)	GMNI
NASDAQ ISE, LLC (FORMERLY INTERNATIONAL SECURITIES EXCHANGE, LLC)	XISX
NASDAQ MRX, LLC (FORMERLY ISE MERCURY)	MCRY
NASDAQ PHLX LLC (FORMERLY NASDAQ OMX PHLX, LLC; PHILADELPHIA STOCK EXCHANGE)	XPHL
THE NASDAQ STOCK MARKET	XNAS
NEW YORK STOCK EXCHANGE LLC	XNYS
NYSE ARCA, INC.	ARCX
AQUA SECURITIES L.P.	AQUA
ATS-1	MSTX
ATS-4	MSPL
ATS-6	MSRP
BARCLAYS ATS	BARX
BARCLAYS DIRECTEX	BCDX
BIDS TRADING, L.P.	BIDS
CIOI	CIOI
CITIBLOC	CBLC
CITICROSS	CICX
CODA MARKETS, INC	CODA
CREDIT SUISSE SECURITIES (USA) LLC	CAES
DEUTSCHE BANK SECURITIES, INC	DBSX
EBX LLC	LEVL
INSTINCT X	BAML
INSTINET CONTINUOUS BLOCK CROSSING SYSTEM (CBX)	ICBX
INSTINET, LLC (INSTINET CROSSING, INSTINET BLX)	XINS
INSTINET, LLC (BLOCKCROSS)	BLKX

JPB-X	JPBX
J.P. MORGAN ATS ('JPM-X')	JPMX
JSVC LLC	*
LIQUIDNET H2O ATS	LIUH
LIQUIDNET NEGOTIATION ATS	LIUS
LUMINEX TRADING & ANALYTICS LLC	LMNX
NATIONAL FINANCIAL SERVICES, LLC	NFSC
POSIT	ITGI
SIGMA X2	SGMT
SPOT QUOTE LLC	*
SPREAD ZERO LLC	*
UBS ATS	UBSS
USTOCKTRADE	*
VIRTU MATCHIT	VFMI
XE	PJCX

*MIC codes not available on the ISO 10383 – Codes for exchanges and market identification list

Table 2

Recognised exchanges on which contracts listed in Annex II of Regulation (EU) No 575/2013 are traded

Regulated market	**MIC**
ATHENS EXCHANGE DERIVATIVES MARKET	XADE
BUDAPEST STOCK EXCHANGE	XBUD
EUREX DEUTSCHLAND	XEUR
EURONEXT BRUSSELS DERIVATIVES	XBRD
EUROPEAN ENERGY EXCHANGE	XEEE, XEER
FISH POOL	FISH
HUDEX ENERGY EXCHANGE	HUDX
ICE ENDEX DERIVATIVES	NDEX
ITALIAN DERIVATIVES MARKET	XDMI
MATIF	XMAT
MEFF EXCHANGE	XMRV, XMPW
MERCADO DE FUTUROS E OPCOES	MFOX
MONEP	XMON
NASDAQ OSLO	NORX
NASDAQ STOCKHOLM	XSTO
NOREXECO	NEXO
OMIP – POLO PORTUGUES	OMIP
OSLO BØRS	XOSL
POWER EXCHANGE CENTRAL EUROPE	XPXE
POWERNEXT DERIVATIVES	XPOW
WARSAW STOCK EXCHANGE/COMMODITIES/POLISH POWER EXCHANGE/COMMODITY DERIVATIVES	PLPD
WARSAW STOCK EXCHANGE/FINANCIAL DERIVATIVES	WDER

5.2 Annex II – Cost benefit analysis

5.2.1 Executive summary

34. Pursuant to Articles 10(1) and 15 of the Regulation establishing ESMA, ESMA is empowered to develop draft regulatory technical standards (RTS) or draft implementing technical standard (ITS) where the European Parliament and the Council delegate power to the Commission to adopt the RTS/ITS by means of delegated acts under Article 290 of the Treaty on the Functioning of the European Union (TFEU) in order to ensure consistent harmonisation in the areas specifically set out in the legislative acts within the scope of action of ESMA. The same article obliges ESMA to conduct open public consultations on draft RTS/ITS and to analyse the related potential costs and benefits, where appropriate. Such consultations and analyses shall be proportionate in relation to the scope, nature and impact of the draft RTS/ITS.

35. This section contains a high-level cost-benefit analysis (CBA) of the proposed amendments to ITS 2016/1646.

36. This document has four sections: (i) an introduction to the topic (Introduction), (ii) an identification of the stakeholders subject to those amendments and how they might be affected (Stakeholders), (iii) the baseline considered to determine the incremental costs and benefits arising from the draft ITS (Baseline) and (vi) an analysis of the costs and benefits arising from the changes proposed (Cost-benefit analysis).

5.2.2 Introduction

37. Article 197(8) of the CRR mandates ESMA to draft implementing technical standards specifying which are the main indices and recognised exchanges for the purposes of eligible collateral under the CRR. ITS 2016/1646 provides a list of such main indices and recognised exchanges.

38. ESMA is currently proposing an amendment of the ITS 2016/1646. The amendment is necessary to reflect the new methodology proposed by ESMA for specification of main indices, to reflect the legislative amendment of CRR which modifies the definition of recognised exchanges laid down in Article 4(72) of CRR and to take account of the changes which have occurred in the market structure.

39. The costs and benefits section provide a high-level analysis of the envisaged effects of the draft ITS on stakeholders directly and indirectly affected, including the feedback received to the CP.

5.2.3 Stakeholders

40. ESMA has identified banks as the stakeholders mainly impacted by the changes.

41. Under the CRR banks can use equities or convertible bonds that are included in a main index and equities or convertible bonds not included in a main index but traded on a recognised exchange as credit risk mitigation techniques to alleviate their capital requirements. The changes in the list of main indices might entail that banks will need to modify their holdings accordingly or, alternatively, hold more capital to fulfil capital requirements. Additionally, the changes envisaged in the list of recognised exchanges, and especially the possible exclusion of UK venues when Brexit takes place, might impact banks using equities or convertible bonds not included in a main index but traded on a recognised exchange as eligible collateral, if such instruments are traded only on UK venues.

42. ESMA is aware that index providers whose indices have not been included in (or removed from) the list might be affected by the change. Nevertheless, the purpose of CRR is to ensure that the components of EEA and Non-EEA indices included in the ITS are sufficiently liquid to serve credit risk mitigation techniques to alleviate banks capital requirements under the CRR. Hence inclusion in the list is based on objective criteria which ensure sufficient liquidity of index components.

5.2.4 Baseline

43. From a legal perspective, the legislation to consider for the draft amendment is Article 197 of the CRR and ITS 2016/1646. Article 197 of the CRR requires ESMA to draft an implementing technical standard to specify a list of "main indices" and "recognised exchanges", with the aim of using equities and convertible bonds that are constituents of a "main index" and debt securities that are listed on a "recognised exchange" as eligible collateral to alleviate the capital requirements provided by the CRR. ESMA has drafted ITS 2016/1646 with such purpose.

44. The proposed amendment to ITS 2016/1646 does not create new obligations, rather changes the list of securities that can be used as eligible collateral.

5.2.5 Cost-benefit analysis

45. ESMA is currently proposing an amendment of the ITS 2016/1646. The purpose of this amendment is to ensure that the components of EEA and Non-EEA indices included in the ITS are sufficiently liquid to be reasonably expected to be realisable when an institution needs to liquidate them and that the list of recognised exchanges is up to date.

46. In the final report ESMA explains the reason for the amendment of the list of indices i.e. the use of a methodology different from the one described in the recitals of the draft ITS.

47. On balance, ESMA’s view is that the proposed methodology offers a better approach compared to the current one. Such methodology relies on criteria that ensures a minimum threshold of liquidity of the index components independently from the market on which the index is based. Furthermore, it entails lower implementation costs as it does not require collecting data of all the shares admitted to trading in the market on which the index is based.

48. In the CP ESMA addressed specific questions regarding compliance costs to the stakeholders considered as directly affected by the change of methodology. However, ESMA did not receive responses from market participants.

49. The table below offers an analysis of the costs and benefits from the adoption of such methodology.

Policy Objective	Ensuring that the components of EEA and Non-EEA indices included in the ITS are sufficiently liquid to be reasonably expected to be realisable when an institution needs to liquidate them.
Technical Proposal	The new methodology proposed for the selection of main indices relies on two tests. The first test targets medium and large cap stocks and is identical to the test currently in application, as detailed in Recital 1 of ITS 2016/1646. The second test targets those indices that are composed predominantly by small cap stocks to select those that are sufficiently liquid. Such test is based on a two-step approach. The first step aims at selecting indices composed predominantly by shares with a target market cap/free float. The second step ensures that index components have a minimum target ADT, which is determined based on market cap. The criteria of both steps shall be met for an index to be included in the list. The methodology to select recognised exchanges is not subject to modification, but the list is updated to reflect markets developments and name changes.
Benefits	• The proposed methodology, as described in the draft ITS, is applicable to EU and non-EU indices. The approach proposed relies on data which is easy to retrieve. • The approach proposed for the selection of small-cap stock indices relies on criteria that ensure a minimum threshold of liquidity of the index components independently from the market on which the index is based. Such criteria rely on market cap in combination with ADT to estimate liquidity and provides a more objective estimation of the possibility to liquidate such instruments.
Costs for the regulator/ ESMA *-One-off* *-Ongoing*	One-off costs for the regulators/ESMA are lower than under the current approach as the data necessary to perform the calculations is easier to retrieve. No specific additional ongoing cost envisaged
Compliance costs *-One-off*	Banks, as directly affected stakeholders, should assess how the removal of some indices and the further inclusion of new ones in the ITS affects their collateral holdings for capital requirements purposes. If the changes envisaged have an impact, banks might

	need to rebalance their holdings in terms of equities or convertible bonds that are included in a main index.
-Ongoing	Ongoing costs relate to the monitoring of possible rebalancing of the components of the indices included in the draft ITS, as it is currently the case. Marginal costs might be incurred since the list of indices whose composition is to be monitored will be different.
Other Costs	No other cost envisaged

5.3 Annex III - Feedback on the consultation paper

50. In the CP ESMA proposed an update of the ITS on main indices and recognised exchanges, suggesting a new methodology for the selection of indices and asking market participants their views on such proposal. ESMA received responses from four markets participants. Below an overview of the questions asked and the responses received is presented:

Q1: Do you agree with the calibration of the parameters specified in new methodology proposed by ESMA to select the main indices for the purpose of the ITS? Please provide a detailed feedback.

51. The respondents welcomed the fact that ESMA is now focusing on a single and easily identifiable parameter (ADT) and generally agreed with the proposed calibrations, as the introduction of further requirements tailored to size might allow broader indexes to become eligible. However, all those who responded to the question expressed concerns related to the criteria for determining the appropriate level of ADT based on the market capitalisation. In their view the increase of the threshold in the second test for assessing stock liquidity will have a negative impact as stocks otherwise known to be sufficiently liquid will no longer be considered eligible.

52. One index provider suggested to include in the second step of the relative test further granularity in the market capitalisation, linked to lower ADT thresholds for smaller cap stocks or alternatively to apply a relative measure of liquidity based on stock size (percentage of trading volume over the adjusted free-float).

53. **ESMA's response:** ESMA acknowledges that some smaller cap stocks might not meet the ADT levels currently set under the proposed methodology and this could lead to the exclusion of some indexes. Nevertheless, ESMA considers the proposed levels of ADT as suitable and well calibrated for the purpose of identifying EEA and Non-EEA indices whose components are sufficiently liquid to serve for credit risk mitigation techniques to alleviate banks capital requirements under the CRR.

Q2 Do you agree with the list of indices analysed (please refer to the list provided in Table 6 in Annex V? If you believe that there should be additional indices to be considered, please provide details and also specify which test (and related methodology) they meet in order to qualify as main indices.

54. Half of the respondents were in favour of the Option B, while some of them did not state their views on the proposed options. All the respondents believe that the list should include more indices, such as indices which represent local ecosystems with a lower ADT due to their size or indices like Russell 3000, Hang Seng Composite Index and Hang Seng China Enterprise Index. Some respondents also raise doubts on how the list of main indices is populated.

55. **ESMA's response:** ESMA acknowledges that the actual criteria laid down for the determination of the list may keep out some regional indices. However, this is motivated by those indices not meeting the criteria as set under the proposed methodology. Further

suggestions of indices to be analysed have been taken into account. One index proposed by respondents has now been included in the list. The remaining ones have not been added to the list as their components are already included in wider indices. Furthermore, ESMA understands the need to keep the list of main indices updated and aims at reviewing it on a best effort basis.

Q3 Do you agree with ESMA proposal not to modify the approach to select convertible bond as main indices? If not, please explain why.

56. ESMA did not receive feedback on this topic.

Q4 Do you believe that there are new convertible bond indices that should be added to the ITS as main indices? If so, please provide details and evidence in support.

57. ESMA did not receive feedback on this topic.

5.4 Annex IV – Analysis of additional indices suggested by market participants

58. One respondent suggested to use instead of the ADT the percentage of trading volume over the adjusted free-float.

59. ESMA analysed this proposal. However, ESMA could only perform the test on the basis of the trading volume over the free-float and not the adjusted free-float since it was not possible to retrieve the data related to the weights of the components included in all indices.

60. In order to perform such test ESMA followed the steps presented below:

    a. The average percentage of trading volume, proxied by the ADT multiplied by 250 days, over the free-float, both expressed in Euros, was determined for each class of component divided into extra small, small, medium, large and extra large cap stocks;

    b. The parameter of the percentage of turnover over the free-float for each class was determined as follows:

        i. for extra small and small was set to 50%;

        ii. for medium to 100%;

        iii. for large and extra large to 150%.

    c. Three different level of percentage of components passing such test were simulated: 80%, 70% and 50%.

61. The number of indices passing this test is low in all cases and only in the last scenario reaches the number of indices that would be in the ITS under ESMA's proposal. Only 18 indices qualify as main indices in the first case, 26 in the second case and 60 in the third one as specified in the tables below.

62. Consequently, ESMA decided to maintain the current methodology as proposal.

Index name of the index assessed	Index name in ITS	NB components of the index	NB of components with Total turnover/free-float above the threshold	% of components with Total turnover/free-float above the threshold	Results for the TEST with 80% threshold	Results for the TEST with 70% threshold	Results for the TEST with 50% threshold
ADX General		61	18	29.51%	NOT PASSED	NOT PASSED	NOT PASSED
AEX	AEX	25	6	24.00%	NOT PASSED	NOT PASSED	NOT PASSED
AEX All-Share		127	61	48.03%	NOT PASSED	NOT PASSED	NOT PASSED
All Ordinaries		484	266	54.96%	NOT PASSED	NOT PASSED	PASSED
Al-Quds Index		15	4	26.67%	NOT PASSED	NOT PASSED	NOT PASSED
ASE Index		97	44	45.36%	NOT PASSED	NOT PASSED	NOT PASSED
Athex All Share		139	33	23.74%	NOT PASSED	NOT PASSED	NOT PASSED
ATX Prime	ATX Prime	36	11	30.56%	NOT PASSED	NOT PASSED	NOT PASSED
Austrian Traded Index		20	4	20.00%	NOT PASSED	NOT PASSED	NOT PASSED
BCN Global 100		99	45	45.45%	NOT PASSED	NOT PASSED	NOT PASSED
BEL 20	BEL20	20	5	25.00%	NOT PASSED	NOT PASSED	NOT PASSED
BEL All Share		136	38	27.94%	NOT PASSED	NOT PASSED	NOT PASSED
BET		15	2	13.33%	NOT PASSED	NOT PASSED	NOT PASSED
BET-BK		25	2	8.00%	NOT PASSED	NOT PASSED	NOT PASSED
BGBX40		40	4	10.00%	NOT PASSED	NOT PASSED	NOT PASSED
BIST 100		100	98	98.00%	PASSED	PASSED	PASSED
BIST 30		30	29	96.67%	PASSED	PASSED	PASSED
Bolsa G		78	23	29.49%	NOT PASSED	NOT PASSED	NOT PASSED
Botswana Gaborone Index		26	2	7.69%	NOT PASSED	NOT PASSED	NOT PASSED
BUMIX		18	13	72.22%	NOT PASSED	PASSED	PASSED
Burcap		21	10	47.62%	NOT PASSED	NOT PASSED	NOT PASSED
BUX		15	8	53.33%	NOT PASSED	NOT PASSED	PASSED
CAC 40		40	9	22.50%	NOT PASSED	NOT PASSED	NOT PASSED
CAC All-Tradable		315	148	46.98%	NOT PASSED	NOT PASSED	NOT PASSED
CAC Mid 60		60	26	43.33%	NOT PASSED	NOT PASSED	NOT PASSED
CAC Next 20		20	5	25.00%	NOT PASSED	NOT PASSED	NOT PASSED
CAC Small		195	108	55.38%	NOT PASSED	NOT PASSED	PASSED
Cboe Brexit High 50		50	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
Cboe Brexit Low 50		50	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
Cboe UK 100		100	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
CDAX		427	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
CETOP20	CETOP20 Index	25	3	12.00%	NOT PASSED	NOT PASSED	NOT PASSED
CNX 100	CNX 100 Index	101	39	38.61%	NOT PASSED	NOT PASSED	NOT PASSED
COLCAP		25	7	28.00%	NOT PASSED	NOT PASSED	NOT PASSED
COLEQTY		40	8	20.00%	NOT PASSED	NOT PASSED	NOT PASSED
CROBEX		23	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
CSE All-Share		285	6	2.11%	NOT PASSED	NOT PASSED	NOT PASSED
CSE General Index		52	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
CSI 300 Index	Shanghai Shenzhen CSI 300	300	272	90.67%	PASSED	PASSED	PASSED
DAX		30	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
DFM General		37	17	45.95%	NOT PASSED	NOT PASSED	NOT PASSED
Dow Jones CASE Egypt Titans 20		19	17	89.47%	PASSED	PASSED	PASSED
EGX 30		30	27	90.00%	PASSED	PASSED	PASSED
Euronext 100		100	16	16.00%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE 100		101	20	19.80%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE 350	FTSE 350	351	140	39.89%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE All World Developed		2,173	1,147	52.78%	NOT PASSED	NOT PASSED	PASSED
FTSE All World Europe	FTSE Europe Index	675	199	29.48%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE All-World Index	FTSE All World Index	3,195	1,646	51.52%	NOT PASSED	NOT PASSED	PASSED
FTSE Bursa Malaysia KLCI	FTSE Bursa Malaysia KLCI Index	30	3	10.00%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE Eurotop 100		107	8	7.48%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE Italia All-Share Index		223	165	73.99%	NOT PASSED	PASSED	PASSED
FTSE MIB	FTSE MIB	40	30	75.00%	NOT PASSED	PASSED	PASSED

Index name of the index assessed	Index name in ITS	NB components of the index	NB of components with Total turnover/free-float above the threshold	% of components with Total turnover/free-float above the threshold	Results for the TEST with 80% threshold	Results for the TEST with 70% threshold	Results for the TEST with 50% threshold
FTSE Nasdaq Dubai UAE 20 Index	FTSE Nasdaq Dubai UAE 20 Index	20	1	5.00%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE NSX Overall Index		29	14	48.28%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE RAFI Emerging Index	FTSE RAFI Emerging Markets	357	171	47.90%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE Straits Times Index	FTSE Straits Times Index	30	9	30.00%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE/Athex Large Cap	FT ASE Large Cap	25	10	40.00%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE/CySE 20		17	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE/JSE All Share		164	83	50.61%	NOT PASSED	NOT PASSED	PASSED
FTSE/JSE Capped Top 40	FTSE JSE Top 40	42	17	40.48%	NOT PASSED	NOT PASSED	NOT PASSED
FTSE/JSE Industrial 25	INDI 25 Index	25	15	60.00%	NOT PASSED	NOT PASSED	PASSED
Hang Seng Composite Index	Hang Seng Composite Index	492	338	68.70%	NOT PASSED	NOT PASSED	PASSED
Hang Seng Index	Hang Seng	50	17	34.00%	NOT PASSED	NOT PASSED	NOT PASSED
Hang Seng Mainland 100 Index	Hang Seng Mainland 100 Index (China)	100	66	66.00%	NOT PASSED	NOT PASSED	PASSED
HDAX	HDAX	102	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
HNX		378	147	38.89%	NOT PASSED	NOT PASSED	NOT PASSED
HNX 30		30	20	66.67%	NOT PASSED	NOT PASSED	PASSED
IBEX 35	IBEX35	35	11	31.43%	NOT PASSED	NOT PASSED	NOT PASSED
IBOVESPA	IBOVESPA	65	46	70.77%	NOT PASSED	PASSED	PASSED
IBrX-50		50	32	64.00%	NOT PASSED	NOT PASSED	PASSED
IDX Composite		626	154	24.60%	NOT PASSED	NOT PASSED	NOT PASSED
ISEQ 20	ISEQ 20	20	10	50.00%	NOT PASSED	NOT PASSED	PASSED
ISEQ Overall		46	19	41.30%	NOT PASSED	NOT PASSED	NOT PASSED
Jakarta LQ45		44	23	52.27%	NOT PASSED	NOT PASSED	PASSED
KASE Index		7	1	14.29%	NOT PASSED	NOT PASSED	NOT PASSED
KOSPI		781	680	87.07%	PASSED	PASSED	PASSED
KOSPI 100	KOSPI 100	100	63	63.00%	NOT PASSED	NOT PASSED	PASSED
KRX 100		100	64	64.00%	NOT PASSED	NOT PASSED	PASSED
LJSE Composite		41	6	14.63%	NOT PASSED	NOT PASSED	NOT PASSED
LuxX		9	2	22.22%	NOT PASSED	NOT PASSED	NOT PASSED
Madrid General		130	60	46.15%	NOT PASSED	NOT PASSED	NOT PASSED
MOEX		291	82	28.18%	NOT PASSED	NOT PASSED	NOT PASSED
Moroccan All Shares Index		74	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
MSCI ACWI Index	MSCI ACWI	2,756	1,447	52.50%	NOT PASSED	NOT PASSED	PASSED
MSCI EM 50	MSCI Emerging Markets 50	50	14	28.00%	NOT PASSED	NOT PASSED	NOT PASSED
MSCI EMERGING MARKETS INDEX		1,124	637	56.67%	NOT PASSED	NOT PASSED	PASSED
MSCI India Index		78	31	39.74%	NOT PASSED	NOT PASSED	NOT PASSED
MSCI Indonesia Index		28	6	21.43%	NOT PASSED	NOT PASSED	NOT PASSED
MSCI North America IMI Index		2,732	2,425	88.76%	PASSED	PASSED	PASSED
MSCI Philippines Index		23	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
MSCI Russia Index	MSCI Russia Index	23	5	21.74%	NOT PASSED	NOT PASSED	NOT PASSED
MSCI South Africa Index		49	25	51.02%	NOT PASSED	NOT PASSED	PASSED
MSCI Taiwan Index		103	34	33.01%	NOT PASSED	NOT PASSED	NOT PASSED
MSCI USA IMI Index		2,429	2,260	93.04%	PASSED	PASSED	PASSED
MSE Index		23	3	13.04%	NOT PASSED	NOT PASSED	NOT PASSED
MSM 30		30	12	40.00%	NOT PASSED	NOT PASSED	NOT PASSED
Nasdaq Composite		2,631	2,272	86.35%	PASSED	PASSED	PASSED
NASDAQ-100	NASDAQ100	103	90	87.38%	PASSED	PASSED	PASSED
Nikkei 300	Nikkei 300	300	149	49.67%	NOT PASSED	NOT PASSED	NOT PASSED
NYSE ARCA China Index	NYSE ARCA China Index	27	20	74.07%	NOT PASSED	PASSED	PASSED
OBX	OBX	25	16	64.00%	NOT PASSED	NOT PASSED	PASSED
OMX Copenhagen		135	58	42.96%	NOT PASSED	NOT PASSED	NOT PASSED

Index name of the index assessed	Index name in ITS	NB components of the index	NB of components with Total turnover/free-float above the threshold	% of components with Total turnover/free-float above the threshold	Results for the TEST with 80% threshold	Results for the TEST with 70% threshold	Results for the TEST with 50% threshold
OMX Copenhagen 25	OMX Copenhagen 20	25	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
OMX Helsinki		139	52	37.41%	NOT PASSED	NOT PASSED	NOT PASSED
OMX Helsinki 25	OMXH25	25	10	40.00%	NOT PASSED	NOT PASSED	NOT PASSED
OMX Iceland All-Share PI		18	16	88.89%	PASSED	PASSED	PASSED
OMX Nordic 40		40	5	12.50%	NOT PASSED	NOT PASSED	NOT PASSED
OMX Nordic All Share		640	299	46.72%	NOT PASSED	NOT PASSED	NOT PASSED
OMX Riga		18	10	55.56%	NOT PASSED	NOT PASSED	PASSED
OMX Stockholm		362	176	48.62%	NOT PASSED	NOT PASSED	NOT PASSED
OMX Tallinn		16	2	12.50%	NOT PASSED	NOT PASSED	NOT PASSED
OMX Vilnius		20	2	10.00%	NOT PASSED	NOT PASSED	NOT PASSED
OMXS30		30	9	30.00%	NOT PASSED	NOT PASSED	NOT PASSED
OMXS60	OMXS60	60	27	45.00%	NOT PASSED	NOT PASSED	NOT PASSED
OMXSB	OMXSB	96	40	41.67%	NOT PASSED	NOT PASSED	NOT PASSED
OSEBX		63	40	63.49%	NOT PASSED	NOT PASSED	PASSED
PSEi Composite		30	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
PSI-20	PSI 20	18	9	50.00%	NOT PASSED	NOT PASSED	PASSED
PSI-All-Share		41	21	51.22%	NOT PASSED	NOT PASSED	PASSED
PX Index	PX Prague	12	4	33.33%	NOT PASSED	NOT PASSED	NOT PASSED
Qatar Exchange General Index		20	2	10.00%	NOT PASSED	NOT PASSED	NOT PASSED
QE All Shares		43	9	20.93%	NOT PASSED	NOT PASSED	NOT PASSED
RTS	Russian Traded Index	42	16	38.10%	NOT PASSED	NOT PASSED	NOT PASSED
Russell 3000	Russell 3000 Index	3,002	2,758	91.87%	PASSED	PASSED	PASSED
S&P 500	S&P 500	505	415	82.18%	PASSED	PASSED	PASSED
S&P BSE 100	S&P BSE 100 Index	101	46	45.54%	NOT PASSED	NOT PASSED	NOT PASSED
S&P BSE 500		501	313	62.48%	NOT PASSED	NOT PASSED	PASSED
S&P BSE SENSEX		31	8	25.81%	NOT PASSED	NOT PASSED	NOT PASSED
S&P CLX IGPA		107	28	26.17%	NOT PASSED	NOT PASSED	NOT PASSED
S&P CLX IPSA		40	9	22.50%	NOT PASSED	NOT PASSED	NOT PASSED
S&P CNX 500		501	321	64.07%	NOT PASSED	NOT PASSED	PASSED
S&P CNX Nifty		50	15	30.00%	NOT PASSED	NOT PASSED	NOT PASSED
S&P France BMI	S&P BMI France	186	86	46.24%	NOT PASSED	NOT PASSED	NOT PASSED
S&P Latin America 40	S&P Latin America 40	41	11	26.83%	NOT PASSED	NOT PASSED	NOT PASSED
S&P Lima General		39	10	25.64%	NOT PASSED	NOT PASSED	NOT PASSED
S&P Peru Select		15	5	33.33%	NOT PASSED	NOT PASSED	NOT PASSED
S&P TSX 60		60	13	21.67%	NOT PASSED	NOT PASSED	NOT PASSED
S&P TSX Composite		240	122	50.83%	NOT PASSED	NOT PASSED	PASSED
S&P/ASX 100	ASX 100	100	39	39.00%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/ASX 300		295	184	62.37%	NOT PASSED	NOT PASSED	PASSED
S&P/ASX 50		50	5	10.00%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/BMV IPC	Mexico Bolsa Index	35	4	11.43%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/BMV IPC CompMx		56	9	16.07%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/HKEX LargeCap		25	10	40.00%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/NZX 10	S&P NZX 15 Index	10	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/NZX 50		50	6	12.00%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/NZX All Gross		110	19	17.27%	NOT PASSED	NOT PASSED	NOT PASSED
S&P/TSX		240	122	50.83%	NOT PASSED	NOT PASSED	PASSED
S&P/TSX 60	TSX60	60	13	21.67%	NOT PASSED	NOT PASSED	NOT PASSED
SAX		7	1	14.29%	NOT PASSED	NOT PASSED	NOT PASSED
SBF 120	SBF120	120	40	33.33%	NOT PASSED	NOT PASSED	NOT PASSED
SBITOP		7	1	14.29%	NOT PASSED	NOT PASSED	NOT PASSED

Index name of the index assessed	Index name in ITS	NB components of the index	NB of components with Total turnover/free-float above the threshold	% of components with Total turnover/free-float above the threshold	Results for the TEST with 80% threshold	Results for the TEST with 70% threshold	Results for the TEST with 50% threshold
SEM-10		10	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
SEMDEX		37	1	2.70%	NOT PASSED	NOT PASSED	NOT PASSED
SET		588	291	49.49%	NOT PASSED	NOT PASSED	NOT PASSED
SET 50		50	29	58.00%	NOT PASSED	NOT PASSED	PASSED
SMI		20	4	20.00%	NOT PASSED	NOT PASSED	NOT PASSED
SMI Expanded	SMI Expanded Index	50	19	38.00%	NOT PASSED	NOT PASSED	NOT PASSED
SOFIX		15	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
SSE 180		180	155	86.11%	PASSED	PASSED	PASSED
SSE Composite Index		1,426	1,379	96.70%	PASSED	PASSED	PASSED
STI Index		30	9	30.00%	NOT PASSED	NOT PASSED	NOT PASSED
STOXX Asia/Pacific 600	STOXX Asia/Pacific 600	600	253	42.17%	NOT PASSED	NOT PASSED	NOT PASSED
STOXX Europe 600	STOXX Europe 600	600	161	26.83%	NOT PASSED	NOT PASSED	NOT PASSED
SZSE 100		99	98	98.99%	PASSED	PASSED	PASSED
SZSE Composite Index		2,169	2,103	96.96%	PASSED	PASSED	PASSED
TA 35		33	18	54.55%	NOT PASSED	NOT PASSED	PASSED
Tadawul All Share		190	143	75.26%	NOT PASSED	PASSED	PASSED
TAIEX		900	618	68.67%	NOT PASSED	NOT PASSED	PASSED
TASE General		442	297	67.19%	NOT PASSED	NOT PASSED	PASSED
TOPIX		2,126	1,514	71.21%	NOT PASSED	PASSED	PASSED
TOPIX Core 30		30	4	13.33%	NOT PASSED	NOT PASSED	NOT PASSED
TOPIX Mid 400	TOPIX mid 400	400	248	62.00%	NOT PASSED	NOT PASSED	PASSED
TPEx 50		51	47	92.16%	PASSED	PASSED	PASSED
TSEC Taiwan 50	TSEC Taiwan 50	50	9	18.00%	NOT PASSED	NOT PASSED	NOT PASSED
Ukraine UX		6	-	0.00%	NOT PASSED	NOT PASSED	NOT PASSED
VN		379	199	52.51%	NOT PASSED	NOT PASSED	PASSED
VN 30		30	22	73.33%	NOT PASSED	PASSED	PASSED
WBI		63	13	20.63%	NOT PASSED	NOT PASSED	NOT PASSED
WIG		339	140	41.30%	NOT PASSED	NOT PASSED	NOT PASSED
WIG20	WIG20	20	8	40.00%	NOT PASSED	NOT PASSED	NOT PASSED
WIG30		30	14	46.67%	NOT PASSED	NOT PASSED	NOT PASSED