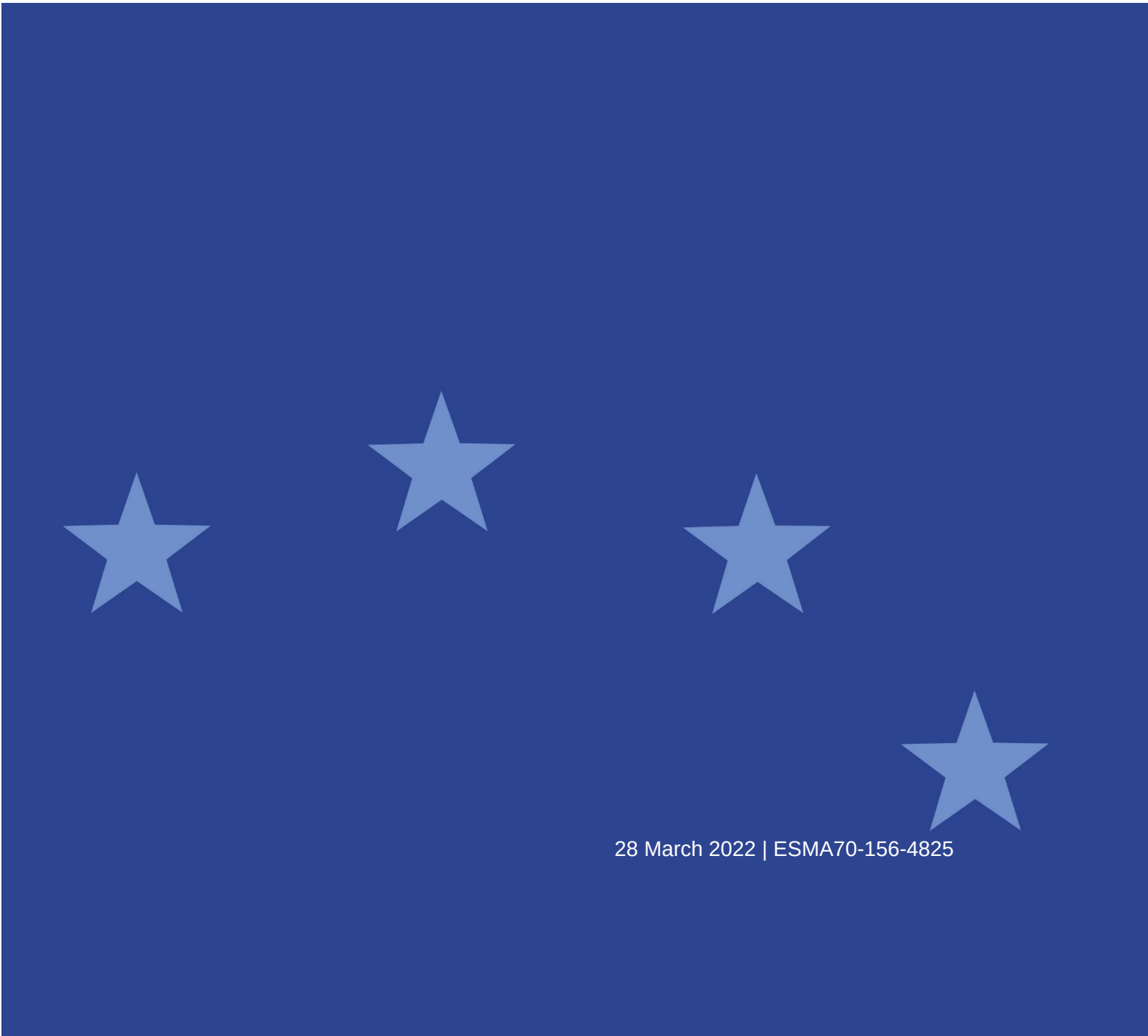
esma European Securities and Markets Authority

Final Report

On the review of RTS 2 (non-equity transparency)



28 March 2022 | ESMA70-156-4825

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List of abbreviations and related legal acts

ADAL	Average Daily Amount of Lots
ADT	Average daily turnover
ADNA	Average daily Notional Amount
ADNTE/ADNT	Average daily number of transactions
ADNTE-MRMTL	Average daily number of transactions on the most relevant market in terms of liquidity
ADVL	Average Daily Volume in Lots
AVT	Average value of transactions
APA	Approved Publication Arrangement
BIPM	Bureau International des Poids et Mesures
CDR 2017/567	Commission Delegated Regulation (EU) 2017/567 supplementing Regulation (EU) No 600/2014 with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions
CfE	Call for Evidence on RTS 1 and 2
CP	Consultation Paper
CT	Consolidated Tape
CTP	Consolidated Tape Provider
DEA	Derivatives on Emission Allowance
DR	Depositary receipt
EA	Emission Allowance
ECB	European Central Bank
EMIR	Regulation (EU) No 648/2012 on European Market Infrastructure Regulation
ESMA	European Securities and Markets Authority

ETF	Exchange Traded Funds
ETC	Exchange Traded Commodity
ETD	Exchange Traded Derivatives
ETN	Exchange Traded Notes
FBA	Frequent Batch Auction
FIRDS	Financial Instruments Reference Data System
FITRS	Financial Instruments Transparency System
FIX MMT	FIX Market Model Typology
FR	Final report
FX	Foreign Exchange
ISIN	International Securities Identification Number
LIS	Large in scale
MIC	Market Identifier Code
MiFID	Directive 2014/65/EU on Markets in Financial Instruments Directive and amending Directive 2002/92/EC and Directive 2011/61/EU
MiFIR	Regulation (EU) No 600/2014 on Markets in Financial Instruments Regulation and amending Regulation (EU) No 648/2012
MTF	Multilateral Trading Facility
NCA	National Competent Authority
NT	Negotiated trade
OMF	Order management facility
OTC	Over-the-counter
OTF	Organised Trading Facility
RFMD	Requests For Market Data

RM	Regulated Market
RP	Reference price
RTS 1	Commission Delegated Regulation (EU) 2017/587 of 14 July 2016
RTS 2	Commission Delegated Regulation (EU) 2017/583 of 14 July 2016
RTS 3	Commission Delegated Regulation (EU) 2017/577 of 13 June 2016
RTS 11	Commission Delegated Regulation (EU) 2017/588 of 14 July 2016
RTS 22	Commission Delegated Regulation (EU) 2017/590 of 28 July 2016
RTS 23	Commission Delegated Regulation (EU) 2017/585 of 14 July 2016
SACID	Sub-asset class identifier
SC	Segmentation criteria
SFP	Structured Finance Products
SI	Systematic Internaliser
SMS	Standard market size
SSTI	Size Specific to the Instrument
STO	Trading obligation for shares
STS	Standard Trade Size
TCTV	Third-country trading venue
ToTV	Traded on Trading Venue
TR	Trade Repository
UTC	Coordinated Universal Time

1 Executive Summary

Reasons for publication

Commission Delegated Regulation (EU) 2017/587 (RTS 1) and Commission Delegated Regulation (EU) 2017/583 (RTS 2) further specify the MiFIR pre-trade and post-trade transparency requirements for equity instruments (shares, depositary receipts, ETFs and certificates) and non-equity instruments (bonds, structured finance products (SFPs), emission allowances and derivatives).

Three years after the start of application of MiFID II and MiFIR, ESMA started to review the applicable obligations both through a series of review reports on the MIFIDII/MiFIR framework itself as well as on technical standards specifying this framework. On the latter, ESMA published a consultation paper (CP) in July 2021 with proposals for amending RTS 1 and 2.

This Final Report presents ESMA's draft RTS for the amendment of RTS 2 for the first step of the review.

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Following the publication of the European Commission's legislative proposals on the MiFIR review on 25 November 2021 and taking into account the feedback received to the CP, ESMA decided to revisit the timeline and prioritisation of topics of the current review of RTS 1 and RTS 2 to avoid working on topics that could overlap with the ongoing negotiations on the MiFIR Review.

It was therefore decided to conduct the review RTS 1 and RTS 2 in two steps and to (i) publish a first series of proposed amendments to address issues that have received broad support from stakeholder and/or are considered important in the context of establishing a consolidated tape provider (CTP), and (ii) to finalise the review of RTS 1 and RTS 2 at a later stage together with the other numerous adjustments that will have to be introduced to those RTS following the MiFIR review.

The final report on RTS 2 presents proposals on a subset of the topics tackled in the CP. This report nevertheless presents the feedback received on all proposals that were included in the CP but, as explained, only makes final recommendations on certain of them, whereas the remaining proposals will be reassessed after the MiFIR review.

Section 3 presents some of proposed amendments to the main text of RTS including the list of trading systems, non-price forming transactions (Article 13) and the application dates of the transparency calculations (Article 13) Section 4 provides feedback on the comments received on commodity derivatives from stakeholders and includes some limited proposals for amending RTS 2 with respect to commodity derivatives. The majority of the proposals on commodity derivatives will only be finalised in a future review of RTS 2. Section 5 focuses on the reporting fields (Tables 2 and 3 of Annex I as well as Tables 1 and 2 of Annex III)

while section 6 elaborates on flags. Section 7 covers the implementation period. In view of the limited scope of the review, ESMA considers it not necessary to provide for a minimum implementation period.

The Annexes to this report include, among others, a cost and benefit analysis of the proposals made as well as the legal drafting of the proposed amendments to RTS 2.

This final report focuses on RTS 2. The feedback and proposals on RTS 1 are presented in a separate report (ESMA70-156-4944).

Next Steps

ESMA submitted the final report to the European Commission on 28 March 2022. In accordance with Article 10 of ESMA Regulation1, the Commission has three months to decide whether to endorse the proposed amendments to the RTS.

2 Introduction

1. In its Consultation Paper (CP) published in July 2021[1], ESMA presented targeted proposals for amending RTS 1 and RTS 2 following ESMA's review of the MiFID II/MiFIR provisions, and in particular the review reports on (i) the functioning of the consolidated tape (CT) for equity instruments of 2019[2] and (ii) the transparency requirements for equity[3] and non-equity instruments of 2020[4].

2. The CP focussed in particular on:

   - the recommendations made in the ESMA MiFID Review reports on equity and non-equity transparency that can be addressed at Level 2 and which and do not require a Level 1 amendment;

   - amendments aiming at improving the quality of OTC data, in particular in view of the potential establishment of a Consolidated Tape (CT) for equity and non-equity instruments; and

   - amendments of technical nature identified since the application of RTS 1 and 2.

3. The CP was split in two main sections: i.e. proposed amendments to RTS 1 and proposed amendments to RTS 2. With respect to RTS 2, ESMA presented in its CP (i) amendments of provisions in the main text of RTS 2, as well as reflections on potential changes to the calibration of the transparency regime for derivatives other than commodity derivatives ; (ii) the proposed recalibration of the transparency regime for commodity derivatives; and (iii) amendments to the annexes of RTS 2, in particular the reporting fields and flags to be populated when making post-trade information public, as well as the reporting of transparency reference and quantitative data to ESMA.

4. Following the publication of the European Commission's legislative proposals for amending the MiFID II/MiFIR framework on 25 November 2021and taking into account the feedback received to the CP, ESMA decided to revisit the timeline and prioritisation of topics of the current review of RTS 1 and RTS 2 to avoid working on topics that could overlap with the discussions currently held on possible amendments to MiFID II and MiFIR (MiFIR Review).

5. The review RTS 1 and RTS 2 will therefore be carried out in two steps. This final report includes a first series of proposed amendments to address issues that have received broad support from stakeholder and/or are considered important in the context of establishing a consolidated tape provider (CTP). A second, and broader, review will be carried out

[1] Consultation Paper on the review of RTS 1 (equity transparency) and RTS 2 (non-equity-transparency), July 2021, ref. ESMA70-156-4236, **Error! Main Document Only.**.
[2] MiFID II/MiFIR Review Report No. 1 On the development in prices for pre- and post-trade data and on the consolidated tape for equity instruments, here.
[3] MiFID II/MiFIR Review Report on the transparency regime for equity and equity-like instruments, the double volume cap mechanism and the trading obligations for shares, here.
[4] MiFID II/MiFIR Review Report MiFID II/ MiFIR review report on the transparency regime for non-equity instruments and the trading obligation for derivative, here.

following the MiFIR review, focussing on the necessary changes of RTS 1 and 2 in consequence of the review and also including the analysis of proposals that were included in the CP but that are not covered in this final report.

6. This Final Report therefore does not include final proposals on all issues tackled in the CP. Nevertheless, this report provides an overview on the feedback received to all topics covered in the CP. As explained, the issues that are not included remain on ESMA's Agenda but will be included in a subsequent report to be published once the MiFIR review has been finalised.

7. The Final Report below provides in particular concrete proposals regarding: (i) the inclusion of a separate type of trading system (for hybrid systems), (ii) changes to the dates of application of transparency calculations and on the submission of quantitative data, (iii) amendments to Article 4 of RTS 2 (clarifications on how to calculate the minimum size for reserve orders), (iv) deletion of two paragraphs in Article 12 of RTS 2 (non-price forming transactions), (v) reporting fields and (vi) flags for non-price forming transactions.

8. Finally, in order to make its proposals more user-friendly, ESMA decided to publish the proposals for RTS 1 and RTS 2 in two separate reports. The Final Report with proposals for equity financial instruments (RTS 1) has been published in parallel under the reference ESMA70-156-4944.

3 General issues

3.1 Pre-trade transparency requirements for trading systems

3.1.1 Description of trading systems and related pre-trade transparency requirements (Table 1 of Annex I)

3.1.1.1 Proposal in the CP

9. Similar to the regime applicable to equity financial instruments, the pre-trade transparency requirements applicable to non-equity financial instruments are calibrated per type of trading systems (Article 8(2) of MiFIR). This obligation is specified in Table 1 of Annex I of RTS 2. The table provides for a description and the related pre-trade transparency requirements for five distinct types of trading systems, i.e. continuous auction order book, quote-driven, periodic auction, request-for-quote and voice trading systems.

10. Moreover, RTS 2 also includes another category for “trading systems not covered by first 5 rows” and which is meant to capture “A hybrid system falling into two or more of the first five rows or a system where the price determination process is of a different nature than that applicable to the types of system covered by first five rows”.

11. While the pre-trade transparency requirements per trading system are broadly consistent across RTS 1 and 2 regarding the description of trading systems and pre-trade transparency requirements applicable to those systems, there are slight differences between the two. As there are differences regarding the market structures of equity and non-equity EU markets, it is justified not to fully align the requirements between RTS 1 and 2 (e.g. on voice-trading systems, a category that is not relevant for equity instruments). Beyond those specificities related to the market structure of non-equity financial instruments, ESMA would support aligning the two tables to facilitate their application and hence proposed to replicate (i) the changes presented for RTS 1 in relation to hybrid systems, (ii) the addition of a new trading system for FBAs and (iii) some adjustments to the category of periodic auction trading systems.

3.1.1.2 Feedback from the consultation

12. ESMA’s proposal to replicate for RTS 2 the pre-trade transparency changes presented for RTS 1, received split views. A slight majority was in favour of ESMA’s proposal, welcoming further clarification and consistency. Some respondents noted that while trading systems for equity and non-equity may be different and may be used to a different extent, it would make sense to adopt a homogeneous approach. It was highlighted that the proposals should allow for achieving a more precise mapping and would lead to a more appropriately trailed set of information to be made public for each trading system.

13. Of those who were in favour, a couple of respondents noted that they would nonetheless have some reservations about the precise proposed definitions for Frequent Batch Auctions

(FBAs) and periodic auction trading systems and referred back to their responses to the questions asked in this respect on the proposed amendments of RTS 1 (see the final report on the RTS 1 review).

14. Stakeholders that were not supportive of ESMA's proposals, presented different reasons to support their opposition. Some considered that the current definitions would be leaving sufficient flexibility to National Competent Authorities (NCAs) to determine on case-by-case basis whether firms are meeting MiFID II obligations. They also noted that ESMA already took appropriate steps to clarify the application of pre-trade transparency and price determination in FBAs through its Opinion of October 2019.

15. Other respondents mentioned that the current differences between RTS 1 and 2 reflect the distinct way of trading for equity and non-equity. They disagreed with the proposal to add a description of FBA trading into the Annex, either because they opposed a one-size-fits-all approach or because the practice would not exist within fixed income markets or OTC derivatives markets. A few respondents were concerned that the definition of FBAs as proposed by ESMA would risk unintentionally capturing too many auction trading systems, whereas the definition of periodic auctions may capture too few. Lastly, some stakeholders reacted that separating the category of "hybrid system" from the "any other trading system" category may oblige hybrid systems to conform to two different transparency obligations.

16. A couple of respondents considered that pre-trade transparency rules would not be seen of primary importance at this stage, and that ESMA should rather focus all its efforts on post-trade transparency for the CT.

3.1.1.3 ESMA's assessment and next steps

17. ESMA notes the overall support for the proposals made in the CP on RTS 1 where a majority of respondents shared ESMA's view and findings on the proposal to create a new category of "hybrid system". The proposal to align the descriptions of trading systems in RTS 1 and 2 also received support, as market participants were in favour of harmonisation and consistency. For the purpose of standardisation, ESMA will hence proceed with the proposal to align the descriptions of trading systems in RTS 1 and 2 and adopt in particular the proposal to create a new category dedicated to hybrid systems, alongside the existing category of "any other trading system". ESMA appreciates that the new category "hybrid system" may require some trading venues to adjust their approach to publishing pre-trade information but considers that the benefit of achieving a more consistent application of the pre-trade transparency requirements across the EU outweighs the implementation costs faced by some market participants.

18. Regarding FBA systems, ESMA considers that, in view of the mixed feedback received from stakeholders, further analysis should be carried out, also on the basis of the quantitative information submitted by entities operating FBA systems. As mentioned in the Final Report for RTS 1, ESMA therefore decided not to include proposals on FBA systems in the RTS review at this stage. ESMA will reassess its proposals based on the arguments provided by stakeholders replying to the consultation and might include proposals to improve the

application of pre-trade transparency by FBA systems in the second RTS review, i.e. when reviewing RTS 1 and 2 following the MiFIR review. Given that the FBAs have not been added as a new trading system in Annex I of RTS 2, also the changes proposed in the CP to periodic auction trading systems are not reflected in the final proposal for amending RTS 2.

3.1.2 Format of the pre-trade transparency information

3.1.2.1 Proposal in the CP

19. RTS 2 currently does not prescribe a specific description of the pre-trade transparency information to be published and the specific format to be used. In order to foster more convergent practices and establish clear minimum requirements for the provision of pre-trade information, ESMA proposed to complement Annex I of RTS 2 by fields to be populated for pre-trade transparency purposes.

20. As explained in the Final Report for RTS 1, the current requirements leave discretion to market participants to decide on the exact information that should be published and the format to be used. Such flexibility facilitates the implementation and application of the RTS 2 obligations for market participants, in particular for non-equity space which encompasses a broad variety of instruments. At the same time, this flexibility leaves room for non-harmonised practices affecting ultimately the readability and usability of the information disclosed by receiving entities and its aggregation with information from other sources.

21. Therefore, ESMA proposed in the CP to amend Annex I of RTS 2 by inserting a new table establishing clearer obligations regarding the provision of pre-trade information. The table aimed at providing a harmonised format for the publication pre-trade transparency information and complementing the pre-trade transparency requirements calibrated per trading system as set out in Table 1 of Annex I. The proposed list for non-equity instruments was longer than the one proposed for equity instruments due to the fact that non-equity financial instruments encompass a much greater variety of instruments, the characteristics of which need to be adequately reflected.

22. In short, it was proposed:

- to amend Article 2 of RTS 2 to refer to (the new) “Table**s** 1, **2 and 3** of Annex I”; and
- to add a new table to Annex I of RTS 2 with a list of details to be published for the purpose of pre-trade transparency.

3.1.2.2 Feedback from the consultation

23. The majority of respondents, covering all sectors, was against specifying the fields for pre-trade transparency for non-equity instruments. Many respondents from the sell side/banking sector considered that pre-trade transparency for bonds and derivatives relies on market data streams and inventories rather than on pre-trade transparency information. Some

respondents stressed that in their view pre-trade transparency for non-equity instruments is meaningless (since prices are often unique and calculated on the basis of factors specific to the counterparty) and should be removed under the MiFIR review. Some respondents recommended relying instead on industry standards, such as FIX MMT.

24. Furthermore, many trading venues stressed in their responses that specifying pre-trade fields would slow down the data feed and be costly and complex to implement. Trading venues also raised concerns about specifying the format of pre-trade data and considered that the specification should only cover the content of fields. Many trading venues also stressed that there are no issues with pre-trade data from venues, and hence no need for further specifying requirements on it.

25. Many buy side responses stressed that the focus at this stage should be on improving the post-trade data for the development of the CTP and not on pre-trade data.

26. Different views were expressed on applying the pre-trade transparency fields for SIs. Most trading venues responding stressed the need for applying the same requirements to SIs, whereas responses from the sell side were not supportive of including SIs.

27. Lastly, a couple of detailed technical proposals were made concerning the specific fields proposed (e.g. use of alternative identifiers, concern on using International Securities Identification Numbers (ISINs) for derivatives, align granularity of timestamp across execution venues, include the maturity for an option, lack of comprehensive currency codes).

3.1.2.3 ESMA's assessment and next steps

28. In view of the feedback received, ESMA considers that there is a need to reflect more on the proposed harmonisation of pre-trade information through RTS 1 and 2, i.e. on whether it is needed and, if yes, on which fields are necessary for different asset classes and on how they should be populated. ESMA also took note of the more technical suggestions.

29. ESMA therefore decided not to make concrete proposals regarding the format of pre-trade transparency at this stage and will not add a new table to Annex I of RTS 2. ESMA will reassess its proposals based on the arguments provided by stakeholders replying to the consultation and, also in light of the current reform of MIFIR, might include, if deemed necessary, revised recommendations in the next RTS review, i.e. when reviewing RTS 1 and 2 following the MiFIR review.

3.2 LIS and SSTI thresholds in RTS 2 excluding commodity derivatives

3.2.1 Proposal in the CP

30. As explained in the CP, ESMA would refrain from undertaking a fundamental revision of the Large in scale (LIS) and Size Specific to the Instrument (SSTI) thresholds across all asset

classes at this stage, due to the possible amendments to the Level 1 text in relation to non-equity transparency in the MiFIR review, including those suggested by ESMA to the European Commission in the final report on non-equity transparency[5]. In particular, ESMA's proposal for a revised transparency regime whereby the SSTI waiver and the SSTI deferral would be deleted and compensated by lower pre-trade and post-trade LIS thresholds, could lead to necessary changes regarding the methodologies used to determine the thresholds.

31. ESMA explained in the CP that it however also recognises that in response to the Call for Evidence on RTS 1 and 2 (CfE) several stakeholders asked to revise certain aspects of the methodologies for both LIS and SSTI calibrations in RTS 2, for instance relating to Articles 9, 10, 13 of RTS 2 and Table 6.2 of Annex II of RTS 2.

32. Therefore, ESMA considered that it could carry out a targeted review of specific issues in a future review of RTS 2. Consequently, ESMA invited stakeholders in its CP to comment on which item would be most pressing to resolve and suitable for a targeted review.

3.2.2 Feedback from the consultation

33. Overall, respondents to this question highlighted a variety of aspects. Some noted that no fundamental changes are necessary or stressed the need to await the MiFIR review. Others reiterated either their support for, or their opposition to, the proposal from the non-equity report to delete the STTI and recalibrate the LIS thresholds.

34. Some respondents provided more detailed remarks, which varied significantly and did not point to one single threshold to be reviewed. A few comments aligned with the topics that were mentioned in the CP, others were newly introduced issues. The comments mirrored those from the CfE and included the following suggestions:

- establishing a distinction for fixed income products (e.g. sovereigns) based on the size of the market (e.g. smaller country) or liquidity of the bonds traded;
- recalibrating LIS thresholds for ETDs in general;
- improving the ETD threshold calculations for bond options and stock futures, to be tied more specifically to individual market specifics: (i) for stock futures it was highlighted that trading is concentrated around certain corporate events and that the methodology with ADNA does not appropriately reflect this liquidity pattern; (ii) for bond options, the current methodology does not take into account duration versus trade size;
- for non-equity in general, re-calibrating the deferral for package transactions, incorporating trading volumes into pre-trade SSTI and LIS thresholds, re-assessing the thresholds for sub-classes determined not to have a liquid market, and improving the

[5] Consultation Paper on the review of RTS 1 (equity transparency) and RTS 2 (non-equity-transparency), July 2021, ref. ESMA70-156-4236, here.
[5] MiFID II/MiFIR Review Report No. 1 On the development in

accuracy of liquidity assessments under RTS 2 (re-assess thresholds post-Brexit, add qualitative criteria, remove exemptions for entire asset classes like Foreign Exchange (FX), ensure that off-venue trading activity with systematic internalisers is included);

- distinguishing LIS for fixed income products based on the size of market or liquidity (especially for sovereigns);
- for listed derivative sub-asset classes the following calibrations in order of priority:
    - fixed income options: removing the percentile approach and having the calculation mirror the methodology used for single stock and equity index options;
    - equity and equity index options: basing the LIS thresholds on on-screen liquidity levels and setting at the greater of a) the sum of the number of active registered market markers multiplied by the minimum market maker quote size obligation and b) a screen liquidity indicator metric.

3.2.3 ESMA's assessment and next steps

35. Based on the variety of comments received, there does not seem to be an urgent need for a specific and targeted recalibration of one particular asset class or threshold. In light of the decision by ESMA to prioritise a first series of proposed amendments (issues that have received broad support from stakeholders and/or are considered important in the context of establishing a CTP), the current report does not include any adjustments to the LIS and SSTI thresholds. Nevertheless, as explained above, the issues that are not further elaborated on here will be included in a subsequent report.

3.3 Amendments to Article 13

3.3.1 Proposal in the CP

3.3.1.1 Date of application of transparency calculations

36. Article 13 of RTS 2 sets out the methodology and the dates of publication and application of the transparency calculations for non-equity instruments. In particular, Article 13(17) of RTS 2 requires competent authorities to ensure the publication of the results of the annual transparency calculations[6] for each financial instrument and class of financial instrument by 30 April each year. Furthermore, those results apply from 1 June each year following publication for 12 months.

37. In the CP, ESMA proposed that the application of the transparency calculations should be effective on a Monday, considering the complexity behind the infrastructural and IT

prices for pre- and post-trade data and on the consolidated tape for equity instruments, here.

adjustments necessary for firms to be ready to apply the new calculations. This minor modification aimed at ensuring that the process of updating the transparency calculations runs as smoothly as possible while maintaining the timelines envisaged in RTS 2.

38. Therefore, ESMA proposed to amend Article 13(17) of RTS 2 as follows:

'Competent authorities shall ensure the publication of the results of the calculations referred to under paragraph 5 for each financial instrument and class of financial instrument by 30 April of the year following the date of application of Regulation (EU) No 600/2014 and by 30 April of each year thereafter. The results of the calculations shall apply from ~~***1***~~ ***the first Monday of*** *June each year following publication* ***until the day before the first Monday of June of the subsequent year****.'*

39. In addition, RTS 2 provides for a derogation for bonds, except ETCs and ETNs, in Article 13(18). Accordingly, NCAs should ensure the publication of the liquidity determination for bonds on a quarterly basis, on the first day of February, May, August and November. In this case, the date of application is the sixteenth day of February, May, August and November and apply for a three-month period.

40. ESMA proposed in the CP that the date of application should start on a Monday and proposes to amend Article 13(18) as follows:

'For the purposes of the calculations in paragraph 1(b)(i) and by way of derogation from paragraphs 7, 15 and 17, competent authorities shall, in respect of bonds except ETCs and ETNs, ensure the publication of the calculations referred to under paragraph 5(a) on a quarterly basis, on the first ~~***day***~~ ***Monday*** *of February, May, August and November following the date of application of Regulation (EU) No 600/2014 and on the first* ***Monday*** ~~***day***~~ *of February, May, August and November each year thereafter. The calculations shall include transactions executed in the Union during the preceding calendar quarter and shall apply* ~~***for the 3 month period beginning on***~~ ***from the third Monday*** *of February, May, August and November each year* ***until the calculations of the subsequent quarterly period apply****.'*

3.3.1.2 Submission of quantitative data

41. Under the current regime, the provision of data to NCAs and ESMA is framed by Commission Delegated Regulation (EU) 2017/577 which defines in general terms how information should be provided for the purposes of transparency and other calculations. Those requirements have been further specified in ESMA's reporting instructions.

42. It was proposed in the CP to further specify the details of the relevant quantitative data in a new Annex of RTS 2. This should not only provide more clarity and legal certainty to market participants but also, more generally, ensure more convergent reporting practices contributing ultimately to improved data quality.

43. The CP hence proposed to add a new subparagraph to Article 13(5) of RTS 2:

"(5) In accordance with Delegated Regulations (EU) 2017/590 and (EU) 2017/577 competent authorities shall collect on a daily basis the data from trading venues, APAs and CTPs which is necessary to perform the calculations to determine:

The financial instruments and classes of financial instruments not having a liquid market as set out in paragraph 1;

The sizes large in scale compared to normal market size and the size specific to the instrument as set out in paragraphs 2 and 3.

The data referred to in the first paragraph shall be collected as per Annex V".

3.3.2 Feedback from the consultation

44. Respondents to this question unanimously agreed with the changes proposed by ESMA to Article 13.

45. While there was strong support for the proposed amendment to Article 13(17) of RTS 2 to always apply the transparency calculations on a Monday, a number of respondents, in particular trading venues, were concerned to apply the transparency calculations on the first Monday of June. According to these participants, the date would fall to close to the expiry of derivative contracts which normally occur the third week of June. Introducing new transparency calculations before the expiring week could create uncertainty for market participants and potentially affect the normal roll-over of derivatives contract's maturities. Some of these respondents suggested applying the transparency calculations on the third Monday of June each year.

46. Respondents did not provide any particular comments regarding the submission of quantitative data.

3.3.3 ESMA's assessment and next steps

47. Considering the support from respondents to the proposed changes to Article 13 of RTS 2 ESMA will keep its proposal of changing the date of application of transparency calculations and on the submission of quantitative data.

48. ESMA takes note of some stakeholders' concerns with the application of the transparency calculations on the first Monday of June falling close to the expiry of derivative contracts. However, considering the broad range of different expiry dates in derivatives markets in this period, the issue would remain for any other date depending on the asset class. Therefore, ESMA decided to maintain its proposal to move the date of application of the transparency calculations for non-equity instruments other than bonds to the first Monday of June.

3.4 Other amendments to the main text of RTS 2

3.4.1 Article 4(2)(a) of RTS 2

3.4.1.1 Proposal in the CP

49. Currently, Article 4(2)(a) of RTS 2 establishes the minimum size of reserve orders as a monetary threshold in euros (i.e. EUR 10,000). ESMA received some questions about the application of this requirement for certain non-equity financial instruments. ESMA has therefore clarified in a Q&A that "the minimum size of orders held in an order management facility of a trading venue pending disclosure should be calculated according to Table 4 of Annex II of RTS 2 except for emission allowances and emission allowance derivatives for which the notional amount of traded contracts should be used"[7].

50. In order to ensure more clarity and legal certainty for market participants, the CP proposed to move this Q&A into RTS 2. To this end, ESMA proposed to add a new paragraph 4 to Article 4 of RTS 2.

3.4.1.2 Feedback from the consultation

51. The proposal was unanimously supported by respondents.

52. Only one respondent to the CP was opposed to ESMA's proposal. This respondent however did not provide any arguments against the proposed amendment other than stating that it does not agree with any amendment to RTS 2 before the Commission proposal on the MiFID II review.

3.4.1.3 ESMA's assessment and next steps

53. Considering the overwhelming support for the amendment and the need to ensure clarity and legal certainty with regards to the requirements applicable to reserve orders, ESMA maintains its proposal to add a new paragraph 4 to Article 4 of RTS 2 as follows:

"(4) For the purpose of letter (a) of paragraph 2, market operators and investment firms operating a trading venue shall calculate the minimum size of orders held in an order management facility:

(a) as set out in Table 4 of Annex II of RTS 2 for all financial instrument except for emission allowances, emission allowance derivatives and commodity derivatives;

(b) the notional amount of traded contracts shall be used for emission allowances, emission allowance derivatives and commodity derivatives."

[7] MiFID II/MiFIR Review Report on the transparency regime for equity and equity-like instruments, the double volume cap mechanism and the trading obligations for shares, here.

3.4.2 Article 12 of RTS 2, non-price forming transactions

3.4.2.1 Proposal in the CP

54. The concept of non-price forming transactions is less prominent under the non-equity transparency than it is under the regime for equity instruments since it is not used to specify the scope of application of key transparency obligations as it is the case for equity financial instruments (e.g. share trading obligation).

55. In the CP, ESMA nevertheless concluded that the regime (and in particular as it appears in Article 12 of RTS 2) remains complex and that there would be clear benefits in simplifying it. Two types of simplification were considered: (i) streamlining the legal text to have clearer rules and exemptions regarding non-price forming transactions and (ii) improving the flagging of non-price forming transactions. The specific issues relating to the flagging of non-price forming transactions are covered in section 6.1.3.

56. As far as Article 12 of RTS 2 was concerned, ESMA, similarly to the changes that were proposed to Article 13 of RTS 1, suggested to delete paragraphs (b), (c) and (d) which appeared duplicative of the reference to Article 2(5) of RTS 22.

57. On the topics of non-price forming transactions, readers are invited to refer to the final report on the review of RTS 1 which presents the ESMA approach with more details.

3.4.2.2 Feedback from the consultation

58. Respondents to the consultation, expressed general support for ESMA's proposal to streamline the drafting of Article 12 of RTS 2 and delete unnecessary references.

59. However, similarly to the feedback received to the proposed amendments to RTS 1, many respondents explained that give-up / give-in transactions might not be fully substituted by the reference to Article 2(5) of RTS 22 (Article 2(5)(b) of RTS 22 in particular referring to trades executed for clearing and settlement purposes). They invited ESMA to either clarify that all give-ups / give-ins transactions are included within the scope of Article 2(5)(b) of RTS 22 or, alternatively, maintain the reference to give-ups and give-ins in Article 2 of RTS2.

60. Some respondents (mainly fund management companies) also opposed the ESMA suggestion to delete Article 12(b) of RTS 2. They explained that this could otherwise lead to unnecessary duplication of interfund trade reporting, especially on bond trades. They however did not explain further their position nor provide any specific examples to illustrate this statement.

61. Finally, some respondents noted that, if they agreed with the proposed deletion of Article 12(d) of RTS 2, they considered that this reference would rather be substituted by the reference to Article 2(5)(o) of RTS 22 and not Article 2(5)(b) of RTS 22 as presented by ESMA in the CP.

3.4.2.3 ESMA's assessment and next steps

62. ESMA welcomes the general support expressed about the possible simplification of Article 12 of RTS 2. As explained in the CP, the amendments proposed were not intended to change the applicable regime but rather to streamline the applicable rules in order to ensure more clarity and more consistent reporting from market participants.

63. ESMA understands that the comments on give-up and give-in transactions (which would not be fully compensated by the new Reference to Article 2(5) of RTS 22) relate to Requests For Market Data (RFMD) transactions. As explained in the final report on the review of RTS 1, ESMA has clarified in a Q&A that "an RFMD give-up/give-in trade flow is characterised by being executed as a VWAP trade" and that "as such, the trade should be defined as a transaction not contributing to the price discovery process as defined in Article (2)(a) of Commission Delegated Regulation 2017/587".

64. RFMD transactions have therefore, in ESMA's view, never been assimilated to give-up and give-in transactions but to benchmark transactions. It is therefore not clear to ESMA to which extend the deletion of the reference to give-in and give-up transactions would affect the transparency regime applicable to RFMD trades which will continue to be reported when executed both OTC and on-venue and flagged as BENC.

65. Regarding the deletion of paragraph (b) of Article 12 of RTS 2, ESMA remains of the view that this reference is redundant. As explained in the CP, Article 2(1)(i) of MiFID II stipulates that the Directive does not apply to "collective investment undertakings and pension funds whether coordinated at Union level or not and the depositaries and managers of such undertakings". It is therefore ESMA's understanding that management companies (as defined in Article 2(1)(b) of Directive 2009/65/EC) and alternative investment fund managers (as defined in Article 4(1)(b) of Directive 2011/61/EU) are not authorised as investment firms and, therefore, not subject to transparency requirements in the first place.

66. In conclusion ESMA proposes to proceed with the deletion of paragraphs (b) and (d) of Article 12 of RTS 2.

4 Commodity derivatives, emission allowances and derivatives on emission allowances

67. In the CP, ESMA followed up on the work initiated in 2020 in the context of the MiFID II/ MiFIR review report on the transparency regime for non-equity instruments[8] regarding the liquidity determination of commodity derivatives and the related review of RTS 2.

[8] MiFID II/MiFIR Review Report MiFID II/ MiFIR review report on the transparency regime for non-equity instruments and the trading obligation for derivative, here.

68. The proposals made in the CP addressed three aspects of the transparency framework applicable to commodity derivatives:

    1) the segmentation criteria, which define the way in which the contracts are aggregated into smaller subsets called “sub-classes”;

    2) the liquidity determination, which refers to the methodology used to determine whether a sub-class has a liquid market;

    3) the methodology used to calculate the “large in scale” (LIS) and “size specific to the instrument” (SSTI) thresholds for liquid sub-classes.

69. To frame the proposals put forward in the CP, ESMA collected data from all EU commodity trading venues in the first quarter of 2021 on the trading activity that took place in 2020 (the “data collection”). The objective of the data collection was to test and calibrate some ideas that had been suggested by stakeholders to improve the transparency framework for commodity derivatives, on the basis of recent data and with the appropriate segmentation and granularity. The detailed analysis of this data collection was provided in Annex VII of the CP.

70. On the basis of the data collection, ESMA made concrete proposals in the CP with the objective of further adapting the liquidity determination in RTS 2 to the specificities of commodity derivative markets.

71. In summary, the proposals related to the segmentation criteria applicable to commodity derivatives have received broad support from market participants, but stakeholders opposed to a large extent the proposals related to the liquidity determination and LIS/SSTI calculations.

72. The feedback and way forward in relation to the proposals on the segmentation criteria applicable to commodity derivatives are set out in the section devoted to segmentation criteria for all non-equity instruments (Section 5.1.3.4.7). The feedback and way forward in relation to the liquidity determination and the LIS/SSTI thresholds are further developed below.

4.1.1 Proposals in the CP and stakeholders’ feedback in relation to the liquidity determination and the LIS and SSTI thresholds (Question 30 of the CP)

73. In the CP, ESMA made nine proposals related to the review of the liquidity framework for commodity derivatives, emission allowances (EA) and derivatives on emission allowances (DEA). The following paragraphs focus on the most controversial proposals, i.e. (1) the calibration of the average daily number of trades (ADNT); (2) the combination of criteria to be used for the liquidity determination; (3) the methodology to calculate the LIS/SSTI thresholds; and (4) whether pre-arranged transactions should be included in the liquidity assessment and LIS/SSTI calculations. Detailed feedback on all proposals is provided in Annex V.

Liquidity determination - Parameter for the ADNT

74. Under the current liquidity framework in RTS 2, a sub-class is deemed liquid if both the following conditions are met on a cumulative basis: (1) the ADNT is greater than a given threshold, set in number of trades; and (2) the average daily notional amount (ADNA) is greater than a given threshold (set in EUR, or in tonnes of CO2 for EA and DEA).

75. In the context of the review report on the transparency regime for non-equity instruments, stakeholders had supported the use of the trade frequency as a reasonable metric to assess liquidity, as it reflects the ability to find a counterparty in a relatively short period of time. However, they had claimed that the current parameter for the ADNT (10 trades per day) was an inappropriate calibration.

76. In the CP, ESMA performed simulations based on the data collection and proposed to increase the ADNT parameter from 10 to 50 trades per day, which roughly corresponds to a frequency of one trade every 10 minutes (proposal #3). All stakeholders disagreed with this proposal and suggested to calibrate the ADNT parameter at 100 trades per day (which corresponds to 1 trade every 5 minutes).

Liquidity determination – New metric “Standard Trade Size”

77. In the CP, ESMA recalled the two main issues related to the use of the ADNA to determine the liquidity of commodity derivatives. First, the ADNA does not allow distinguishing between (1) a market with on average few trades of large sizes (potentially illiquid); and (2) a market with on average numerous trades of small sizes (potentially liquid). Those two markets could have the same average daily notional amount while exhibiting different liquidity profiles. Second, the use of notional amounts implies that factors such as prices and currency fluctuations influence the liquidity determination, when converting volumes in lots to volumes in EUR.

78. To cater for those issues, as suggested by stakeholders in the context of the review report on the transparency regime for non-equity instruments, ESMA proposed in the CP to replace the ADNA with an alternative metric called the Standard Trade Size (STS). ESMA tested several methods and calibrations for this new criterion and eventually proposed the use of the most frequently traded size (STS_mode) calculated in lots, with a calibration of 5 lots for all classes (proposals #4 and 5). Under this proposal, any class for which the most frequently traded size is lower than or equal to 5 lots would be deemed liquid, provided the other quantitative liquidity criterion is also fulfilled.

79. Stakeholders concurred with ESMA’s analysis that the STS_mode solves one of the main issues of the ADNA, but they pointed to limitations of the STS as a liquidity criterion in case it is used in isolation. Most stakeholders suggested to use the STS_mode in combination with another metric, which they defined as the Average Daily Amount of Lots (ADAL).

80. To support their view, they indicated that the STS of short-term maturities tends to be higher than for long term maturities because the former are used as final portfolio adjustment before delivery and transactions in these contracts involve lower notional amounts.

Consequently, the long-term maturities would be more quickly deemed liquid than short-term maturities. They further indicated that the assumption that the more liquid an instrument the smaller the STS does not always hold true, and that if STS replaces ADNA, it solves an issue that no longer exists (i.e. the same result would be achieved by simply removing the ADNA).

81. In summary, stakeholders' consensus regarding the liquidity determination would be to rely on a combination of three criteria:

    — ADNT equal to or above 100 trades per day;

    — STS_mode equal to or lower than 5 lots; and

    — ADAL above a given threshold (stakeholders did not further specify this parameter)

Transparency calculation – Methodology to compute the LIS/SSTI thresholds

82. Currently in RTS 2, the pre- and post-trade LIS and SSTI thresholds for liquid classes of commodity derivatives, EA and DEA are calculated as the maximum between (1) a given percentile of the trade size distribution, where trade sizes are expressed in EUR (or tonnes of CO2 for emission allowances and derivatives thereof); and (2) a floor. The four thresholds (pre- and post-trade LIS and SSTI) are based on the same methodology, but they are calibrated with different parameters.

83. In the CP, ESMA recalled the four issues which have been identified in relation to the current calculation methodology: (1) the current methodology based on percentile leads to a counter-intuitive effect where by construction the least liquid classes receive higher LIS thresholds than the most liquid ones; (2) the floor has a disproportionate impact due to its calibration (in practice, most liquid classes have an LIS equal to the floor); (3) the trade-size bins are not sufficiently granular. This leads to significant rounding effects in the determination of the 70th percentile; (4) although trading takes place in lots, volumes are reported to ESMA in EUR, meaning that the price and the currency fluctuations influence the LIS/SSTI calculations.

84. To address those concerns, ESMA proposed in the CP to adopt a simpler approach where the LIS and SSTI thresholds are equal to a set percentage of the average daily volumes in lots (ADVL), rounded to the nearest 5 lots. The thresholds would be bound by a minimum value (floor = 5 lots for the pre-trade thresholds and 10 lots for the post-trade thresholds) and a maximum value (cap = 200 lots for the pre-trade thresholds and 300 lots for the post-trade thresholds). This corresponds to proposal #6 of the CP.

85. While stakeholders agreed with the four issues identified by ESMA with respect to the current percentile approach, they generally considered that those issues are either addressed by some of the other changes proposed in the CP or could be achieved via easier means. Indeed:

- The issue #1 - counter-intuitive effect of the percentile approach - is partially addressed by the new proposals related to the liquidity determination, and the new proposals on the segmentation criteria, which increase the homogeneity of the classes.

- The issue #2 - calibration of the floor - can be addressed by removing the floor.

- The issue #3 - impact of the trade-size bins and the rounding effect - is addressed by defining more granular trade-size bins in lots, as proposed by ESMA in the CP.

- The issue #4 - conversion of volumes from lot to EUR - is addressed by calculating the LIS and SSTI thresholds based on trade sizes in lots, rather than in EUR (as proposed in the CP).

86. As a result, stakeholders rejected ESMA's proposal to calculate the LIS/SSTI thresholds as a percentage of the ADVL. However, there was no clear consensus on the alternative in the responses from market participants. The most supported option was to maintain the current percentile approach subject to improvements (percentile based on the distribution of trade sizes in lots instead of EUR, removal of the floor, addition of a cap, definition of more granular trade size buckets).

<u>The data used to perform the transparency calculations</u>

87. In the CP, ESMA highlighted the mismatch between (1) the data on the basis of which the calibration of the transparency framework had been performed for the purpose of the CP (on venue data only); and (2) the data on the basis of which the actual transparency calculations would be performed by the ESMA IT systems (on venue, OTC and SI data).

88. Given that the proportion of volumes executed OTC and by SIs as reported to ESMA was negligible compared to the volumes executed on venue, ESMA stated in the CP that for commodity derivatives, EA and DEA, it remained appropriate to perform the transparency calculations on the basis of all data (status quo) even if the calibration was performed with on-venue data only [proposal #9].

89. In their feedback, stakeholders did not comment on the use of OTC/SI data, as such volumes are limited for commodity derivatives. However, they urged ESMA to perform the liquidity determination and the LIS/SSTI calculations on order book data alone, hence excluding pre-arranged transactions. To support their claim, they provided the following reasons:

- the trades pre-arranged off order book do not directly contribute to the liquidity of the order book and hence should not be considered when assessing the liquidity of a contract.

- it is the order book that needs to be liquid enough to support an LIS threshold.

- trade sizes are significantly larger off book and hence will give a misleading picture of what may be considered as "large-in-scale" on order book.

4.1.2 ESMA's assessment and next steps

90. The proposals set out by ESMA in the CP were to a large extent based on stakeholders' feedback provided in the context of the MiFID II/ MiFIR review report on the transparency regime for non-equity instruments. Yet, the most impactful proposals made in the CP received negative feedback from stakeholders, sometimes contradicting feedback received in the past on the same issues.

91. Based on a preliminary assessment of the alternative methodologies and calibrations that have been mentioned by the respondents to the CP, ESMA identified that some of those proposals would create redundancies, hence that taking on board only some of them would be sufficient to cater for the shortcomings that have been flagged by stakeholders.

92. ESMA further flags that applying all stakeholders' proposals in combination would introduce (1) a significant reduction in the number of commodity derivatives classes that would be deemed to be liquid; and (2) a significant decrease in the level of the LIS and SSTI thresholds (depending on the calibration used) which ESMA considers neither to correctly nor adequately reflect market realities nor to be aligned with the regulatory goals of MiFIR.

93. In ESMA's view, this situation demonstrates that further work is necessary to arrive at a solution which ensures that the modified liquidity framework applicable to commodity derivatives meets the transparency objectives of MiFIDII/MiFIR, while taking into account the specificities of this market.

94. To allow time to perform this additional work, the proposals related to the liquidity determination and the LIS and SSTI thresholds applicable to commodity derivatives (proposals 1 to 9 covered under Question 30 of the CP) are postponed until the next review of RTS 2, which will take place in the broader context of the upcoming MiFID review.

5 Reporting fields (Tables 1, 2 and 4 of Annex II, Annex III and Tables 1 and 2 of Annex IV)

95. As for equity and equity-like instruments (RTS 1), this section on the reporting fields covers two dimensions: (i) the fields to be published for the purpose of post-trade transparency (section 5.1.1), and (ii) the reference data and the quantitative data to be provided for the performance of the transparency calculations for non-equity instruments under RTS 2 (sections 5.1.3 and 5.1.4).

96. The changes proposed by ESMA in the CP aimed at providing more clarity on what has to be reported both to the public and to FITRS with the ultimate goal to improve data quality and data aggregation.

5.1.1 Fields for the purpose of post-trade transparency (Tables 1 and 2 of Annex II)

5.1.1.1 General approach and legal framework

97. Articles 10 and 21 of MiFIR provide for post-trade transparency requirements for trading venues and investment firms, including SIs, in respect of bonds, structured finance products, emission allowances and derivatives.

98. The details to be published for the purpose of post-trade transparency, by trading venues and APAs, on behalf of investment firms and SIs, are provided in Tables 1 and 2 of Annex II of RTS 2. By means of Article 15a of RTS 13, CTPs are also obliged to publish the same details.

99. In this regard, ESMA made a number of proposals in the CP aimed at clarifying further the definition of certain fields but also adding new ones considered important for the aggregation of the post-trade transparency reports.

5.1.1.2 Feedback to the consultation

100. In general, there was support to the proposals even if certain recommendations and oppositions were made.

101. In particular, trading venues did not support the proposal on the requirement of the use of the same order and names of the post-trade transparency fields. Furthermore, substantive costs for the industry, with no indication of the amount, were identified in the proposals with limited benefits.

102. Other market participants did not welcome the deletion of the additional identification code on top of the ISIN.

103. Last but not least, recommendations to further clarify certain fields - including the price, the strike price, the price currency, the notional amount - to take into account asset-class specifics of FX derivatives and bonds were made.

5.1.1.3 ESMA's assessment and recommendations

5.1.1.3.1 Table 1 of Annex II of RTS 2

104. ESMA did not propose changes in the CP and confirms that no changes are proposed in this report to Table 1 of Annex II (i.e. the table which defines the symbols used for the fields in Table 2).

5.1.1.3.2 Field names and sequential order - Table 2 of Annex II of RTS 2

105. One of the most recurrent comment received in the CfE was the difficulty to use the post-trade reports and to aggregate them. To alleviate this issue, ESMA proposed in the CP to standardise the order and the name of the fields in Table 2 of Annex II to be used in the publication of the post-trade reports.

106. ESMA appreciates the required investments by trading venues and APAs to align to these requirements. However, it is an important step to ease the aggregation of such reports by market participants in order to address the data quality issues preventing the usability of the post-trade reports but also to support the establishment of a CTP. Therefore, in line with RTS 1 and to limit the burden to trading venues and APAs which would require additional investments, ESMA proposes in this Final Report to require the standardisation on the use of the name of the fields without requiring to follow the order of the fields in Table 2 of Annex II. However, nothing prevents trading venues and APAs to follow the order of the fields suggested in the Annex if they wish so.

5.1.1.3.3 Field “Trading Date and Time” - Table 2 of Annex II of RTS 2

107. As far as the field “Trading Date and Time” is concerned, ESMA confirms that no other changes are made on top of a couple of corrections to references to Articles, i.e. Article 3 of Delegated Regulation (EU) 2017/574 is corrected with Article 2 and Article 5 of Delegated Regulation (EU) 2017/590 is corrected with Article 4.

108. ESMA appreciates the concerns expressed and shares the view that the different granularity of the timestamps does not provide the same precision. The different levels of granularity of the timestamps are currently defined on the basis of the type of market participant providing this information and, its capability to grant a certain level of precision. Therefore, in line with the proposal in RTS 1(Table 3 of Annex I), ESMA proposes to tackle this issue in parallel with the establishment of the CTPs. Indeed, the MiFIR review proposal includes a requirement for ESMA to draft RTS on clock synchronisation for the purpose of the CTP (Article 22a (2) of the amendment MiFIR). Therefore, ESMA will further analyse this issue when developing the RTS.

5.1.1.3.4 Field “Venue of execution” and “Third-country trading venue of execution” - Table 2 of Annex II of RTS 2

109. In the CP it was proposed to add the new field “Third-country trading venue of execution” on top of minor drafting adjustments aiming at clarifying the description and details to be published under the field “venue of execution”. More specifically, it was suggested to populate the new field as follows: (1) when the Market Identifier Code (MIC) is available, the MIC; (2) when the MIC is not available and the third country trading venue (TCTV) appears in the annex of the opinion determining third-country trading venues for the purpose of transparency under MIFIR (this would concern only venues with a partially positive assessment), the code provided in the field “ESMA ID” in the annex of the opinion, e.g. ‘US1141’; (3) when the MIC is not available and the TCTV does not appear in the annex of the opinion, the two letters identifying the country of the venue (ISO3166) followed by the name of the trading venue, e.g. ‘JP– Trading Venue XYZ’.

110. In the responses to the consultation, it was suggested to simplify the approach and populate the field as follows: (1) when the MIC is available, the MIC; otherwise (2) when the MIC is not available, the two letters identifying the country of the venue (ISO3166) e.g. ‘JP.

111. ESMA acknowledges the merits of this simplification. Therefore, in line with the proposal in RTS 1, ESMA proposes to maintain the new field in the table and to simplify the methodology to provide such information as suggested in the responses to the consultation mentioned in the previous paragraph.

112. As far as the request to merge this new field in the “venue of execution” field, it has to be considered that the latter has to be populated with “XOFF” when a transaction is executed on a third country venue. In order to maintain this clarity and considering that this field is already populated according to this rule, it is considered more appropriate to keep these two fields separated.

113. The changes between the proposal in this Final Report and that in the CP are highlighted in blue below.

16	Third-country trading venue of execution	For all financial instruments	Identification of the third-country trading venue where the transaction was executed. This shall be populated when the “venue of execution” field is populated with XOFF. Where the transaction is not executed on a third-country trading venue, the field shall not be populated.	APA, CTP	{MIC} where MIC is available or ~~{ALPHANUM-25}~~ ~~otherwise~~ {COUNTRY CODE_2} otherwise

114. With regard to the field “Venue of execution” the same clarification as provided in RTS applies, i.e. the reference to EU is maintained. ESMA notes that in order to extend the applicability of an EU act to the EEA EFTA States, an EEA relevant EU act has to be incorporated into the EEA Agreement[9][10][11][12][13]. Following the integration of RTS 2 into the EEA agreement, the reference to EU should read as reference to EEA with the relevant adaptions be for the purposes of this Agreement. Therefore, ESMA considered that no change is needed and ESMA maintained the drafting suggestions included in the CP.

5.1.1.3.5 Field “Instrument identification code type” and “Instrument identification code”

115. Since each instrument subject to the transparency regime is required to be identified by an ISIN which is then reported to Financial Instruments Reference Data System (FIRDS), in the CP it was proposed to maintain only the ISIN as identifier in the post-trade transparency reports as a minimum required field.

116. ESMA appreciates the concerns on the use of the ISINs for certain instruments. However, the ISIN is the identification code for instruments in FIRDS. Therefore, ESMA proposes to maintain this code for the identification of instruments in the post-trade reports. ESMA reminds that any additional identifiers (e.g. CFI Code, FIGI, UPI, etc.) can be provided to market participants in addition to the ISIN.

5.1.1.3.6 Fields “Price”, “Price currency” and “Price Notation”

117. The “Price”, “Price currency” and “Price Notation” fields are extremely relevant for the aggregation of the post-trade reports and might be subject to data quality issues. Therefore, on the basis of the feedback received from the consultation, ESMA proposes a number of clarifications to those fields.

118. As far as the price is concerned:

- in line with the suggestions from the consultation and with the approach taken in RTS 1, it is proposed to move the use of alphanumerical codes in a separate field from the “Price” which is defined as an alphanumeric field. The new field is called “Missing price”;

- additional minor specifications for options prices are spelled out compared to the CP. More specifically, it is specified that the option premium is composed of the intrinsic

INK "https://www.esma.europa.eu/sites/default/files/library/esma70-156-3329_mifid_ii_mifir_review_report_on_the_transparency_regime_for_non-equity_instruments.pdf" here.
eement. Such adaptations could be of general character[10], specific adaptations[11], adaptations of the scope[12] or adaptations due to other factors[13].
[10] For instance, whenever EU acts refer to nationals of an EU Member State, the references shall, for the purposes of the EEA Agreement, also be understood as references to nationals of EFTA States.
[11] When EU acts, for instance, confer to EU institutions the competence to adopt binding decisions, to grant authorisations or to issue fines or other pecuniary measures, an adaptation text in the Joint Committee Decision is generally needed to describe how this should be dealt with on the EEA EFTA side.
[12] The EEA Agreement differs from that of the EU treaties, therefore, specific adaptations may be needed when EU acts cover policy areas that fall outside the scope of the EEA Agreement.
[13] Specific situations in the EEA EFTA States which are not taken into account in an EU act may require specific adaptations, mostly of substantive nature.

and extrinsic value of an option and should be provided in the price field. In this way the option premium, together with the underlying price that can be retrieved, and the strike price reported to FIRDS (see section 5.1.1.3.7), both the intrinsic and extrinsic values of the option can be inferred;

- in line with the suggestions from the consultation, it is proposed to provide a hierarchy in the use of the different price notations;

- in relation to other instrument types, including among others, interest rate swaps, bonds, FX derivatives, etc. considering the limited feedback received, it is suggested not to propose additional changes to this field at this point of time. ESMA intends to provide further guidance on this via Level 3 measures. This approach would ensure a better analysis of certain reference data fields included already in FIRDS, e.g. fixed rate and floating rate and other data elements that compose the elements of the price information for certain derivatives and could leverage on these fields. Furthermore, it is ESMA intention to provide also more guidance on spreads and yields definitions as requested in the feedback to the consultation. This approach will allow for a smooth implementation of those changes, as well as more targeted feedback by market participants on the appropriateness and feasibility of the requirements;

- last but not least, the suggestion to require the publication of the price information in Euros was also considered. However, since the currency risk is not included in the price, from an informative perspective, in the interest of transparency regarding currency risk, it is considered that the price should be provided in the trading currency. ESMA considers that such conversion could be better done at a central level, if considered necessary, i.e. the CTP. Therefore, no additional proposals are made in this regard.

119. The table below provides in red the proposed changes to this field included in the CP and blue the changes made to the CP version for this Final Report.

Price	For all financial instruments	Traded price of the transaction excluding, where applicable, commission and accrued interest. In the case of option contracts, it shall be the premium of the derivative contract per underlying or index point, composed of the intrinsic and extrinsic value of an option. For credit default swaps (CDS) it shall be the coupon expressed in basis points. In the case of spread bets it shall be the reference price of the underlying instrument. ~~In the case of other derivative contracts and contracts for difference, it is the price of the derivative or contract for difference itself excluding, where applicable, commissions at which the contract is exchanged between the buyer and the seller.~~	RM, MTF, OTF APA, CTP	{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 ~~'PNDG' in case the price is not available~~ {DECIMAL-18/17} in case the price is expressed as basis points ~~'NOAP' in case the price is not applicable~~

		In all cases except CDS, the expression of the price in monetary value “MONE” shall be preferred. When a price in monetary value is not available then, express the price in: - basis points (BAPO) when the instrument trades a spread over a benchmark; - yield (YIEL) where it is the standard market convention for the security to be traded in yield; - percentage (PERC) where it is the standard market convention for the security to be traded as percentage of issue price. Where price is reported in monetary terms, it shall be provided in the major currency unit. Where price is currently not available but pending (‘PNDG’) or not applicable (‘NOAP’), this field shall not be populated. ~~Where price is currently not available but pending, the value should be ‘PNDG’.~~ ~~Where price is not applicable the field shall not be populated , the value shall be ‘NOAP’..~~ ~~The information reported in this field shall be consistent with the value provided in field Quantity.~~		

Missing Price	For all financial instruments	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, CTP	'PNDG' in case the price is not available 'NOAP' in case the price is not applicable

120. As far as the price currency is concerned, it was suggested by respondents to the consultation to specify how this field should be populated for FX derivatives, i.e. with the numerator currency. ESMA appreciates this feedback and will include it when providing more guidance on the price field for those instruments. Therefore, no additional changes are proposed compared to the CP.

121. The same applies to the field "price notation" where no changes are proposed.

5.1.1.3.7 New field "Strike price" and "strike price notation"

122. Following the suggestions received in the CfE, ESMA proposed to add to the post-trade reports fields for the strike price of options and related notation since, in the price field, the option premium has to be reported.

123. However, after further assessment, this field appears not strictly necessary. Indeed, instruments for which post-trade transparency reports have to be provided are instruments traded on a trading venue (ToTV). Therefore, for all those instruments reference data has to be provided in FIRDS and the strike price is part of this information. As a result, on the basis of the ISIN, which is provided both in the post-trade transparency reports and in FIRDS, this information could be easily retrieved by market participants. ESMA will provide further clarity on the price information via level 3 guidance to ensure that the strike price will be mandatory for all relevant instruments.

124. Consequently, both the strike price and strike price notation fields are not proposed to be added in the final recommendations included in this report.

5.1.1.3.8 Fields "Notional amount" and "Notional currency"

125. The fields related to the reporting of the notional amount of the contract are of very high relevance for the aggregation of the post-trade reports, for instance under the supplementary deferrals.

126. In this context, ESMA proposed to further clarify the value that is expected and to align it to the extent possible to Field 20 "Notional" in the CDR (EU) No 148/2013 (RTS supplementing Regulation (EU) No 648/2012 (EMIR)).

127. However, the reporting approach under EMIR might be further modified in light of the proposal made in the Final Report on the Technical standards on reporting, data quality, data access and registration of Trade Repositories under EMIR REFIT (Article 5 page 127).Therefore, it is considered more appropriate not to cross-refer to such RTS at this stage and only provide further clarity on the population of this field for the purpose of post-trade transparency. The instructions on the population of notional amount for derivatives are, in general, kept at a high level with the exception of credit default swaps where the more detailed instructions proposed in the CP are maintained.

128. Furthermore, considering that also this field, will be further analysed in Level 3 guidance together with the price field, the field for the second currency for FX contracts or multi-currency swaps has been removed. Indeed, as in the case of the “strike price” field, the information of the second notional currency should be provided in FIRDS (see Field 42 and 47 of RTS 23). Therefore, further investigation on the provision of this field will be made since it should be already retrievable.

Notional amount	For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of this Regulation.	~~Nominal amount or notional amount~~ This field shall be populated: (i) for bonds (excluding ETCs and ETNs), with the nominal value per unit multiplied by the number of instruments at the time of the transaction; (ii) for ETCs and ETNs and 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, the price field multiplied by the quantity field; (iii) for structured finance products (SFPs), with the nominal value per unit multiplied by the number of instruments at the time of the transaction; (iv) for credit default swaps, it shall be the notional amount for which the protection is acquired or disposed of. (v) for options, swaptions, swaps other than those in (iv), futures and forwards ~~whose underlying is not an emission allowance~~, the notional amount of the contract ~~as per Article 3a(1)(a) of Delegated Regulation (EU) No 148/2013 [3]~~; ~~for options whose underlying is not an emission allowance, as per Article 3a(1)(b) of Delegated Regulation (EU) No 148/2013 [3];~~ (vi) for emission allowances, the resulting amount of the quantity at the relevant price set in the contract at the time of the transaction ~~trade~~. Equivalently, the price field multiplied by the quantity field.	RM, MTF, OTF APA, CTP	{DECIMAL-18/5}

		for emission allowance derivatives, contracts for difference related to commodities, commodity derivatives and C10 derivatives as per Article 3a(1)(c) of Delegated Regulation (EU) No 148/2013 [3]; (vii) For in case of spread bets, the notional amount shall be the monetary value wagered per point movement in the underlying financial instrument at the time of the transaction trade; (viii) in case of contracts for difference not related to commodities, number of instruments exchanged between the buyers and sellers multiplied by the price of the instrument exchanged for that specific transaction. Equivalently, the price field multiplied by the quantity field. The information reported in this field shall be consistent with the value provided in field Price.		
Notional currency	For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of the Regulation.	Major cCurrency in which the notional amount is de nominated. In the case of an FX derivative contract or a multi-currency swap or a swaptions 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, CTP	{CURRENCY CODE_3}

~~Notional currency 2~~	~~For FX derivative contracts, IR derivative contracts and CFD or spread betting contracts excepts in the cases described under Article 11(1) letters (a) and (b) of the Regulation.~~	~~Major currency in which the notional amount is de-nominated.~~ ~~In the case of an FX derivative contract or a multi-currency swap or a swaptions where the underlying swap is multi-currency or a currency CFD or spread betting contract, this will be the notional currency of leg 2.~~	~~RM, MTF, OTF APA, CTP~~	~~{CURRENCY CODE_3}~~

5.1.1.3.9 Fields “Quantity” “Notation of the quantity in measurement unit“ and “Quantity in measurement unit”

129. As proposed in the CP, the field “Quantity” is not modified and ESMA stresses that this field refers to the number of instruments which are exchanged in the transaction, and it should never be measured in terms of the underlying instruments.

130. As far as the fields “Notation of the quantity in measurement unit“ and “Quantity in measurement unit” are concerned, some respondents commented that the “Notation of the quantity in measurement unit” is a reference data field and, as such, should not be included in post-trade reports.

131. ESMA acknowledges the former but highlights that, (i) this field is not present in the reference data to be reported to FIRDS, (ii) this field is already in the current RTS 2 (iii) as for the price, for which the price currency and price notation information are required, also the quantity in measurement unit notation is an important piece of information to be able to read the report. Indeed, despite this information is reference data information, trading venues and APAs might provide this information in a larger or smaller unit, e.g. kilos instead of tonnes or in the case of the price, cents instead of units of currency, therefore, this information can only be retrieved by the public through access to the venue. Therefore, it is considered relevant to maintain this field in the post-trade transparency reports.

132. In consequence, the changes suggested in the CP are maintained in the Final Report.

5.1.1.3.10 Field “Type”

133. No particular feedback was received on this field. Therefore, ESMA retains that no additional amendments are necessary.

5.1.2 Measure of volume (Table 4 of Annex II)

5.1.2.1 General approach and legal framework

134. Table 4 of Annex II of RTS 2 provides indication on the measure of volume that is relevant for:

- the determination of the LIS and SSTI thresholds as per Article 13;
- the determination of the ADT and the average daily notional amount (ADNA) as per Annex III;
- the volume measures to be reported to FITRS, which is further specified in the new Annex in Section 5.1.4;
- the calculations supporting the exercise of the temporary suspension of transparency obligations as per Article 16;
- to calculate the minimum size of orders held in an order management facility of a trading venue pending disclosure as per Article 4(2)(a) of RTS 2 as clarified by Q&A 12 of the pre-trade transparency waivers section[14] (except for emission allowances and emission allowance derivatives for which the notional amount of traded contracts should be used).

135. ESMA proposed in the CP to amend the table in order to provide further clarity on the values to be reported for the purposes mentioned above as well as on the basis of the proposals made for the calibration of the liquidity assessment and the LIS and SSTI thresholds for commodity derivatives.

5.1.2.2 Feedback to the consultation

136. Respondents to the CP were generally supportive of the proposal. Only one particular suggestion was made recommending that the definition of notional amount for futures should encompass the multiplication of the current market price with the tick value of the respective future contract as a method to obtain the notional volume.

5.1.2.3 ESMA's assessment and recommendations

137. ESMA confirms the modifications suggested in the CP. However, since the amendments to commodity derivatives are postponed as specified in Section 4.1.2, the measure of volumes for commodity derivatives should remain the same as for the other derivatives for the time being. The final amendments are provided in blue below. The changes in red are those already proposed in the CP.

[14] Questions and Answers On MiFID II and MiFIR transparency topics, here.

Type of instrument	Volume
All bonds except ETCs and ETNs and structured finance products	~~Total nominal value of debt instruments traded~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
ETCs and ETNs bond types	~~Number of units traded (1)~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Securitised derivatives	~~Number of units traded (1)~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Interest rate derivatives	~~Notional amount of traded contracts~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Foreign Exchange Derivatives	~~Notional amount of traded contracts~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Equity derivatives	~~Notional amount of traded contracts~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Commodity derivatives	~~Notional amount of traded contracts~~ ~~"Quantity in measurement unit" as per field 9 of Table 2 of Annex II of this Regulation.~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Credit derivatives	~~Notional amount of traded contracts~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.

Contract for differences	~~Notional amount of traded contracts~~ ~~If not related to commodity derivatives, the~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation. ~~If related to commodity derivatives, the "Quantity in measurement unit" as per field 9 of Table 2 of Annex II of this Regulation.~~
C10 derivatives	~~Notional amount of traded contracts~~ ~~"Quantity in measurement unit" as per field 9 of Table 2 of Annex II of this Regulation.~~ "Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Emission allowance derivatives	~~Tonnes of Carbon Dioxide equivalent~~ "Quantity in measurement unit" as per field 8 of Table 2 of Annex II of this Regulation.
Emission allowances	~~Tonnes of Carbon Dioxide equivalent~~ "Quantity in measurement unit" as per field 8 of Table 2 of Annex II of this Regulation.

5.1.3 Reference data to be provided for the purpose of the segmentation criteria necessary for the performance of the transparency calculations (Reporting to FITRS)

5.1.3.1 General approach and legal framework

138. The transparency calculations on non-equity instruments are, in general, performed at sub-asset class or sub-class level. The sub-(asset) classes are determined on the basis of a set of segmentation criteria (SC), which are different in number and nature for each asset class. The segmentation criteria define the way in which the contracts and related trades, are aggregated into sub(-asset) classes. The liquidity determination as well as the determination of the threshold values is then performed at the sub-class level. All contracts in the same sub-class have the same liquidity determination (liquid or illiquid) and the same threshold values (pre- and post-trade LIS and SSTI).

139. ESMA proposed in the CP some changes related to the segmentation criteria of certain sub-asset classes, having in mind the following objectives: (1) ensuring homogeneity in the way the sub-classes are constructed, i.e. avoid the creation of sub-classes which are either too granular or not granular enough; (2) modify segmentation criteria to better define sub-classes; (3) increase data quality, by limiting free-text fields; (4) ensuring consistency with RTS 23 to the extent possible and; (5) proceeding with technical corrections of RTS 2 (which do not impact the calculations nor the reporting).

140. The proposals made in the CP referred to the reference data to be provided for the purpose of transparency calculations to FITRS (Tables 1 and 2 of Annex IV). Such reference data is determined on the basis of the segmentation criteria defined in the tables in Annex IV which are necessary for the determination of the liquidity assessment.

141. Consequently, in order to clarify the links between the two Annexes it was proposed in the CP to add to the tables for the purpose of the liquidity assessment of each asset class included in Annex IV, the reference data fields included in RTS 2 (Table 2 of Annex IV) and RTS 23[15] (Annex) used to segment the data into sub-asset or sub-classes.

5.1.3.2 Feedback to the consultation

142. On the changes proposed to the reference data to be provided for the purpose of transparency calculations to FITRS (Tables 1 and 2 of Annex IV) stakeholders provided only limited feedback. Some trading venues did not agree with the proposal on the use of the ultimate underlying in the case of options on bond futures stressing that the underlying of a future is a fictitious underlying that can be selected from a basket of very different bonds. Finally, only one respondent openly disagreed with the proposal claiming that it appeared to be costly for the industry.

[15] Commission Delegated Regulation (EU) 2017/585, here.

143. The final proposals on Tables 1 and 2 of Annex IV are provided in section 5.1.3.3 below.

144. With regard to ESMA's proposals on the segmentation criteria for bonds (Table 2.2), securitised derivatives (Table 4.1), interest rate derivatives (Table 5.1), equity derivatives (Table 6.1), credit derivatives (Table 9.2 and 9.3) and emission allowances (Table 12.1) of Annex III of RTS 2, there appears to be a general agreement. However, the following remarks were made:

- clarify what is being referred to with "warrants", clarify the classification of covered warrants and equity warrants, as well as the classification of securitised derivatives in general since equity warrants are considered as securitised derivatives in some countries and as shares in others.

- provide to the public all the reference data points, by adding them to RTS 23 or making RTS 1 and 2 reference data files available to the industry and clarify that the same codes/enumerations are used for the purpose of the SI calculations.

145. Those points are addressed in the final proposals included in section 5.1.3.3 below.

146. The proposals related to the segmentation criteria applicable to commodity derivatives have generally been supported by stakeholders with a few exceptions. The feedback and way forward are provided in Section 5.1.3.4.7.

5.1.3.3 ESMA's assessment and recommendations

147. Considering that not all information necessary for the determination of sub-classes is published, it is important for market participants to know to which sub-class an ISIN belongs. Indeed, in the answers to the CfE, as well as the consultation, it was suggested for ESMA to publish this information. ESMA has been working on this rather complex IT change and has made this information available at ISIN level in the FITRS publications since the beginning of 2022 in the different publications (i.e. the information to which sub-class the ISIN belongs at the time of the calculations).

148. A few issues related to the CFI code reporting and their allocation by the National Numbering Agencies (NNAs) were also notified to ESMA due to the knock-on effects of this reporting for FITRS calculations. ESMA is constantly working with NCAs and NNAs to ensure consistency in the allocation of the CFI code and is monitoring the CFI code – MiFIR identifier mapping table to provide further improvements in this regard.

149. In order to address this issue two actions will be undertaken. Firstly, ESMA will update in the course of the year the CFI code – MiFIR identifier mapping table in order to, among others, clarify the boundaries between ETPs, ETCs, and ETNs. Secondly, internal measures will be taken in order to ensure a timelier correction process for the CFI code/MiFIR identifier when triggered. Those measures are currently under discussion however, the starting point will be the development of a dashboard with statistics measuring the responsiveness of the parties involved in the process.

5.1.3.3.1 Reference data to be provided for the purpose of transparency calculations to FITRS (Tables 1 and 2 of Annex IV)

150. On the basis of the feedback received and the proposals made on commodity derivatives, the following sub-sections present the final ESMA's proposals for Tables 1 and 2 of Annex IV.

5.1.3.3.1.1 Table 1 of Annex IV of RTS 2 (Symbols)

151. ESMA maintains its proposal to modify Table 1 of Annex IV of RTS 2 (Symbol) to take into account the changes for commodity derivatives (addition of the EIC code as explained in Section 5.1.3.4.7.1).

152. As far as the replacement of certain interest rates with the new risk-free rate benchmarks is concerned (SONIA, SOFR, TONA, €STR, etc.) ESMA specifies that Field 24 "Reference rate" can already be populated with a reference rate not included in the current list of indices. However, it will be further specified in a Q&A that the 4-letter code assigned to that reference rate in the ISO 20022 standard should be reported as described in ISO 20022 Benchmark Curve Name Code at the following link[16].

[16] Questions and Answers On MiFID II and MiFIR transparency topics, here.

5.1.3.3.1.2 Table 2 of Annex IV of RTS 2

153. The table below provides a summary of all the proposals made to this table. Each proposed change is then discussed in the following sub-sections.

ID	Section	Field number	Field name	Short description of the change	Purpose	Outcome
#1	General fields	Field 4	Asset class of the underlying	Addition of code OCTN — Other C10 (the code proposed has changed from the CP, which was OC10)	Allow the reporting of other C10 derivatives	Proposal maintained
#2	General fields	Field 5	Contract type	Addition of code 'OPTS' — Option on a swap	Allow the reporting of options on a swap, which, as Futures on a swap and Forwards on a swap, are aggregated with interest rate swaps of the same type. The proposal to add the contract type Option on a swap is made to ensure a consistent treatment in terms of transparency requirements with the futures/forwards on a swap.	Proposal maintained

#3 [Proposal #9 (freight derivatives) in Section 5.1.3.4.7.1]	General fields	Field 5	Contract type	Deletion of code 'FFAS' — Forward Freight Agreements (FFAs)	Remove the redundancy between "futures" and "FFAs"	Proposal maintained
#4	Emission Allowances related fields	Field 11	Emissions Allowances sub type	Addition of code 'OTHR' — Other	Allow the reporting of other emission allowance, if any, in line with emission allowance derivatives	
#5 [Proposal #10 (freight derivatives) in Section 5.1.3.4.7.1]	Freight derivatives	Field 12	Specification of the size related to the freight sub-type	Change format, no longer {ALPHANUM-25} but a list and in all cases the format is limited to a 4 alphanumeric characters	Set a standard list of terms to avoid free text field and increase data quality.	Proposal maintained
#6 [Proposal #10 (freight derivatives) in Section 5.1.3.4.7.1]	Freight derivatives	Field 13	Specific route or time charter average	Change format, no longer {ALPHANUM-25} but a list and in all cases the format is limited to a 6 alphanumeric characters	Set a standard list of terms to avoid free text field and increase data quality.	Proposal maintained

#7 [Proposal #1 (settlement location) in Section 5.1.3.4.7.1]	Energy derivatives	Field 14	Delivery/cash settlement location	Settlement location should be populated with (1) an EIC code for electricity and gas contract; (2) the value 'OTHR' in all other cases Change format, no longer {ALPHANUM-25}	Use an existing standard (EIC code) to avoid free text field and increase data quality.	Proposal maintained
#8 Proposal #3 (delivery period) in Section 5.1.3.4.7.1]	Energy derivatives	Field 15a	Duration of the delivery period	Add the duration of the delivery period as a new segmentation criterion for electricity and natural gas contracts	Allow the reporting of an additional characteristic of electricity and natural as contracts, to support a new segmentation criterion based on that field.	Postponed to the review of the transparency framework for commodity derivatives
#9	Interest rate derivatives	Field 16	Underlying type	Minor drafting changes.	Include the reporting for "Option on a swap" in line with ID change #2	Proposal maintained
#10	Interest rate derivatives	Field 18	Maturity date of the underlying bond	Minor drafting changes.		Proposal maintained

#11	Interest rate derivatives	Field 20	Notional currency of the swaption	Minor drafting changes.	Clarification.	Proposal maintained
#12	Interest rate derivatives	Field 21	Maturity of the underlying swap	Minor drafting changes.	Include the reporting for “Option on a swap” in line with ID change #2	Proposal maintained
#13	Interest rate derivatives	Field 22	Inflation index ISIN code / ISIN code of the underlying bond	Require the provision of the ultimate underlying for certain contract types.	Modifications made to collect the ultimate underlying bond for bond options, options on bond options and option on bond futures, so that those contracts having the same ultimate underlying bond can be aggregated in the same sub-class.	Proposal maintained. Concerns about the use of the ultimate underlying in the case of options on bond futures as the underlying of the future is a fictitious underlying that can be selected from a basket of very different bonds will be addressed in a Q&A.
#14	Interest rate derivatives	Field 25	IR of the contract, name changed to Term of the underlying interest rate	Drafting changes.	Clarification that this field refers to the term of the interest rate underlying the contract and not the tenor of the contract. Furthermore, the rule to be followed to populate this field is provided (the guidance is the same as in Q&A #22 of Section 4 Non-equity transparency.	Proposal maintained
#15	Contracts for	Field 29	Underlying type	Drafting changes for completeness purposes.	To include Forward on an equity.	Proposal maintained

	difference (CFDs)					

5.1.3.4 Segmentation criteria for the liquidity assessment (Annex III of RTS 2)

154. As mentioned above, in order to clarify the reference data used for the segmentation of the asset classes, references to the data fields in RTS 2 (Table 2 of Annex IV) and RTS 23 (Annex) used to segment the data into sub-asset or sub-classes were added. Since those changes are purely technical and, in general reflect the current system, they are retained in the final proposals.

155. More impactful proposals, which affect the definition of instruments, or the segmentation criteria used, are analysed in each sub-section below.

5.1.3.4.1 Segmentation criteria for bonds – Table 2.2 of Annex III

156. As far as bonds are concerned, the segmentation criterion used for the liquidity assessment of new bonds and the determination of the LIS and SSTI thresholds is the bond type.

157. In this context, ESMA clarified in Table 2.2 the definitions of the different bonds. Those amendments aim at classifying that, the bond characteristics/structure is the first element to consider (i.e. convertible and covered bonds). Only bonds that are not classified on this basis, are then classified based on their issuer, which can be a sovereign, a corporate or another public entity. To close the time gap until the revision of the RTS, a Q&A, in line with this recommendation, will be published shortly.

158. Furthermore, since Directive 2009/101/EC has been repealed, the reference has been replaced with Directive 2013/34/EU.

5.1.3.4.2 Segmentation criteria for securitised derivatives – Table 4.1 of Annex III

159. ESMA has provided some clarifications to the definitions of the instruments that should be classified as securitised derivatives:

- to avoid confusion with subscription rights or similar instruments whose underlying are commonly shares, the definition of negotiable rights has been refined to reflect only instruments whose underlying is a non-equity instrument;

- the definition of warrants has been added to ensure that equity warrants are always considered as securitised derivatives and not as shares as occurs in some countries;

- definition of plain vanilla covered warrants has been refined to clarify the difference with warrants.

5.1.3.4.3 Segmentation criteria for interest rate derivatives – Table 5.1 of Annex III

160. As far as interest rate derivatives are concerned, in addition to the identification of the fields used for the segmentation criteria, ESMA proposes changes to table 5.1 to take into account derivatives of derivatives contracts.

161. More specifically, all contracts in the same sub-asset class sharing the same segmentation criteria and in particular referencing the same underlying instrument should be aggregated. In practical terms, there are no changes compared to the current methodology already implemented in FITRS for the segmentation of the sub-classes, except for bond options where contracts shall now be aggregated on the basis of the ultimate underlying.

162. Despite some disagreement in the feedback to the consultation, it is ESMA's view that this change is necessary in order to align the methodology of the segmentation with similar sub-asset classes, otherwise, there would be unequal treatment with the bond futures, IR options and IR futures sub-asset classes. Indeed, also in the case of IR options, for the segmentation criterion 1 (underlying interest rate or underlying interest rate future or FRA) the corresponding field #24 of RTS 2 is used. As a result, options on IR futures are already currently aggregated with IR futures with the same underlying benchmark.

5.1.3.4.4 Segmentation criteria for equity derivatives – Table 6.1 of Annex III

163. As mentioned in the CP, ESMA has made IT change requests where necessary to use the ISIN of the underlying as first element for the segmentation or the name if the former is not available. This should allow better data quality in the results of the transparency calculations. Therefore, this proposal is maintained.

5.1.3.4.5 Segmentation criteria for credit derivatives – Table 9.2 and 9.3 of Annex III

164. Bespoke basket credit default swaps (CDS) are removed from Tables 9.2 and 9.3 in order to be consistent with Table 9.1 and to classify them as other credit derivatives considering their ad-hoc characteristics. This proposal is maintained.

165. Furthermore, the reference of the field used for the "Segmentation criterion 1 — underlying index" for Index CDSs has been corrected to RTS2#34.

5.1.3.4.6 Segmentation criteria for emission allowances – Table 12.1 of Annex III

166. As mentioned in section 5.1.3.3.1.2, the proposal to align the possibility to report other emission allowance in line with emission allowance derivatives is maintained. Therefore, tables 12.1 and 12.3 are modified accordingly (addition of the value "OTHR").

5.1.3.4.7 Segmentation criteria for commodity derivatives

167. Proposals related to the segmentation criteria applicable to commodity derivatives have been first introduced in the context of the MiFID II/ MiFIR review report on the transparency

regime for non-equity instruments (see section 4.2.1 of the related consultation paper [ESMA70-156-2189] and section 4.2.2 of the related final report [ESMA70-156-3329]).

168. In the CP on the review of RTS 1 and 2 (section 4.3.3.3.7), ESMA proposed 10 changes related to the segmentation criteria applicable to commodity derivatives and requested feedback in Question 35. The objectives of those changes were to increase the homogeneity of the commodity sub-classes, to remove redundancies, to ensure consistency with RTS 23 and/or to increase data quality.

169. In general, stakeholders supported the proposals made in the CP in relation to segmentation criteria except proposals #2 (on settlement location) and #6 (on the underlying energy for gas contracts). While stakeholders agreed with the other proposals, they provided some comments which are addressed in the following paragraphs.

Proposal #1 [settlement location] (section 4.3.3.3.7.1 of the CP)

170. ESMA proposed that the settlement location should be a segmentation criterion for gas (in addition to electricity) and reported with an industry standard which is already used for the purpose of EMIR (EIC code). All stakeholders supported this proposal, and no specific comments were provided.

171. This proposal impacts the way in which a pre-existing reference data field is populated in the case of electricity and natural gas contracts (change from free-text to a defined standard – EIC Code) but it does not impact the structure of the data to be provided by reporting entities to ESMA. In addition, many reporting entities are already using this standard to report their electricity and natural gas contracts. The use of reporting standard instead of a free-text field would therefore increase data quality at a minimum cost. Consequently, this proposal has been taken on board in the draft RTS 2 for the purpose of this final report.

Proposal #2 [settlement location] (section 4.3.3.3.7.1 of the CP)

172. ESMA suggested that the segmentation criterion “settlement location” should be a segmentation criterion only for gas and electricity contracts unless stakeholders are able to provide a standard to populate this field in the case of energy contracts different from electricity and natural gas. This proposal was supported by two main arguments: first, this field as it is currently reported (free-text field) creates data quality issues and leads to the existence of ad-hoc sub-classes, one for each variation of the way in which the settlement location is reported. Second, to ESMA’s knowledge, following the departure of the UK from the EU, there are no energy contracts other than electricity and gas available for trading on EU venues.

173. Against this proposal, stakeholders argued that maintaining the segmentation criterion “settlement location” for all energy contracts (beyond gas and electricity) would ensure that the RTS remains future-proof in case of subsequent market developments. They further argued that it should be possible to define reporting standards at a later stage, should those new contracts emerge.

174. However, stakeholders did not provide indications or justifications on why this segmentation criterion might become necessary in the future for other types of contracts. At this point in time, no reporting guidance could therefore be provided to reporting entities on the way in which they are expected to report the field “settlement location” for contracts which are not electricity or gas. This could lead to inconsistent reporting and to the artificial creation of sub-classes.

175. As a compromise, ESMA suggests maintaining the segmentation criterion “settlement location” for all energy contracts, and to require that in the case of contracts different from electricity and gas, the corresponding reference data field should be populated with a unique value (e.g. “OTHR” for other). This solution has three advantages: first, it avoids the artificial creation of sub-classes (all contracts different from electricity and gas have the same settlement location equal to “OTHR”). Second, it keeps open the possibility to populate the field in a different way in the future, as requested by stakeholders. Third, it avoids any change to the ESMA IT system.

176. To summarise, the changes made in the draft RTS 2 in relation to the settlement location (proposals #1 and #2) are as follows:

Legal reference	Current text	Proposed text
Table 7.1 of Annex III of RTS 2, sub-asset classes: “**Energy commodity futures/forwards”, “Energy commodity options” and “Energy commodity swaps”**	Segmentation criterion 5 [or 6] — delivery/cash settlement location applicable to energy types: oil, oil distillates, oil light ends, electricity, inter-energy	Segmentation criterion 5 [or 6] — delivery/cash settlement location applicable to all energy types
Field #14 in Table 2 of Annex IV of RTS 2 (reference data)	*Field name:* Delivery/cash settlement location *Detail to be reported:* To be populated when the base product specified in field 35 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to energy. *Format for reporting:* {ALPHANUM-25}	*Field name:* Delivery/cash settlement location *Detail to be reported:* To be populated when the base product specified in field 35 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to energy. *Format for reporting:* {EIC} when the sub product specified in field 36 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to electricity or natural gas. ‘OTHR’ otherwise

Proposal #3 [delivery period] (section 4.3.3.3.7.2 of the CP)

177. ESMA suggested the addition of the duration of the delivery period as a new segmentation criterion for electricity and natural gas contracts. To capture this attribute, a new reference data field should be added to the reference data table (Table 2 of Annex IV of RTS 2, new field #15a).

178. Stakeholders agreed with the proposal but several suggested that the addition of this new segmentation criterion should not be limited to electricity and gas contracts. Some further suggested to rename the segmentation criterion “contract term” and to standardise the reporting to specific values such as “monthly”, “yearly” etc.

179. This change consists in the creation of a new field (new reference data point, new segmentation criterion). Therefore, it has significant implications on the IT systems both for reporting entities and ESMA. Consistently with the two-step approach explained in the introduction of this report, it will hence be implemented at the same time as the broader review of RTS 2 following the MiFIR review. It has not been integrated in the draft RTS 2 for the purpose of this final report.

Proposal #4 [energy type] (section 4.3.3.3.7.3 of the CP)

180. For the energy sub-asset classes, the segmentation criterion 1 is defined in Table 7.1 of Annex III of RTS 2 as follows: Segmentation criterion 1 - energy type: oil, oil distillates, coal, oil light ends, natural gas, electricity, inter-energy.

181. This segmentation criterion is based on the commodity sub-product in RTS 23 (RTS23#36). ESMA highlighted in the CP that the list of energy types in RTS 2 did not include the term “Renewable energy”, although “Renewable energy” features on the list of commodity sub-products in RTS 23.

182. ESMA hence suggested in the CP the addition of the value “renewable energy” in RTS 2 to ensure an alignment with RTS 23. Without disagreeing with the proposal, several commented that it was unclear which contracts would be caught under the category “renewable energy” given that, in their opinion, solar power and wind power futures are C10 derivatives.

183. ESMA concurs with the stakeholders’ feedback that solar power and wind power futures should be classified under C10 because they are derivative contracts relating to climatic variables. However, there could be other types of derivative contracts for which the underlying commodity would be classified as “Renewable energy”.

184. To allow a further assessment of whether this change would be relevant, ESMA suggests not to take the proposal on board for the purpose of this final report, but to reconsider it in the context of the next review of RTS 2.

Proposal #5 [load type] (section 4.3.3.3.7.4 of the CP)

185. ESMA highlighted the existence of a redundancy between two segmentation criteria concerning the load type for electricity contracts: load type is covered by segmentation

criterion 4, but it is also covered by segmentation criterion 2. Indeed, segmentation criterion 2 (underlying energy) is built on the basis of RTS23#37 (further sub-product), and further sub-products for electricity refer to load types.

186. ESMA therefore proposed the deletion of the segmentation criterion “load type” for energy sub-asset classes. All stakeholders supported this proposal, and no specific comments were provided. Besides, the ESMA IT system is already configured to ignore the redundant segmentation criterion “load type” when building the electricity sub-classes. As a result, the deletion of this segmentation criterion from RTS 2 has no consequence on the reporting to ESMA nor on the ESMA IT systems and can be safely deleted from RTS 2 for the sake of good administrative order.

187. Consequently, this proposal has been taken on board in the draft RTS 2 for the purpose of this final report (Table 7.1 of Annex III of RTS 2, sub-asset classes: “Energy commodity futures/forwards”, “Energy commodity options” and “Energy commodity swaps”)

Proposal #6 [underlying energy for gas] (section 4.3.3.3.7.5 of the CP)

188. ESMA suggested that for energy sub asset-classes, the segmentation criterion “underlying energy” should not apply to natural gas. This proposal was supported by a known issue deriving from the way in which further sub-products are defined in RTS 23 for gas contracts (i.e. a list of the following values: GASPOOL, LNG, NBP, NCG and TTF). This static list creates two issues. First, sub-products listed in RTS 23 under natural gas correspond to a mix of two different attributes: (1) the delivery zone (GASPOOL, NBP, NCG and TTF); and (2) the transportation type (LNG for liquefied natural gas). This might create conflicts for example in the case of LNG contracts delivered at NBP. Second, the RTS 23 list of sub-products is missing an important number of possible delivery zones.

189. Rather than deleting the segmentation criterion “underlying energy” for natural gas altogether, stakeholders suggested to maintain it while at the same time amending the list of further sub-product for gas in RTS 23 as follows: natural gas, LNG and hydrogen.

190. ESMA concurs with the stakeholders’ view that the most sensible way forward would be to maintain the segmentation criterion “underlying energy” for all energy sub-classes, and to reconsider the list of possible values in RTS 23. Amendments to RTS 23 are not within the scope of this final report. However, ESMA should consider this proposal in the context of the review of RTS 23. The proposal #6 of the CP has not been taken on board in the draft RTS 2 for the purpose of this final report (the segmentation criterion “underlying energy” remains unchanged).

Proposal #7 [settlement type] (section 4.3.3.3.7.6 of the CP)

191. For commodity swaps, ESMA suggested aligning the segmentation criterion “settlement type” with RTS 23. All stakeholders supported this proposal, and no specific comments were provided.

192. This proposed change to RTS 2 does not impact the reporting to FITRS nor the ESMA IT systems. Consequently, it has been taken on board in the draft RTS 2 for the purpose of this final report.

193. In Table 7.1 of Annex III of RTS 2, for the sub-asset classes: “Energy commodity futures/forwards”, “Energy commodity options” and “Energy commodity swaps”, the following change is made:

Segmentation criterion 3 [or 4] — ~~**settlement**~~ **delivery** type defined as cash, physical or ~~**other**~~ **optional**

Proposal #8 [underlying agricultural commodity] (section 4.3.3.3.7.7 of the CP)

194. For agricultural sub asset-classes, ESMA proposed to split the segmentation criterion “underlying agricultural commodity” in two. This segmentation criterion is based on the concatenation of the commodity sub-product and further sub-product in RTS 23 (RTS23#36 and RTS23#37).

195. This change was proposed because using a single segmentation criterion to concatenate two different attributes was not aligned with the display used for the other commodity derivatives sub asset-classes, where one segmentation criterion is used for each level (one for the commodity sub-product and one for the commodity further sub-product). To ensure consistency within RTS 2, ESMA hence suggested splitting the segmentation criterion 1.

196. One stakeholder opposed this proposal because the creation of this additional “sub-segmentation” would introduce unnecessary work by becoming an anomaly in the RTS 2 taxonomy (i.e. the only sub-class with a segmentation ‘1a’).

197. As a compromise, ESMA suggests not to add a segmentation criteria 1a but to amend the wording of the existing segmentation criterion to make it explicit that both the sub-product and the further subproduct are used, as follows:

Segmentation criterion 1 (RTS23#36 and RTS23#37) — underlying agricultural commodity (sub-product and further sub product)

198. This change does not impact the reporting to FITRS nor does it modify the functioning of the ESMA IT system. Consequently, it is taken on board in the draft RTS 2 for the purpose of this final report.

Proposal #9 [freight derivatives] (section 4.3.3.3.7.8 of the CP)

199. For freight derivatives, the first segmentation criterion in RTS 2 refers to the contract type and is defined as follows: Segmentation criterion 1 — contract type: Forward Freight Agreements (FFAs) or options. ESMA noted in the CP that freight derivatives have also been reported to FITRS with a contract type (RTS2#5) equal to futures, and that those futures contracts represented a significant portion of the total freight derivatives in terms of volumes and number of transactions. Besides, as confirmed by stakeholders, the terms

“FFA” and “Futures” can be used interchangeably by market participants while referring to the same contracts.

200. As a result, ESMA proposed to amend the segmentation criterion “contract type” by leaving only two possible values (futures or options) hence removing the contract type “FFAs”. This would avoid breaking down identical contracts into different sub-classes. Stakeholders supported this proposal without further comments.

201. This proposed change to RTS 2 has limited impact on the reporting to FITRS and the ESMA IT systems because the contract type is already reported to FITRS. It merely restricts the list of values which can be reported as a contract type (deletion of the value “FFA”) Consequently, it is taken on board in the draft RTS 2 for the purpose of this final report.

202. To implement this change, two amendments to RTS 2 are introduced. First, the contract type “FFAs” is deleted from the list of possible values defined in the corresponding reference data field in Table 2 of Annex IV (Field #5 contract type). Second, the Segmentation criterion 1 applicable to freight derivatives (Table 7.1 of Annex III of RTS 2) is amended via the replacement of the value “FFA” with the value “futures”.

Segmentation criterion 1 — contract type**: ~~Forward Freight Agreements (FFAs)~~ futures or options**

Proposal #10 [freight derivatives] (section 4.3.3.3.7.8 of the CP)

203. The two segmentation criteria which are specific to freight derivatives (“specification of the size related to the freight sub-type” and “specific route or time charter average”) are based on the corresponding reference data fields defined in Table 2 of Annex IV of RTS 2 (RTS2#12 and RTS2#13). Currently, those two fields are reported as free text. To enhance data quality, ESMA proposed in the CP to specify the reporting of those two fields with a list of fixed terms.

204. Stakeholders generally supported this proposal but suggested to add the value “Other” to the list of possible values, for both segmentation criteria, to account for possible changes in the future. They also recommended that the list of routes or time charters is defined not only for wet freight but also for dry freight and provided the following list of possible values: 4TC, 5TC, 6TC, 10TC, C3, C5, C7, P1A, P2A, P3A, P1E, P2E, P3E and other.

205. ESMA agrees with the stakeholders’ suggestions to define the route or time charter average also in the case of dry freight. However, in relation to the stakeholders’ proposal to add the value “Other”, it is reminded that possible changes to the list in the future were already catered for in the draft CP. Instead of mandating the value “Other” in case the value is not available in the fixed list of values, it remains possible to input a free text of a given length. This solution offers more flexibility than the addition of the value “Other” where all new routes would be commingled under the same label “Other”.

206. The above changes to RTS 2 have a limited impact on the reporting to FITRS and the ESMA IT systems because both reference data fields are already reported to FITRS. The

changes merely define and restrict the list of values which can be reported in those two fields. Consequently, the proposal is taken on board in the draft RTS 2 for the purpose of this final report.

207. To implement those changes, the corresponding reference data fields in Table 2 of Annex IV (Field #12 and Field #13) are amended as shown below.

12	Specification of the size related to the freight sub-type	To be populated when the base product specified in field 35 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to freight.	For dry freight: 'CAPE' — Capesize 'PNMX' — Panamax 'SPMX' — Supramax 'HAND' — Handysize For wet freight: 'CLAN' — Clean 'DRTY' — Dirty {ALPHANUM-4} otherwise

13	Specific route or time charter average	To be populated when the base product specified in field 35 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to freight.	For wet freight: 'TD7' — TD7 'TD8' — TD8 'TD17' — TD17 'TD19' — TD19 'TD20' — TD20 'BLPG1' — BLPG1 'TD3C' — TD3C 'TC2' — TC2 'TC2_37' — TC2_37 'TD3' — TD3 'TC5' — TC5 'TC6' — TC6 'TC7' — TC7 'TC9' — TC9 'TC12' — TC12 'TC14' — TC14 'TC15' — TC15 For dry freight: '4TC' — 4TC '5TC' — 5TC '6TC' — 6TC '10TC' — 10TC 'C3' — C3 'C5' — C5 'C7' — C7 'P1A' — P1A 'P2A' — P2A 'P3A' — P3A 'P1E' — P1E 'P2E' — P2E 'P3E'— P3E {ALPHANUM-6} otherwise

208. In addition, stakeholders also agreed that the inconsistency between RTS 2 and RTS 23 related to the correct level of the value “Containerships” should be solved by amending RTS 23 as proposed in paragraph 437 of the CP i.e. as follows:

Base Product	**Sub Product**	**Further sub product**
‘FRGT’ – ‘Freight’	‘WETF’ – Wet	‘TNKR’ – Tankers
	‘DRYF’ – Dry	‘DBCR’ – Dry bulk carriers **‘CSHP’ – Containerships**
	~~**‘CSHP’ – Containerships**~~	

209. Amendments to RTS 23 are not within the scope of this final report. However, ESMA should consider this proposal in the context of the review of RTS 23.

5.1.3.4.7.1 Summary of the proposals related to segmentation criteria for commodity derivatives and impact

ID	Description	Outcome	Impact on reporting
Proposal #1 (settlement location)	Settlement location should be a segmentation criterion for gas (in addition to electricity) and reported with an EIC code.	Taken on board in this final report	Change to the content of an existing field
Proposal #2 (settlement location)	Settlement location should not be a segmentation criterion for energy other than gas and electricity	Taken on board in this final report with an adjustment (the segmentation criterion is maintained but has to be reported with a specific value)	Change to the content of an existing field
Proposal #3 (delivery period)	Add the duration of the delivery period as a new segmentation criterion for electricity and natural gas contracts	Postponed to the review of the transparency framework for commodity derivatives	New reference data field, new segmentation criterion
Proposal #4 (energy type)	Align wording of the list of energy types with RTS 23 (in particular add renewable energy)	Postponed to the review of the transparency framework for commodity derivatives	No change to reporting but change to the ESMA IT system
Proposal #5 (load type)	For energy sub-asset classes, delete the segmentation criterion “load type”	Taken on board in this final report	None
Proposal #6 (underlying energy for natural gas)	For energy sub asset-classes, the segmentation criterion “underlying energy” should not apply to natural gas	Not taken on board in this final report. The proposal is dismissed.	Not relevant
Proposal #7 (settlement type)	For commodity swaps, align the segmentation criterion “settlement type” with RTS 23	Taken on board in this final report	None
Proposal #8 (underlying agricultural commodity)	For agricultural sub asset-classes, split the segmentation criterion “underlying agricultural commodity” in two	Taken on board in this final report with an adjustment (the current segmentation criterion is not split in two but its content is clarified)	None
Proposal #9 (freight derivatives)	For freight derivatives, amend the values listed after segmentation criterion “contract type” and delete the contract type FFA from the reference data table.	Taken on board in this final report	Change to the content of an existing field

Proposal #10 (freight derivatives)	Define reporting standards for RTS2#12 “specification of the size related to the freight sub-type” and RTS2#13 “specific route or time charter average”.	Taken on board in this final report	Change to the content of an existing field

Table 1: Summary of the proposals on segmentation criteria for commodity derivatives and C10 derivatives

5.1.4 Quantitative data to be provided for the purpose of transparency calculations (Reporting to FITRS)

5.1.4.1 General approach and legal framework

210. In the CP it was proposed to add a new Annex V to RTS 2 aiming at clarifying the quantitative data to be collected for the purpose of the transparency calculations for non-equity instruments.

211. This new table largely mirrors the one provided in the reporting instructions for FITRS[17]. For the purpose of the performance of the transparency calculations, Article 22 of MiFIR, requires ESMA to develop draft RTS to specify the content and frequency of data requests and the formats and the timeframe in which trading venues, APAs and CTPs must respond to such requests, the type of data that must be stored, and the minimum period of time for which trading venues, APAs and CTPs must store data in order to be able to respond to such requests. In this context, Article 2 of CDR 2017/577 (RTS 3), specifies the content and formats of the data to be provided by trading venues, APAs and CTPs as per request of the CAs to perform the transparency calculations. More specifically, Article 2 of RTS 3 makes reference to RTS 2. In order to increase clarity and legal certainty to market participants, ESMA proposed in the CP to include the table used for the reporting instructions for FITRS in RTS 2.

212. The table to report quantitative data for the purpose of the transparency calculations (Reporting to FITRS) is in section 8.3.5. See section 3.3 for the necessary amendment of Article 13(5) of RTS 2 to reflect this additional table.

5.1.4.2 Feedback to the consultation

213. In general, stakeholders replying to the consultation were supportive of the proposal. However, a couple of recommendations were made:

- the need to specify how to carry out the conversion of the total volume, suggesting the use of the European Central Bank euro foreign exchange reference rate as of the preceding business day;

[17] Reporting Instructions, FIRDS Transparency System, here.

- the need to further clarify the reference to the flags to be used.

214. Stakeholders not supporting the proposal, questioned the justification for the proposal. This comment is addressed in the previous section, in which the legal basis is clarified.

5.1.4.3 ESMA's assessment and recommendations

215. Considering (i) the overall support to the proposal, and (ii) the fact that the table reflects the current market practice stakeholders are required to follow for the reporting to FITRS, the proposal is maintained. In line with RTS 1, the additional requirement to identify non-price forming transactions is not maintained due to the current MiFIR review and the additional implementations costs this would require. The volume measures in lots are no longer included in the proposal in light of the final proposal for commodity derivatives.

216. It is reminded that, after the introduction of this new Annex, the Reporting Instructions will still be available as they also contain further technical aspects related to the implementation of the reporting of the data necessary for the performance of the transparency calculations. Indeed, the below will be the minimum requirement of information to be provided, additional information might be necessary for technical reasons and those will be included in the Reporting Instruction.

217. The table below provides in red the changes compared to the reporting instructions for FITRS and in blue the modifications between the version included in the CP and the final proposal.

Table 2

Details of the data to be provided for the purpose of determining a liquid market, the LIS and SSTI thresholds for non-equity financial instruments

#	Field	Details to be reported	Type of execution or publication venue	Format and standards for reporting

1	Instrument identification code	Code used to identify the financial instrument	Regulated Market (RM) Multilateral Trading Facility (MTF) Organised Traded Facility (OTF) Approved Publication Arrangement (APA) Consolidated tape provider (CTP)	{ISIN}
2	~~Reporting~~ Execution date ~~day~~	Date ~~for which the data is provided~~ on which the trades are executed.	RM, MTF, OTF, APA, CTP	{DATEFORMAT}
3	~~Trading~~ Execution venue	Segment MIC of the EU trading venue or systematic internaliser, where available, otherwise operating ~~onal~~ MIC. Segment MIC of the systematic internaliser where available, otherwise the operating MIC. The MIC code XOFF for OTC transactions. For a given ISIN and ~~Reporting Day~~ execution date, APAs should sum all OTC trading activity for that instrument in a single record (ISIN, XOFF, execution date ~~Reporting Day~~).	RM, MTF, OTF, APA, CTP	{MIC} of the trading venue or systematic internaliser or 'XOFF'

4	Suspended instrument flag	Indicator of whether the instrument was suspended during the whole day for trading on the respective TV ~~/ APA~~ on the execution date ~~reporting day~~**.** ~~The suspension flag shall be populated with Y if the instrument is suspended during the whole trading day.~~ As a consequence, Fields 5 shall be reported with a value of zero.	RM, MTF, OTF	'TRUE' - if the instrument was suspended for the whole trading day or 'FALSE' – if the instrument was not suspended for the whole trading day
5	Total number of transactions	The total number of transactions executed on the execution date. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date. In all cases, the field has to be populated with a value greater than or equal to zero. For instruments that are suspended for the whole day, the field should have zero value.	RM, MTF, OTF, APA, CTP	{INTEGER-18}
~~6~~	~~Total volume in lots~~	~~The total volume executed on the execution date, expressed in lots~~ ~~Field applicable to commodity derivatives, freight derivatives, emission allowances and derivatives thereof~~	~~RM, MTF, OTF, APA, CTP~~	~~{INTEGER-10}~~

~~7~~ 6	Total volume	The total volume executed on the execution date. The volume shall be measured in accordance with Table 4 of Annex II of this Regulation. Monetary amounts shall be reported in Euros. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date.	RM, MTF, OTF, APA, CTP	{DECIMAL-18/5}
~~8~~	~~Notation of the volume~~	~~The unit in which field 7 (total volume) and field 11 (Total volume traded for that bin) are expressed~~ ~~For commodity derivatives, freight derivatives, emission allowances and derivatives on emission allowances, the unit in which the underlying instrument is expressed.~~ ~~For all the other instruments, the volume shall be reported in euros hence this field shall be populated with the value 'EUR'~~	~~RM, MTF, OTF, APA, CTP~~	~~'EUR' euros~~ ~~'TOCD' — **tonnes** of carbon dioxide equivalent, **for any contract related to emission allowances**~~ ~~**'TONE' — metric tonnes**~~ ~~**'MWHO' — megawatt hours**~~ ~~**'MBTU' — one million British thermal unit**~~ ~~**'THMS' — Therms**~~ ~~**'DAYS'— days**~~ ~~Or~~ ~~{ALPHANUM-**4**}~~ ~~otherwise~~

~~9~~ 7	"Size of transaction" bin range	This field shall be populated with the values as provided in Tables 3 and 4 of this Annex. The size of transaction bin range as defined: in Table 4 of this Annex for ~~commodity derivatives, freight derivatives,~~ emission allowances and derivatives thereof; In Table 3 of this Annex for the other instruments. For instruments that are suspended for the whole day, data related to this field and to fields ~~10~~ 8 and ~~11~~ 9 shall not be reported.	RM, MTF, OTF, APA, CTP	{ALPHANUM - -140}
~~10~~ 8	Total number of transactions executed for that bin	Total number of transactions executed on the execution date which size lies in the bin's range. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date.	RM, MTF, OTF, APA, CTP	{INTEGER-18}

~~11~~ 9	Total volume traded for that bin	Total volume traded represented by all transactions executed on the reporting day which size lies in the bin's range. The volume shall be measured in accordance with Table 4 of Annex II of this Regulation. Monetary amounts shall be reported in Euros. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date.	RM, MTF, OTF, APA, CTP	{DECIMAL-18/5}
~~12~~	~~Non-price forming transactions flag~~	~~Indicator of whether for off-venue transactions (XOFF), Fields 5, 6, 7, 10 and 11 for the instrument are related to (BENC) benchmark transactions.~~ ~~Indicator of whether transactions executed on venue, Fields 5, 6, 7, 10 and 11 for the instrument are related to (BENC) benchmark transactions or (NPFT) non-price forming transactions.~~	~~RM, MTF, OTF, APA, CTP~~	~~'BENC' - in case of benchmark transactions~~ ~~'NPFT' - in case of other non-price forming transactions~~ ~~empty otherwise~~

6 Flags (Table 3 of Annex II of RTS 2)

218. Table 2 of Annex II of RTS 2 specifies flags for identifying different types of transactions, thereby aiming at informing market participants and regulators of specific characteristics of transactions. According to Articles 11(4)(a) and 21(5)(a) of MiFIR the flags aim at providing information on the details of a transactions concluded, including 'distinguishing between those [transactions] determined by factors linked primarily to the valuation of the financial instruments and those determined by other factors'. Furthermore, according to Article 21(5)(b) of MiFIR, ESMA may specify the application of post-trade transparency obligations 'to transactions involving the use of those financial instruments for collateral lending or other

purposes where the exchange of financial instruments is determined by factors other than the current market valuation of the financial instrument.'

219. Table 2 of Annex II of RTS 2 specifies the name of the flags and their description, including the circumstances when the flags should be used, the symbols to be used and the type of execution venue (RM, MTF, OTF) or publication venue (APA, CTP) to which the obligation for flagging a type of transactions, where the transaction meets the circumstances described, apply.

220. Broadly speaking, RTS 2 currently provides for 5 types of flags:

- Flags used to signal that a transaction has been amended or cancelled (CANC, AMND);
- Flags to identify transactions that are non-price forming and/or where the price has been determined based on factors other than the market price (BENC, NPFT);
- Flags linked to deferred publication of transactions (LRGS, SIZE, ILQD);
- Other flags introduced either due to regulatory requirements (ALGO), or to identify transactions with multiple components (XFPH, TPAC) or for other purposes (ACTX); and
- Flags for the supplementary deferrals under Article 11(3) of MiFIR as further specified in Article 11 of RTS 2 (e.g. LMTF, FULF).

221. ESMA issued via Q&As guidance on the application of flags[18], explaining in particular that flags should only be applied in case the circumstances described are met and that, where none of the specified circumstances apply, the transaction should be published without a flag. Moreover, ESMA provided guidance on which flags are mutually exclusive and which flags can be combined with other flags as well as on the use of the supplementary deferral flags.

222. Nevertheless, since the application of MiFID II ESMA has noted that a number of issues with flags persist, thereby undermining the quality and usability of transactions published, in particular for OTC-transactions.

223. In view of these observations, ESMA proposed in its CP to review the complete set of flags with the objective of ensuring that flags are applied in a consistent manner across the Union by all market participants, thereby delivering meaningful and accurate information about important characteristics of different types of transactions to market participants and regulators. In the CP, ESMA suggested deleting one flag, amending a number of flags and introducing very few additional flags in RTS 2. ESMA also suggested requiring the publication of flags in a prescribed order. ESMA proposed to review the supplementary

[18] See Q&A 2a of section 2 of the Q&As on MiFID II transparency topics, here.

deferral flags only when there would be certainty on the future (supplementary) deferral regime, i.e. after the ongoing MiFIR review.

224. As with RTS 1, the general topic of providing clarity on non-price forming transactions has been deemed a priority, for its potential to improve data quality in the context of establishing a CTP. However, contrary to RTS 1, no changes were deemed necessary for RTS 2 regarding the flagging of non-price forming transactions, as after careful consideration the regime in respect of non-equity was judged appropriate.

225. This final report only contains limited amendments to the list of flags included in the Table 3 of Annex II of RTS 2 (see section on non-price forming transactions) and the main review of the flags for RTS 2 will be included in the second review following the MiFIR review.

6.1.1 Deletion of ACTX flag

6.1.1.1 Proposal in the CP

226. RTS 2 provides for an agency cross transaction flag (ACTX) to be used for OTC-transactions where an investment firm has brought together clients' orders with the purchase and the sale conducted as one transaction and involving the same volume and price.

227. As ESMA illustrated in the CP, the use of the flag is limited to OTC-trading that is not done by systematic internalisers, given that under MiFID II systematic internalisers are not allowed to perform matched principal trading on a regular basis. Moreover, since Article 23(2) of MiFIR requires firms that operate an internal matching system to be authorised as an MTF, the practical use case of the ACTX flag appears limited. Hence ESMA suggested deleting the ACTX flag.

6.1.1.2 Feedback from the consultation

228. Following the consultation, it emerged that ESMA's proposal was rather controversial, with market participants divided into those who were in favour of the deletion of the ACTX flag and those who did not support the removal.

6.1.1.3 ESMA's assessment and next steps

229. In line with the general approach explained above, ESMA decided to not delete the ACTX flag at this stage and will further consider the views from stakeholders in its second review of RTS 2.

6.1.2 Amendment of deferral flags

6.1.2.1 Proposal in the CP

230. In view of ESMA's general approach to limit the number of flags in order to streamline the use of flags across market participants and improve the quality of post-trade transparency data, ESMA proposed in the CP to merge the current non-equity deferral flags, i.e. the LIS deferral, the illiquid deferral and the SSTI deferral, into one general deferral flag (DEFR).

231. ESMA noted that it would not seem necessary to distinguish between the three different types of non-equity deferrals. Mainly the information that the publication is deferred would be of importance. Moreover, ESMA observed that these deferral flags have been used inconsistently and have often been used to flag transactions executed on the basis of orders that benefitted from a waiver. For ESMA, merging the flags into one clear deferral flag could alleviate such issues. ESMA invited stakeholders to comment on this proposal.

6.1.2.2 Feedback from the consultation

232. Views on whether to merge the current non-equity deferral flags into one deferral flag were split. Those who were in favour mentioned that it would be a welcome simplification and that the consolidation of the three deferral flags is important to have a sound basis for a meaningful discussion on the future reform of the deferral regime. It was noted that this change would require a change to the FIX MMT standard and system changes at trading venues and APAs. A few respondents agreed but questioned whether an amendment should be done at this point in time, before the Commission review proposal.

233. Those who disagreed, representing a slight majority, mainly cautioned against any changes to deferral flags until changes to the regime are finalised on Level 1. Some respondents stated that a removal of the currently existing non-equity deferral flags would deprive market participants from valuable post-trade information, as these flags indicate which deferral applies. They noted that it is important to distinguish between size-based and liquidity-based deferrals, and that clearly disclosing to the market that a large transaction has been executed provides important transparency that levels the playing field and helps market participants better understand current liquidity conditions. If these large transactions were to be identified with the same flag as transactions receiving a liquidity-based deferral (which could be of any size), there would be no way for market participants to identify when a large trade has been executed.

6.1.2.3 ESMA's assessment and next steps

234. In line with the general approach explained above, ESMA decided to not amend the deferral flags at this stage and will further consider the views from stakeholders in its second review of RTS 2.

6.1.3 Amendment of non-price forming transactions

6.1.3.1 Proposal in the CP

235. In the CP, ESMA considered that the flagging regime of non-price forming transactions with respect to non-equity financial instruments was appropriate and therefore proposed no changes to current rules.

236. In practice, this means that non-price forming transactions, as defined under Article 12 of RTS 2, should continue to be flagged with the NPFT flag when executed on a trading venue. The same transactions are exempted from pre-trade transparency when executed OTC by virtue of Article 12 of RTS 2.

237. To recall, this discrepancy between the transparency regime applicable to non-price forming transactions when executed OTC or on-venue is due to the specific mandates that ESMA received which did not allow ESMA to carve out these transactions from the scope of the MiFIR transparency regime when executed on a trading venue. ESMA therefore introduced a flag for market participants to easily identify them.

238. In the CP, ESMA also proposed some limited changes to further align the description of flags between RTS 1 and RTS 2 (BENC flag) and, hence, improve consistent use of these flags. ESMA also proposed to amend the definition of NPFT to make sure that it is not used for OTC trading (since, as prescribed under Article 12 of RTS 2, non-price forming transactions should not be reported in the first place).

6.1.3.2 Feedback from the consultation

239. Views were mixed regarding the ESMA proposal not to change flags for non-equity non-price forming transactions. Amongst those that disagreed, the main comment made concerned portfolio trades. Respondents explained that there are transactions in non-equity instruments which are made of a bundle of trades but do not comply with the specific definition of package transactions and the so-called “mefroc” criteria[19] in particular. They explained that in such case, the price of the individual trades does not necessarily reflect the market price and therefore can be confusing to market participants if published without appropriate flags.

240. In order to improve the reporting of these trades, these respondents suggested to either introduce a new PORT flag for non-equity instruments (majority of respondents) or to allow the use of the TPAC flags for these portfolio trades (only one respondent).

241. Finally, respondents also stressed the importance of appropriately flagging intra-groups transactions.

[19] The “mefroc” criteria relates to one of conditions stipulated in the definition of package transactions, i.e. that “each component of the transaction bears meaningful economic or financial risk related to all the other components” (Article 1(1)(b)(ii) of RTS 2).

6.1.3.3 ESMA's assessment and next steps

242. ESMA notes that the respondents unanimously agreed to maintain the current NPFT flag. The only issue raised was whether this flag should be complemented by a new flag for portfolio transactions (PORT flag) or, more generally, by a new obligation to flag these portfolio transactions.

243. ESMA regrets though that the respondents did not provide a tentative definition of these portfolio trades or more examples on specific situations and transactions the proposed PORT flag would need to cover. In the absence of such information, it is difficult for ESMA to establish concrete rules. For this reason, ESMA will not include this suggestion into its final set of proposals. ESMA remains however ready to further look into this proposal should more input be provided by the concerned stakeholders.

244. Regarding intra-group transactions, as explained in the final report on the review of RTS 1, this issue had already been brought to ESMA's attention by certain market participants. ESMA agrees that it is not always clear whether and under which circumstances these transactions should be subject to the MiFIR transparency regime. However, considering the legal uncertainty around the regime applicable to intra-group transactions[20], it does not appear appropriate to add a specific flag for these transactions at this stage. This should however not preclude industry-led initiatives to develop flags or other appropriate identification methods to complement the information required under RTS 1 and RTS 2 if and where considered necessary. ESMA welcomes in particular initiatives that are developed collaboratively, involving a broad range of market participants as it is for instance the case for the Market Model Typology (MMT) initiative developed by FIX Trading Community.

245. As noted in the CP, there are other transactions which can be considered "non-price forming". This is typically the case of benchmarks transactions which already benefit from a dedicated flag. This is also, to a certain extent, the case of transactions executed as part of a package transaction and where the price of each individual transactions composing the package might be representative of the market price. Those transactions also currently benefit from a dedicated flag (i.e. TPAC). Similar to the approach adopted for RTS 1, ESMA considers that these two flags (BENC and TPAC flags) should not be used in combination with the NPFT flag. This clarification will however be integrated with the more general ESMA guidance on post-trade transparency issues, including flags.

246. Finally, ESMA will proceed with the proposed amendments to the descriptions of the BENC and NPFT flags.

[20] Please also see the Q&A that was sent to the European Commission, here.

6.1.4 Addition of pre-trade waiver flags

6.1.4.1 Proposal in the CP

247. There are currently no transparency flags in the non-equity sphere to indicate that a transaction was executed on the basis of orders benefitting from a LIS, SSTI or illiquid waiver. Nevertheless, at the same time ESMA has also observed while reviewing waiver opinions that the LRGS or ILQD deferral flags are often used to indicate that the transaction benefitted from a waiver. In order to solve for this inconsistency, ESMA hence proposed in the CP to fill the current existing gap by introducing a dedicated waiver flag.

248. ESMA proposed to add one general waiver flag (WAIV) to be used across non-equity transactions benefiting from these waivers (i.e. transactions for which at least one of the two orders benefitted from a pre-trade transparency waiver). To counter the risk that there may be some information leakage for partially filled LIS orders, it was proposed to limit the flag to only completely filled LIS orders, in addition to orders benefitting from an SSTI or illiquid waiver.

6.1.4.2 Feedback from the consultation

249. The proposal by ESMA to introduce a general waiver flag for non-equity transactions benefitting from a waiver received limited support. Of those in favour, some respondents nevertheless suggested for the flag not to be limited to partial fills (and hence contrary to the proposal in the CP). Others noted that a new waiver flag should only be introduced if it will be also published by the consolidated tape.

250. A majority of stakeholders was against the proposal, citing a range of reasons, including that:

- ESMA should await the changes in Level 1, as they may impact the regime materially;
- ESMA should rather enforce compliance with currently existing flags;
- the flag does not provide any additional information needed for market participants.

6.1.4.3 ESMA’s assessment and next steps

251. In line with the general approach explained above, ESMA decided to not add pre-trade waiver flags at this stage and will further consider the views from stakeholders in its second review of RTS 2

6.1.5 Addition of pre-arranged transaction flag

6.1.5.1 Proposal in the CP

252. In the CP, ESMA suggested introducing a specific flag for the subset of pre-arranged transactions. While MiFIR does not have specific provisions for negotiated or pre-arranged transactions for non-equity instruments, it is nevertheless possible to formalise such transactions on a trading venue subject to meeting the conditions for the respective waivers from pre-trade transparency set out in Article 9(1) of MiFIR. This is further clarified by Q&A 11 in the ESMA Q&A on transparency issues[21] on whether pre-arranged or "negotiated" transactions are permitted for transactions in non-equity instruments.

253. A flag for pre-arranged transactions that are formalised on trading venues (NTTR) would allow to identify the use of these types of transactions, for both NCAs and market participants. ESMA therefore invited stakeholders to comment on whether they also considered that adding such a new flag in RTS 2 would add value.

6.1.5.2 Feedback from the consultation

254. A large majority of respondents did not agree with ESMA's proposal to introduce a flag for pre-arranged non-equity transactions. According to some of them, market participants and NCAs would already be able to identify such pre-arranged transactions formalised on trading venues, in real-time through market data feeds of exchanges. Furthermore, these respondents noted that the introduction of a flag for pre-arranged non-equity transactions would not add any value, nor would it justify the extent of operational efforts and costs associated with implementing such a change. Lastly, two of the respondents highlighted the need to wait for the refit of MiFID II/MiFIR before amending RTS 2.

255. On the other hand, there were a couple of respondents who strongly supported ESMA's proposal. These respondents mentioned that market participants do not have the information to distinguish between transactions negotiated on trading venues versus bilaterally negotiated transactions. It was highlighted that introducing a flag for pre-arranged transactions would be valuable for regulators to understand the percentage of pre-arranged transactions, for instance in relation to derivatives subject to the DTO. Moreover, it was mentioned that it would be beneficial for ESMA to distinguish between pre-arranged transactions and order book transactions in relation to the illiquid and LIS waivers (and to calculate the illiquid and LIS waiver thresholds). Lastly, the link was made with the recent ESMA Review Report[22] on OTFs, in particular the discussion on the multilateral perimeter and the further thematic review.

[21] Questions and Answers On MiFID II and MiFIR transparency topics, here.
[22] ESMA70-156-4225 MiFID II Review Report MiFID II review report on the functioning of Organised Trading Facilities (OTF) from 23 March 2021, here.

6.1.5.3 ESMA's assessment and next steps

256. In line with the general approach explained above, ESMA decided to not add a pre-arranged transaction flag at this stage and will further consider the views from stakeholders in its second review of RTS 2

257. ESMA will also take into account its follow-up work on pre-arranged transactions conducted in the context of the ESMA Opinion[23] on the trading venue perimeter to consider whether a flag should be introduced.

6.1.6 Order of flags

6.1.6.1 Proposal in the CP

258. Similar to the proposal made in the CP for RTS 1, ESMA suggested prescribing a similar reporting logic for the population of flags in RTS 2. ESMA's proposal was largely based on the current approach in the FIX MMT standard. However, since ESMA contextually proposed to delete and add certain flags, the proposal illustrated in the CP could not fully match the current FIX MMT approach.

6.1.6.2 Feedback received to the CP

259. Stakeholders expressed mixed views on the proposal to align the order of the population of flags with the current approach in the FIX MMT standard. Many respondents agreed with the logic behind the proposal, especially in light of the development of the CTP, but believed that this change would require a significant re-engineering effort across the market data value chain with important costs. Respondents supporting the proposal to prescribe an order also argued that it should be consistent with current market practice, particularly as enshrined in the MMT model. In this context, stakeholders noted that the proposed order appears to be taking some design principles from FIX MMT while making some key structural changes that would render ESMA's proposals incompatible with FIX MMT without substantial changes to the latter.

260. Many stakeholders expressed disagreement with ESMA's proposal as they believed that rigid provisions would be potentially very disruptive in terms of data structure and data format (significant re-engineering), with little or no added value to post-trade transparency quality.

6.1.6.3 ESMA's assessment and next steps

261. In line with the general approach explained above, ESMA decided to not amend the order of flags at this stage and will further consider the views from stakeholders in its second

[23] ESMA70-156-4978 Consultation Paper On ESMA's Opinion on the trading venue perimeter from 28 January 2022, here.

review of RTS 2. ESMA will also investigate the concerns on any possible inconsistencies with FIX MMT standards in its second review of RTS 2.

7 Implementation and timing issues

7.1 Proposals in the CP

262. Some of the proposals made in the CP significantly departed from the current requirements under RTS 2. Indeed, the proposed changes would affect the way in which reporting entities perform their reporting to FITRS. The proposed changes would also require ESMA to adapt its systems accordingly, and implement new methodologies to determine liquid instruments and calculate the LIS and SSTI thresholds for commodity derivatives, C10 derivatives, EA and DEA.

263. Therefore, ESMA suggested that a minimum implementation period of 6 months should be provided, between the publication in the Official Journal of the European Union (OJ) of the amendments to RTS 1 and 2, and the date of application, concerning the following changes:

- Amendments concerning the reporting of reference data to FITRS (Annex IV of RTS 2);
- Amendments concerning the liquidity assessment, LIS and SSTI thresholds for commodity derivatives, C10 derivatives, EA and DEA: the relevant sections of amended Article 13 of RTS 2, and the relevant amended tables in Annex III of RTS 2.

264. In addition, given that the transparency calculations are performed with data covering one calendar year, ESMA suggested that reporting entities start reporting under the new format on 1 January of a given year. ESMA acknowledged that this proposal could create a delay in the application of the new regime, which may be detrimental to the objectives pursued.

265. Indeed, if the amended RTS were to be published in the OJ in the first half 2022, the date of application would have been 1 January 2023 and the first publication by ESMA of the transparency calculations under the new regime would have taken place in 2024, based on 2023 data. If the amended RTS were to be published in the OJ in the second half of 2022, the date of application would be 1 January 2024 (to respect the minimum 6 months implementation period) delaying the above calendar by one year.

266. ESMA requested feedback from stakeholders on this proposal in Question 42.

7.2 Feedback received

267. Many stakeholders commented that the proposed implementation period (6 months in the CP) was too short and proposed instead an implementation period of 9 to 18 months, with 12 months being considered by most as the minimum. To support this proposal, stakeholders mentioned that they would expect the final proposals regarding RTS 1 and RTS 2 to become available by late Q1 2022, and that the implementation work (impact

analysis, specifications updates, IT developments) would only start once the final provisions are published in the OJ.

268. As acknowledged by ESMA, respondents reiterated that some of the recommendations set out in the CP would trigger substantial IT compliance efforts. Beyond APAs and trading venues, which are the ones primarily affected by the proposed changes, the new requirements would also impact other market participants, such as investment firms. Existing data subscribers would also have to update their systems to consume new fields, field values, and field formats. All of the above supported the call for a longer implementation timeframe.

269. Many stakeholders urged ESMA to consider the upcoming review of MiFID II and MiFIR undertaken by the Commission. They considered that any changes proposed by ESMA could be premature and run the risk of being overhauled by the upcoming changes to the Level 1. In their opinion, ESMA should carefully frame the timing of the RTS 1 and 2 review to ensure that temporary or midterm solutions are avoided.

270. However, some stakeholders identified areas for which a quicker implementation period would be beneficial: the proposals on flags and the proposals on commodity derivatives.

271. Several commodity trading venues argued that the changes related to the liquidity determination and transparency calculations applicable to commodity derivatives should become effective earlier, due to the criticality of the issues posed by the current system. Several indicated their preference for the adoption of an interim solution, pending the finalization of the legislative process.

272. Going against the consensus, a few respondents mentioned that all changes should become applicable on the same date to avoid unnecessary complexity.

273. Finally, a few stakeholders opposed ESMA's proposal that reporting entities start reporting under the new format on 1 January of a given year. In their opinion, the date January 1 of each year poses problems because of end-of-year work and the IT freeze period.

7.3 ESMA's assessment and next steps

274. ESMA has reconsidered the proposals regarding the implementation period in light of the two-step approach envisaged for the review of RTS 2. The proposals which have been taken on board in the fast-track review of RTS 2 (i.e. the ones in the scope of this final report) have a limited impact on the reporting systems and are not expected to require significant IT changes both on the side of reporting entities and ESMA.

275. In addition, one of the objectives of splitting the review of RTS 2 in two is to allow a swift implementation of the proposals which received broad support from stakeholders and which are considered important in the context of establishing a CTP.

276. As a result, ESMA considers it appropriate to abstain from adding an ad-hoc time period to implement the proposals in scope of the final report, to ensure that they become effective without delay. The need for an implementation period concerning changes that will be considered for the subsequent review of RTS 2 following the MiFIR review will be assessed when working on that subsequent review.

8 Annexes

8.1 Annex I Legislative mandate to develop technical standards

Article 9(5) of MiFIR

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

(a) the parameters and methods for calculating the threshold of liquidity referred to in paragraph 4 in relation to the financial instrument. The parameters and methods for Member States to calculate the threshold shall be set in such a way that when the threshold is reached, it represents a significant decline in liquidity across all venues within the Union for the financial instrument concerned based on the criteria used under Article 2(1)(17);

(b) the range of bid and offer prices or quotes and the depth of trading interests at those prices, or indicative pre-trade bid and offer prices which are close to the price of the trading interest, to be made public for each class of financial instrument concerned in accordance with Article 8(1) and (4), taking into account the necessary calibration for different types of trading systems as referred to in Article 8(2);

(c) the size of orders that are large in scale and the type and the minimum size of orders held in an order management facility pending disclosure for which pre-trade disclosure may be waived under paragraph 1 for each class of financial instrument concerned;

(d) the size specific to the financial instrument referred to in paragraph 1(b) and the definition of request-for-quote and voice trading systems for which pre-trade disclosure may be waived under paragraph 1;

When determining the size specific to the financial instrument that would expose liquidity providers to undue risk and takes into account whether the relevant market participants are retail or wholesale investors, in accordance with paragraph 1(b), ESMA shall take the following factors into account:

(i) whether, at such sizes, liquidity providers would be able to hedge their risks;

(ii) where a market in the financial instrument, or a class of financial instruments, consists in part of retail investors, the average value of transactions undertaken by those investors;

(e) the financial instruments or the classes of financial instruments for which there is not a liquid market where pre-trade disclosure may be waived under paragraph 1.

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

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.

Article 11(4) of MiFIR

4. ESMA shall develop draft regulatory technical standards to specify the following in such a way as to enable the publication of information required under Article 64 of Directive 2014/65/EU:

(a) the details of transactions that investment firms, including systematic internalisers, and market operators and investment firms operating a trading venue shall make available to the public for each class of financial instrument concerned in accordance with Article 10(1), including identifiers for the different types of transactions published under Article 10(1) and Article 21(1), distinguishing between those determined by factors linked primarily to the valuation of the financial instruments and those determined by other factors;

(b) the time limit that would be deemed in compliance with the obligation to publish as close to real time as possible including when trades are executed outside ordinary trading hours;

(c) the conditions for authorising investment firms, including systematic internalisers, and market operators and investment firms operating a trading venue, to provide for deferred publication of the details of transactions for each class of financial instrument concerned in accordance with paragraph 1 of this Article and with Article 21(4);

(d) the criteria to be applied when determining the size or type of a transaction for which deferred publication and publication of limited details of a transaction, or publication of details of several transactions in an aggregated form, or omission of the publication of the volume of a transaction with particular reference to allowing an extended length of time of deferral for certain financial instruments depending on their liquidity, is allowed under paragraph 3.

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

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.

Article 21(5) of MiFIR

5. ESMA shall develop draft regulatory technical standards in such a way as to enable the publication of information required under Article 64 of Directive 2014/65/EU to specify the following:

(a) the identifiers for the different types of transactions published in accordance with this Article, distinguishing between those determined by factors linked primarily to the valuation of the financial instruments and those determined by other factors;

(b) the application of the obligation under paragraph 1 to transactions involving the use of those financial instruments for collateral, lending or other purposes where the exchange of financial instruments is determined by factors other than the current market valuation of the financial instrument;

(c) the party to a transaction that has to make the transaction public in accordance with paragraph 1 if both parties to the transaction are investment firms.

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

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.

Article 22(3) of MiFIR

3. ESMA shall develop draft regulatory technical standards to specify the content and frequency of data requests and the formats and the timeframe in which trading venues, APAs and CTPs are to respond to data requests referred to in paragraph 1, the type of data that is to be stored, and the minimum period for which trading venues, APAs and CTPs are to store data in order to be able to respond to data requests in accordance with paragraph 2.

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

8.2 Annex II Cost-benefit analysis

Introduction

This section provides a cost-benefit analysis (CBA) of the draft RTS 2. The amendments to RTS 2 that ESMA has decided to bring forward at this stage are minor and non-substantial changes, representing adjustments aimed at improving the existing regime without incurring significant costs for stakeholders.

Considering that the consultation on the RTS 2 review precedes the MiFIR review, ESMA opted to postpone certain critical changes, such as to flags and commodity derivatives, that could be impacted by MiFIR Review, to a second review in order to avoid the duplication of implementation costs.

Moreover, ESMA notes that the questions raised in the CP inviting stakeholders to identify costs and benefits associated with the proposed amendments and not already covered by ESMA did not attract any answer. This CBA remains therefore of a mainly qualitative nature.

The stakeholders identified are: NCAs and financial entities (investment firms, TVs, APAs, SIs, data providers).

The costs that the stakeholders will have to bear are expected to be minor and mainly concern the adaptation of the existing IT systems to the reviewed requirements.

ESMA provides below a detailed analysis of the costs and benefits that could arise from the provisions in draft RTS 2 that are new or amended compared to the current RTS 2.

Non-addressable liquidity and non-price forming trades

Policy Objective	To provide a simplification and harmonisation of the legal text, providing more clarity and consistency on non-price forming transactions, including removing existing overlapping of concepts.
Technical Proposal	To streamline the approach on non-price forming transactions in 2, namely by: (i) using more consistently Article 2(5) of RTS 22 as a central point of reference and (ii) removing existing overlaps. The proposal mirrors the approach for Article 13 of RTS 1 by deleting letters (b)-(d) of Article 12 of RTS 2. The proposal is also reflected in changes to the flagging of non-price forming transactions (see under VII).
Benefits	This proposal will ensure more consistency regarding the overall treatment of non-price forming transactions, remove possible usage of different terminology to refer to the same type of non-price

	forming transaction and, hence, contribute to higher quality post-trade data.
Cost to regulator: - *One-off* - *On-going*	None identified
Compliance cost: - *One-off* - *On-going*	Market participants (investment firms, APAs, trading venues) will have some one-off cost for adjusting the reporting of non-price forming transactions in light of the amendments in RTS 1 and 2.
Cost to other stakeholders	None identified
Indirect costs	None identified

Date of application of transparency calculations (Article 13 of RTS 2)

Policy Objective	To ensure further harmonisation on the application of the transparency calculations and to limit the operational impact for all market participants involved. The aim is to agree on a process that runs as smoothly as possible whilst maintaining relatively unchanged the timelines envisage in RTS 2.
Technical Proposal	The proposal for Article 13 of RTS 2 mirrors the approach suggested for RTS 1 while taking into account the different timeline for the publication and application of the results. Therefore, the application of transparency calculations for non-equity instruments should start on the first Monday of June until the day before the first Monday of June of the subsequent year. For the liquidity determination of bond instruments, ESMA proposes to require competent authorities to ensure the publication of the calculations on a quarterly basis, on the first Monday of February, May, August and November. Furthermore, ESMA proposes that that the date of application should start on the third Monday of the month until the next period applies.

Benefits	These amendments provide further standardisation on the date of the application of transparency calculations and the process is operationally easier to implement for all market participants by ensuring that the calculations start applying at the beginning of the week.
Cost to regulator: - *One-off* - *On-going*	This will require a change in the ESMA IT system, with respect to the computation of date of application, and maybe to the automatic scheduling of the calculations. It will also require updates to the download instructions, which means an impact on the users of the data.
Compliance cost: - *One-off* - *On-going*	This will require a change in the IT system, with respect to the computation of date of application (one-off costs)
Cost to other stakeholders	The change will require updates to the download instructions, which means an impact on the users of the data (one-off costs). The proposed date for the new transparency calculations would fall close to the expiry of derivative contracts and could potentially affect the regular roll-over of derivatives contract's maturities.
Indirect costs	None identified

Reporting fields

Policy Objective	Providing more clarity on the trading information to be reported both to the public and to FITRS, with the ultimate goal of improving data quality and data aggregation.
Technical Proposal	It covers two dimensions: (i) the fields to be populated for the purpose of post-trade transparency by trading venues and APAs, (ii) the reference data and the quantitative data to be provided for the performance of the transparency calculations. With reference to (i), the proposal is to amend the details to be published as provided in Table 1 and 2 of Annex II of RTS 2 as well as impose the order and the name of the fields to be used in the publication of the post-trade reports.

	With reference to (ii), the proposal is to clarify the quantitative data to be collected for the purpose of the transparency calculations for non-equity instruments.
Benefits	The proposals provide clarity and harmonization on the information to be reported according to different legal texts for the purpose of post-trade transparency and for the performance of the transparency calculations.
Cost to regulator: - *One-off* - *On-going*	NCAs may incur one-off IT costs to adjust to the amendments to the reference data fields and the new reporting of quantitative data. Besides the financial costs, the implementation of the changes might require some time for the industry to adapt. Though limited, some additional reporting complexity should be acknowledged.
Compliance cost: - *One-off* - *On-going*	Reporting entities may incur one-off IT compliance costs to adjust the reporting fields.
Cost to other stakeholders	None identified
Indirect costs	None identified

Commodity Derivatives

Policy Objective	Increase the homogeneity of the commodity sub-classes, to remove redundancies, to ensure consistency with RTS 23 and/or to increase data quality.
Technical Proposal	Revisions of the segmentation criteria for identifying classes of commodity derivatives (additions of missing characteristics, deletion of duplicative characteristics, removing inconsistencies, definition of reporting standards);
Benefits	Ensures consistency by harmonising approaches across different regulatory requirements. Introduces additional characteristics relevant for various stakeholders and which better reflect market

	reality, while simultaneously removing obsolete or duplicative information.
Cost to regulator: - *One-off* - *On-going*	ESMA would incur one-off IT costs to adjust its systems to the amendments to the changes to data reporting deriving from the proposed amendments.
Compliance cost: - *One-off* - *On-going*	Reporting entities (venues, APAs, and counterparties reporting to APAs) would incur one-off IT compliance costs to adjust their systems to the changes to data reporting deriving from the amendments.
Cost to other stakeholders	None identified
Indirect costs	None identified

8.3 Annex III – Draft RTS amending RTS 2

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

of [ ]

amending Commission Delegated Regulation (EU) 2017/583 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

(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, and in particular Article 9(5), Article 11(4), Article 14(7), Article 21(5) and Article 22(3) thereof,

Whereas:

(1) Delegated Regulation (EU) 2017/583[24] sets out transparency requirements for trading venues and investment firms for bonds, structured finance products, emission allowances and derivatives.

(2) Delegated Regulation (EU) 2017/583has been applied for more than three years and taking into consideration the experience acquired with its application, the inconsistent application of some provisions and the changes in trading practices due to technological developments and adaptations of behaviour of market participants, it appears necessary to amend certain provisions of Commission Delegated Regulation (EU) 2017/583. Such amendments aim at ensuring the uniform application of the Regulation as well as provide market participants with legal certainty

(3) It has emerged from the current application of Delegated Regulation (EU) 2017/583, that there are different interpretations on the concept of non-price forming transactions which led to inconsistent publication of post-trade transparency information and flagging of

[24] 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 (OJ L87, 31.3.2017, p.229).

transactions and, eventually, resulted in unsatisfactory quality of the reported data. This undermines the completeness and accuracy of post-trade information. In order to improve transparency, data quality and ultimately to facilitate data aggregation, it is therefore necessary to simplify the existing reporting regime and to clarify certain provisions in Commission Delegated Regulation (EU) 2017/583.

(4) Different interpretations of market participants on the applicable pre-trade transparency requirements for hybrid trading systems, resulted in inconsistent pre-trade transparency disclosed by such systems. Therefore, Commission Delegated Regulation (EU) 2017/583 should be amended to introduce tailored pre-trade transparency requirements for hybrid systems to ensure that such systems disclose appropriate pre-trade transparency information in a consistent manner across the Union.

(5) The requirements on the disclosure of post-trade transparency information to the public and the information to be provided to competent authorities and ESMA for the purpose of the transparency calculations are not interpreted consistently by trading venues, APAs and investment firms resulting in a situation where such information is incomplete, lacking accuracy or inconsistent. This situation undermines the usability of such information and the quality and accuracy of the transparency calculations based on the data submitted. It is therefore necessary to provide further specification in this Regulation on the details to be disclosed by trading venues, APAs and CTPs and for the reporting of reference data and quantitative data to competent authorities and ESMA. More clarity in the reporting framework is essential to promote the consistent application of the post-trade transparency requirements across the Union.

(6) The liquidity of commodity derivatives varies significantly depending on the characteristics of the instruments. The format under which certain characteristics of commodity and freight derivatives are reported is currently not sufficiently specified in Delegated Regulation (EU) 2017/583. To achieve a consistent reporting of those characteristics and enhance data quality, those formats should rely on existing market standards and should be specified.

(7) Some of the provisions of Delegated Regulation (EU) 2017/583 contain incorrect references [or clerical errors] that affect the substance of those provisions. Therefore, such provisions should be amended to insert the correct references.

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

(9) 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 of the European Parliament and of the Council[25],

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2017/583

(1) The following paragraph 4 is added to Article 4:

'For the purpose of letter (a) of paragraph 2, market operators and investment firms operating a trading venue shall calculate the minimum size of orders held in an order management facility:

(a) as set out in Table 4 of Annex II of Delegated Regulation (EU) 2017/583 for all financial instrument except for emission allowances, emission allowance derivatives and commodity derivatives;

(b) the notional amount of traded contracts shall be used for emission allowances, emission allowance derivatives and commodity derivatives.'

(2) Article 12 is replaced by the following:

'Article 12

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.'

(3) Article 13 is amended as follows:

a) in paragraph 5, the following subparagraph is added:

'The data referred to in the first paragraph shall be collected as per Annex V.'

b) paragraph 17 is replaced by the following:

[25] 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).

‘17. Competent authorities shall ensure the publication of the results of the calculations referred to under paragraph 5 for each financial instrument and class of financial instrument by 30 April of the year following the date of application of Regulation (EU) No 600/2014 and by 30 April of each year thereafter. The results of the calculations shall apply from the first Monday of June each year following publication until the day before the first Monday of June of the subsequent year.’

c) paragraph 18 is replaced by the following:

’18. For the purposes of the calculations in paragraph 1(b)(i) and by way of derogation from paragraphs 7, 15 and 17, competent authorities shall, in respect of bonds except ETCs and ETNs, ensure the publication of the calculations referred to under paragraph 5(a) on a quarterly basis, on the first Monday of February, May, August and November following the date of application of Regulation (EU) No 600/2014 and on the first Monday of February, May, August and November each year thereafter. The calculations shall include transactions executed in the Union during the preceding calendar quarter and shall apply from the third Monday of February, May, August and November each year until the calculations of the subsequent quarterly period apply.’.

8.3.1 ANNEX I of RTS 2

(4) Annex I is amended as follows:

(a) Table 1 is replaced by the following:

Type of system	Description of system	Information to be made public
Continuous auction order book trading system	A 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.	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.
Quote-driven trading system	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.	For each financial instrument, the best bid and offer by price of each market maker in that instrument, together with the volumes attaching to those prices. The quotes made public shall be those that represent binding commitments to buy and sell the financial instruments and which indicate the price and volume of financial instruments in which the registered market makers are prepared to buy or sell. In exceptional market conditions, however, indicative or one-way prices may be allowed for a limited time.

Periodic auction trading system	A system that matches orders on the basis of a periodic auction and a trading algorithm operated without human intervention.	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.
Request-for-quote trading system	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.	The quotes and the attaching volumes from any member or participant which, if accepted, would lead to a transaction under the system's rules. All submitted quotes in response to a request for quote may be published at the same time but not later than when they become executable.
Voice trading system	A trading system where transactions between members are arranged through voice negotiation.	The bids and offers and the attaching volumes from any member or participant which, if accepted, would lead to a transaction under the system's rules
Hybrid trading system	A system falling into two or more of the types of trading systems referred to in rows 1 to 5 of this table.	For hybrid trading systems that combine different trading systems at the same time, the requirements correspond to the pre-trade trade transparency requirements applicable to each type of trading system that forms the hybrid system. For hybrid trading systems that combine two or more trading systems subsequently, the requirements correspond to the pre-trade transparency requirements applicable to the respective trading system operated at a particular point in time
Trading system not covered by first six rows	A system falling into two or more of the first seven rows or a system where the price determination process is of a different nature than that applicable to the types of system covered by first six rows.	Adequate information as to the level of orders or quotes and of trading interest; in particular, the five best bid and offer price levels and/or two-way quotes of each market maker in the instrument, if the characteristics of the price discovery mechanism so permit.

8.3.2 ANNEX II of RTS 2

(5) Annex II is amended as follows:

(a) Table 2 is replaced by the following:

Annex II

Table 2

List of details for the purpose of post-trade transparency

#	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 financial instruments	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 (in fields 31, 34 and 40 as specified in 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) Consolidated tape provider (CTP)	{DATE_TIME_FORMAT}
2	Instrument identification code	For all financial instruments	Code used to identify the financial instrument	RM, MTF, OTF APA CTP	{ISIN}.

3	Price	For all financial instruments	Traded price of the transaction excluding, where applicable, commission and accrued interest. In the case of option contracts, it shall be the premium of the derivative contract per underlying or index point, composed of the intrinsic and extrinsic value of an option. For credit default swaps (CDS) it shall be the coupon expressed in basis points. In the case of spread bets it shall be the reference price of the underlying instrument. In all cases except CDS, the expression of the price in monetary value “MONE” shall be preferred. When a price in monetary value is not available then, express the price in: - basis points (BAPO) when the instrument trades a spread over a benchmark; - yield (YIEL) where it is the standard market convention for the security to be traded in yield; - percentage (PERC) where it is the standard market convention for the security to be traded as percentage of issue price. Where price is reported in monetary terms, it shall be provided in the major currency unit. Where price is currently not available but pending (‘PNDG’) or not applicable (‘NOAP’), this field shall not be populated.	RM, MTF, OTF, APA, CTP	{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

4	Missing Price	For all financial instruments	Where price is currently not available but pending, the value should be 'PNDG'. Where price is not applicable the field shall not be populated, the value shall be 'NOAP'.	RM, MTF, OTF APA, CTP	'PNDG' in case the price is not available 'NOAP' in case the price is not applicable
5	Price currency	For all financial instruments	Major currency in which the price is expressed (applicable if the price is expressed as monetary value).	RM, MTF, OTF APA, CTP	{CURRENCYCODE_3}
6	Price notation	For all financial instruments	Indication as to whether the price is expressed in monetary value, in percentage or in yield	RM, MTF, OTF APA CTP	'MONE' — Monetary value 'PERC' — Percentage 'YIEL' — Yield 'BAPO' — Basis points
7	Quantity	For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of this Regulation.	The number of units of the financial instrument, or the number of derivative contracts in the transaction.	RM, MTF, OTF APA CTP	{DECIMAL-18/17}

8	Quantity in measurement unit	For contracts designated in units in commodity derivatives, C10 derivatives, emission allowance derivatives and emission allowances except in the cases described under Article 11(1) letters (a) and (b) of this Regulation.	The equivalent amount of commodity or emission allowance traded expressed in measurement unit.	RM, MTF, OTF APA CTP	{DECIMAL-18/17}
9	Notation of the quantity in measurement unit	For contracts designated in units in commodity derivatives, C10 derivatives, emission allowance derivatives and emission allowances except in the cases described under Article 11(1) letters (a) and (b) of this Regulation	Indication of the notation in which the quantity in measurement unit is expressed.	RM, MTF, OTF APA CTP	'TOCD' — tonnes of carbon dioxide equivalent, for any contract related to emission allowances 'TONE' — metric tonnes 'MWHO' — megawatt hours 'MBTU' — one million British thermal unit 'THMS' — Therms 'DAYS'— days or {ALPHANUM-4} otherwise

10	Notional amount	For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of this Regulation.	This field shall be populated: (i) for bonds (excluding ETCs and ETNs), with the nominal value per unit multiplied by the number of instruments at the time of the transaction; (ii) for ETCs and ETNs and 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, the price field multiplied by the quantity field; (iii) for structured finance products (SFPs), with the nominal value per unit multiplied by the number of instruments at the time of the transaction; (iv) for credit default swaps, it shall be the notional amount for which the protection is acquired or disposed of. (v) for options, swaptions, swaps other than those in (iv), futures and forwards, the notional amount of the contract; (vi) for emission allowances, the resulting amount of the quantity at the relevant price set in the contract at the time of the transaction. Equivalently, the price field multiplied by the quantity field. (vii) in case of spread bets, the monetary value wagered per point movement in the underlying financial instrument at the time of the transaction; (viii) in case of contracts for difference, number of instruments exchanged between the buyers and sellers multiplied by the price of the instrument exchanged for that specific transaction. Equivalently, the price field multiplied by the quantity field.	RM, MTF, OTF APA, CTP	{DECIMAL-18/5}

11	Notional currency	For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of the Regulation.	Major currency in which the notional amount is denominated. In the case of an FX derivative contract or a multi-currency swap or a swaptions 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, CTP	{CURRENCY CODE_3}
12	Type	For emission allowances and emission allowance derivatives only	This field is only applicable for emission allowances and emission allowance derivatives.	RM, MTF, OTF APA CTP	'EUAE' — EUA 'CERE' — CER 'ERUE' — ERU 'EUAA' — EUAA 'OTHR' — Other
13	Venue of execution	For all financial instruments	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 'SINT' for financial instruments admitted to trading or traded on a trading venue, where the transaction on that financial instrument is executed on a Systematic Internaliser. Use MIC code 'XOFF' for financial instruments admitted to trading or traded on a trading venue, where the transaction on that financial instrument is either (1) not executed on an EU trading and not executed by a systematic internaliser or (2) executed on an organised trading platform outside of the EU (the latter requires also the population of the field "Third-country trading venue of execution").	RM, MTF, OTF APA, CTP	{MIC} – EU trading venues or 'SINT' — systematic internaliser 'XOFF' — otherwise

14	Third-country trading venue of execution	For all financial instruments	Identification of the third-country trading venue where the transaction was executed. Where the transaction is not executed on a third-country trading venue, the field shall not be populated.	APA, CTP	{MIC} where MIC is available or {COUNTRYCODE_2}, otherwise
15	Publication Date and Time	For all financial instruments	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 CTP	{DATE_TIME_FORMAT}
16	Venue of publication	For all financial instruments	Code used to identify the trading venue and APA publishing the transaction.	CTP	Trading venue: {MIC} APA: {MIC} where available. Otherwise, 4 character code as published in the list of data reporting services providers on ESMA's website.

17	Transaction Identification Code	For all financial instruments	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. The transaction identification code shall be unique, consistent and persistent per ISO 10383 segment MIC and per trading day. Where the trading venue does not use segment MICs, the transaction identification code shall be unique, consistent and persistent per operating MIC per trading day. Where the APA does not use MICs, it should be unique, consistent and persistent per 4-character code used to identify the APA per trading day. The components of the transaction identification code shall not disclose the identity of the counterparties to the transaction for which the code is maintained	RM, MTF, OTF APA CTP	{ALPHANUMERICAL-52}
18	Transaction to be cleared	For derivatives	Code to identify whether the transaction will be cleared.	RM, MTF, OTF APA CTP	'true' — transaction to be cleared 'false' — transaction not to be cleared

(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) Delegated Regulation (EU) No 148/2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories

(b) Table 3 is replaced by the following:

List of flags for the purpose of post-trade transparency

Flag	Name	Type of execution or publication venue	Description
'BENC'	Benchmark transaction flag	RM, MTF, OTF APA CTP	Transactions executed in reference to a price that is calculated over multiple time instances according to a given benchmark, such as volume-weighted average price or time-weighted average price.
'ACTX'	Agency cross transaction flag	APA CTP	Transactions where an investment firm has brought together two clients' orders with the purchase and the sale conducted as one transaction and involving the same volume and price.
'NPFT'	Non-price forming transaction flag	RM, MTF, OTF CTP	All types of transactions listed under Article 12 of this Regulation and which do not contribute to the price formation and which are executed on a trading venue.
'LRGS'	Post-trade LIS transaction flag	RM, MTF, OTF APA CTP	Transactions executed under the post-trade large in scale deferral.
'ILQD'	Illiquid instrument transaction flag	RM, MTF, OTF APA CTP	Transactions executed under the deferral for instruments for which there is not a liquid market.
'SIZE'	Post-trade SSTI transaction flag	RM, MTF, OTF APA CTP	Transactions executed under the post-trade size specific to the instrument deferral.
'TPAC'	Package transaction flag	RM, MTF, OTF APA CTP	Package transactions which are not exchange for physicals as defined in Article 1.
'XFPH'	Exchange for physicals transaction flag	RM, MTF, OTF APA CTP	Exchange for physicals as defined in Article 1.
'CANC'	Cancellation flag	RM, MTF APA CTP	When a previously published transaction is cancelled.
'AMND'	Amendment flag	RM, MTF APA CTP	When a previously published transaction is amended.

SUPPLEMENTARY DEFERRAL FLAGS

Article 11(1)(a)(i).	'LMTF'	Limited details flag	RM, MTF, OTF APA CTP	First report with publication of limited details in accordance with Article 11(1)(a)(i).
	'FULF'	Full details flag		Transaction for which limited details have been previously published in accordance with Article 11(1)(a)(i).
Article 11(1)(a)(ii).	'DATF'	Daily aggregated transaction flag	RM, MTF, OTF APA CTP	Publication of daily aggregated transaction in accordance with Article 11(1)(a)(ii).
	'FULA'	Full details flag	RM, MTF, OTF APA CTP	Individual transactions for which aggregated details have been previously published in accordance with Article 11(1)(a)(ii).
Article 11(1)(b)	'VOLO'	Volume omission flag	RM, MTF, OTF APA CTP	Transaction for which limited details are published in accordance with Article 11(1)(b).
	'FULV'	Full details flag	RM, MTF, OTF APA CTP	Transaction for which limited details have been previously published in accordance with Article 11(1)(b)
Article 11(1)(c)	'FWAF'	Four weeks aggregation flag	RM, MTF, OTF APA CTP	Publication of aggregated transactions in accordance with Article 11(1)(c).
	'FULJ'	Full details flag	RM, MTF, OTF APA CTP	Individual transactions which have previously benefited from aggregated publication in accordance with Article 11(1)(c).
Article 11(1)(d)	'IDAF'	Indefinite aggregation flag	RM, MTF, OTF APA CTP	Transactions for which the publication of several transactions in aggregated form for an in- definite period of time has been allowed in accordance with Article 11(1)(d).
Consecutive use of Article 11(1)(b) and Article 11(2)(c) for sovereign debt instruments	'VOLW'	Volume omission flag	RM, MTF, OTF APA CTP	Transaction for which limited are published in accordance with Article 11(1)(b) and for which the publication of several transactions in aggregated form for an indefinite period of time will be consecutively allowed in accordance with Article 11(2)(c).

	'COAF'	Consecutive aggregation flag (post volume omission for sovereign debt instruments)	RM, MTF, OTF APA CTP	Transactions for which limited details have been previously published in accordance with Article 11(1)(b) and for which the publication of several transactions in aggregated form for an indefinite period of time has consecutively been allowed in accordance with Article 11(2)(c).

(c) Table 4 is replaced by the following:

Measure of volume

Type of instrument	Volume
All bonds except ETCs and ETNs and structured finance products	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
ETCs and ETNs bond types	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Securitised derivatives	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Interest rate derivatives	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Foreign Exchange Derivatives	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Equity derivatives	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Commodity derivatives	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Credit derivatives	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
Contract for differences	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.
C10 derivatives	"Notional amount" of the traded contract as per field 10 of Table 2 of Annex II of this Regulation.

Emission allowance derivatives	“Quantity in measurement unit” as per field 8 of Table 2 of Annex II of this Regulation.
Emission allowances	“Quantity in measurement unit” as per field 8 of Table 2 of Annex II of this Regulation.

8.3.3 ANNEX III of RTS 2

(6) Annex III is amended as follows:

(a) The following points are added to the Instructions for the purpose of Annex III:

16. ‘Option on a swap’ means an option contract that gives the owner the right, but not the obligation, to enter a swap at or up to a certain future date.

(b) Table 2.2 of Annex III is replaced by the following:

Bonds (all bond types except ETCs and ETNs) — classes not having a liquid market

Asset class — Bonds (all bond types except ETCs and ETNs)			
Each individual bond shall be determined not to have a liquid market as per Article 13(18) if it is characterised by a specific combination of bond type and issuance size as specified in each row of the table.			
Bond Type		**Issuance size -** RTS23#14	
Sovereign Bond RTS2#3 = BOND and RTS2#9 = EUSB	means a bond which is neither a convertible nor a covered bond and is issued by a sovereign issuer: (a) the Union; (b) a Member State including a government department, an agency or a special purpose vehicle of a Member State; (c) a sovereign entity which is not listed under points (a) and (b).	smaller than (in EUR)	1 000 000 000

Other Public Bond RTS2#3 = BOND and RTS2#9 = OEPB	means a bond which is neither a convertible nor a covered bond and is issued by any of the following public issuers: (a) in the case of a federal Member State, a member of that federation; (b) a special purpose vehicle for several Member States; (c) an international financial institution established by two or more Member States which have the purpose of mobilising funding and providing financial assistance to the benefit of its members that are experiencing or are threatened by severe financial problems;	smaller than (in EUR)		500 000 000	
Convertible Bond RTS2#3 = BOND and RTS2#9 = CVTB	means an instrument consisting of a bond or a securitised debt instrument with an embedded derivative, such as an option to buy the underlying equity	smaller than (in EUR)		500 000 000	
Covered Bond RTS2#3 = BOND and RTS2#9 = CVDB	means bonds as referred to in Article 52(4) of Directive 2009/65/EC	during stages S1 and S2		during stages S3 and S4	
		smaller than (in EUR)	1 000 000 000	smaller than (in EUR)	500 000 000

Corporate Bond RTS2#3 = BOND and RTS2#9 = CRPB	means a bond which is neither a convertible nor a covered bond and that is issued by a Societas Europaea established in accordance with Council Regulation (EC) No 2157/2001 (1) or a type of company listed in Annex 1 or Annex 2 of Directive 2013/34/EU of the European Parliament and of the Council (2) or equivalent in third countries	during stages S1 and S2		during stages S3 and S4	
		smaller than (in EUR)	1 000 000 000	smaller than (in EUR)	500 000 000
Bond Type	**For the purpose of the determination of the financial instruments considered not to have a liquid market as per Article 13(18), the following methodology shall be applied**				
Other Bond RTS2#3 = BOND and RTS2#9 = OTHR	A bond that does not belong to any of the above bond types is considered not to have a liquid market				

(1) Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (OJ L 294, 10.11.2001, p. 1).
(2) Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19-76).

(c) Table 2.4 of Annex III is replaced by the following:

Table 2.4

Bonds (ETC and ETN bond types) — classes not having a liquid market

Bond type	Each individual financial instrument shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria	
	Average daily turnover (ADT)	Average daily number of trades
Exchange Traded Commodities (ETCs) - 'RTS2#3 = ETCS a debt instrument issued against a direct investment by the issuer in commodities or commodities derivative contracts. The price of an ETC is directly or indirectly linked to the performance of the underlying. An ETC passively tracks the performance of the commodity or commodity indices to which it refers.	EUR 500 000	10
Exchange Traded Notes (ETNs) - 'RTS2#3 = ETNS a debt instrument issued against a direct investment by the issuer in the underlying or underlying derivative contracts. The price of an ETN is directly or indirectly linked to the performance of the underlying. An ETN passively tracks the performance of the underlying to which it refers.	EUR 500 000	10

(d) Table 3.1 of Annex III is replaced by the following:

Table 3.1

SFPs — classes not having a liquid market

Asset class — Structured Finance Products (SFPs)

SFPs asset-class assessment for the purpose of the determination of the financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) - 'RTS2#3 = SFPS

Transactions to be considered for the calculations of the values related to the quantitative liquidity criteria for the purpose of the SFPs asset-class assessment	**The SFPs asset-class shall be assessed by application of the following thresholds of the quantitative liquidity criteria**	
	Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
Transactions executed in all SFPs	EUR 300 000 000	500
Test 2 — SFPs not having a liquid market		

If the values related to the quantitative liquidity criteria are both above the quantitative liquidity thresholds set for the purpose of the SFPs asset-class assessment, then Test 1 is passed and Test-2 shall be performed. Each individual financial instrument shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria

Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]	**Percentage of days traded over the period considered** [quantitative liquidity criteria 3]
EUR 100 000	2	80 %

(e) Table 4.1 of Annex III is replaced by the following:

Securitised derivatives — classes not having a liquid market

Asset class — Securitised Derivatives

means a transferable security as defined in Article 4(1)(44)(c) of Directive 2014/65/EU different from structured finance products and should include at least:

(a.1) warrants which mean securities issued by a financial institution giving the holder the right, but not the obligation, to purchase (sell), at or by the expiry date, a specific amount of the underlying asset at a predetermined strike price or, in case cash settlement has been fixed, the payment of the positive difference between the current market price (the strike price) and the strike price (the current market price);

(a.2) plain vanilla covered warrants which mean securities issued by the same issuer of the underlying asset giving the holder the right, but not the obligation, to purchase (sell), at or by the expiry date, a specific amount of the underlying asset at a predetermined strike price or, in case cash settlement has been fixed, the payment of the positive difference between the current market price (the strike price) and the strike price (the current market price);

(b) leverage certificates means certificates that track the performance of the underlying asset with leverage effect;

(c) exotic covered warrants means covered warrants whose main component is a combination of options;

(d) negotiable rights whose underlying is a non-equity instrument;

(e) investment certificates means certificates that track the performance of the underlying asset without leverage effect.

'RTS2#3 = SDRV

For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied

all securitised derivatives are considered to have a liquid market

1. Table 5.1 of Annex III is replaced by the following:

Table 5.1

Interest rate derivatives — classes not having a liquid market

Asset class — Interest Rate Derivatives

any contract as defined in Annex I, Section C(4) of Directive 2014/65/EU whose ultimate underlying is an interest rate, a bond, a loan, any basket, portfolio or index including an interest rate, a bond, a loan or any other product representing the performance of an interest rate, a bond, a loan.

	Sub-asset class		For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below	Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria. For sub-classes determined to have a liquid market the additional qualitative liquidity criterion, where applicable, shall be applied		
				Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]	**Additional qualitative liquidity criterion**

Bond futures/forwards / Future on a bond future / Forward on a bond future **'Future on a bond** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FUTR** **'RTS2#16 = BOND** **or** **Forward on a bond** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FORW** **'RTS2#16 = BOND** **or** **Future on a bond future** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FUTR** **'RTS2#16 = BNFD** **or** **Forward on a bond future** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FORW** **'RTS2#16 = BNFD**	a bond future/forward sub-class is defined by the following segmentation criteria: **Segmentation criterion 1 (**'RTS2#17) — issuer of the underlying **Segmentation criterion 2 (**RTS2#18) — term of the underlying deliverable bond defined as follows: **Short-term**: the underlying deliverable bond with a term up to 4 years shall be considered to have a short-term **Medium-term**: the underlying deliverable bond with a term between 4 and 8 years shall be considered to have a medium-term **Long-term**: the underlying deliverable bond with a term between 8 and 15 years shall be considered to have a long- term **Ultra-long-term**: the underlying deliverable bond with a term longer than 15 years shall be considered to have an ultra-long-term **Segmentation criterion 3 —** time to maturity bucket of the future defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 3 months Maturity bucket 2: 3 months < time to maturity ≤ 6 months Maturity bucket 3: 6 months < time to maturity ≤ 1 year Maturity bucket 4: 1 year < time to maturity ≤ 2 years Maturity bucket 5: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 5 000 000	10	whenever a sub-class is determined to have a liquid market with respect to a specific time to maturity bucket and the sub-class defined by the next time to maturity bucket is determined not to have a liquid market, the first back month contract is determined to have a liquid market 2 weeks before expiration of the front month

Bond Option **/ Option on a bond option** **/ Option on a bond future** **Bond Option** **'Option on a bond option** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = OPTN** **RTS2#16 = BOND** **or** **'Option on a bond option** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = OPTN** **RTS2#16 = BOND** **or** **Option on a bond future** **RTS2#3 = DERV** **RTS2#4 = INTR** **RTS2#5 = OPTN** **RTS2#16 = BNFD**	a bond option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (**RTS2#22) —** ultimate underlying bond **Segmentation criterion 2** (**RTS2#8) —** time to maturity bucket of the option defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 3 months Maturity bucket 2: 3 months < time to maturity ≤ 6 months Maturity bucket 3: 6 months < time to maturity ≤ 1 year Maturity bucket 4: 1 year < time to maturity ≤ 2 years Maturity bucket 5: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 5 000 000	10	

IR futures and FRA/ Future on an interest rate future/ Forward rate agreement on an interest rate future **'Future on an interest rate** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FUTR** **'RTS2#16 = INTR** **or** **Forward rate agreement** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FRAS** **'RTS2#16 = INTR** **or** **Future on an interest rate future** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FUTR** **'RTS2#16 = IFUT** **or** **Forward rate agreement on an interest rate future** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = FRAS** **'RTS2#16 = IFUT**	an interest rate future sub-class is defined by the following segmentation criteria: **Segmentation criterion 1 (RTS2#24)** — underlying interest rate **Segmentation criterion 2 (RTS2#25)** — term of the underlying interest rate **Segmentation criterion 3 (RTS2#8)** — time to maturity bucket of the future defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 3 months Maturity bucket 2: 3 months < time to maturity ≤ 6 months Maturity bucket 3: 6 months < time to maturity ≤ 1 year Maturity bucket 4: 1 year < time to maturity ≤ 2 years Maturity bucket 5: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 500 000 000	10	whenever a sub-class is determined to have a liquid market with respect to a specific time to maturity bucket and the sub-class defined by the next time to maturity bucket is determined not to have a liquid market, the first back month contract is determined to have a liquid market 2 weeks before expiration of the front month

IR options **/Option on an interest rate future/FRA** **/Option on an interest rate option** **/Option on an option on an interest rate future/FRA** **'Option on an interest rate future/FRA//'Option on an interest rate option** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = OPTN** **'RTS2#16 = IFUT** **or** **'IR Option //'Option on an option on an interest rate future/FRA** **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = OPTN** **'RTS2#16 = INTR**	an interest rate option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1 (RTS2#24) —** underlying interest rate **Segmentation criterion 2 (RTS2#25) —** term of the underlying interest rate **Segmentation criterion 3 (RTS2#8) —** time to maturity bucket of the option defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 3 months Maturity bucket 2: 3 months < time to maturity ≤ 6 months Maturity bucket 3: 6 months < time to maturity ≤ 1 year Maturity bucket 4: 1 year < time to maturity ≤ 2 years Maturity bucket 5: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 500 000 000	10	

Swaptions **RTS2#3 = DERV** **RTS2#4 = INTR** **'RTS2#5 = SWPT** **'**	a swaption sub-class is defined by the following segmentation criteria: **Segmentation criterion 1 (RTS2#16)** — underlying swap type defined as follows: fixed-to-fixed single currency swap, futures/forwards on fixed-to-fixed single currency swap [**RTS2#16 = XXSC]** fixed-to-float single currency swap, futures/forwards on fixed-to-float single currency swap [**RTS2#16 = XFSC]** float-to-float single currency swap, futures/forwards on float-to-float single currency swap [**RTS2#16 = FFSC]** inflation single currency swap, futures/forwards on inflation single currency swap [**RTS2#16 = IFSC]** OIS single currency swap, futures/forwards on OIS single currency swap [**RTS2#16 = OSSC]** fixed-to-fixed multi-currency swap, futures/forwards on fixed-to-fixed multi-currency swap **[RTS2#16 = XXMC]**	EUR 500 000 000	10	

	fixed-to-float multi-currency swap, futures/forwards on fixed-to-float multi-currency swap [**RTS2#16 = XFMC]** float-to-float multi-currency swap, futures/forwards on float-to-float multi-currency swap [**RTS2#16 = FFMC]** inflation multi-currency swap, futures/forwards on inflation multi-currency swap [**RTS2#16 = IFMC]** OIS multi-currency swap, futures/forwards on OIS multi-currency swap [**RTS2#16 = OSMC]** **Segmentation criterion 2 (RTS2#20)** — notional currency defined as the currency in which the notional amount of the option is denominated **Segmentation criterion 3** ('RTS2#22 or RTS2#23) — inflation index if the underlying swap type is either an inflation single currency swap or an inflation multi-currency swap			

	Segmentation criterion 4 (RTS2#21) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years **Segmentation criterion 5** (RTS2#8) — time to maturity bucket of the option defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 6 months **Maturity bucket 2**: 6 months < time to maturity ≤ 1 year **Maturity bucket 3**: 1 year < time to maturity ≤ 2 years **Maturity bucket 4**: 2 years < time to maturity ≤ 5 years **Maturity bucket 5**: 5 years < time to maturity ≤ 10 years **Maturity bucket 6**: over 10 years			

Fixed-to-Float 'multi-currency swaps' or 'cross-currency swaps' and futures/forwards/ options on Fixed-to-Float 'multi-currency swaps' or 'cross-currency swaps' a swap or a future/forward/option on a swap where two parties ex-change cash flows denominated in different currencies and the cash flows of one leg are deter- mined by a fixed **RTS2#3 = DERV** **RTS2#4 = INTR** RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = XFMC	a fixed-to-float multi-currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13 and RTS23#42) — notional currency pair defined as combination of the two currencies in which the two legs of the swap are denominated **Segmentation criterion 2** (RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < maturity ≤ 1 month Maturity bucket 2: 1 month < maturity ≤ 3 months Maturity bucket 3: 3 months < maturity ≤ 6 months Maturity bucket 4: 6 months < maturity ≤ 1 year Maturity bucket 5: 1 year < maturity ≤ 2 years Maturity bucket 6: 2 years < maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Float-to-Float 'multi-currency swaps' or 'cross-currency swaps' and futures/forwards/ options on Float-to-Float 'multi-currency swaps' or 'cross-currency swaps' a swap or a future/forward/option on a swap where two parties exchange cash flows denominated in different currencies and where the cash flows of both legs are determined by floating interest rates RTS2#3 = DERV RTS2#4 = INTR RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = FFMC	a float-to-float multi-currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13 and RTS23#42) — notional currency pair defined as combination of the two currencies in which the two legs of the swap are denominated **Segmentation criterion 2** (RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < maturity ≤ 1 month Maturity bucket 2: 1 month < maturity ≤ 3 months Maturity bucket 3: 3 months < maturity ≤ 6 months Maturity bucket 4: 6 months < maturity ≤ 1 year Maturity bucket 5: 1 year < maturity ≤ 2 years Maturity bucket 6: 2 years < maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Fixed-to-Fixed 'multi-currency swaps' or 'cross-currency swaps' and futures/forwards/ options on Fixed-to-Fixed 'multi-currency swaps' or 'cross-currency swaps' a swap or a future/forward/option on a swap where two parties exchange cash flows denominated in different currencies and where the cash flows of both legs are determined by fixed interest rates RTS2#3 = DERV RTS2#4 = INTR RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = XXMC	a fixed-to-fixed multi-currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13 and RTS23#42) — notional currency pair defined as combination of the two currencies in which the two legs of the swap are denominated **Segmentation criterion 2** (RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Overnight Index Swap (OIS) 'multi-currency swaps' or 'cross-currency swaps' and futures/forwards/options on Over- night Index Swap (OIS) 'multi-currency swaps' or 'cross-currency swaps' a swap or a future/forward/option on a swap where two parties ex-change cash flows denominated in different currencies and where the cash flows of at least one leg are determined by an Overnight Index Swap (OIS) rate RTS2#3 = DERV RTS2#4 = INTR RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = OSMC	an overnight index swap (OIS) multi-currency sub-class is de- fined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13 and RTS23#42) — notional currency pair defined as combination of the two currencies in which the two legs of the swap are denominated **Segmentation criterion 2** (RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Inflation 'multi-currency swaps' or 'cross-currency swaps' and futures/forwards/ options on Inflation 'multi-currency swaps' or 'cross-currency swaps' a swap or a future/forward/option on a swap where two parties exchange cash flows denominated in different currencies and where the cash flows of at least one leg are determined by an inflation rate **RTS2#3 = DERV** **RTS2#4 = INTR** RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = IFMC	an inflation multi-currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13 and RTS23#42) — notional currency pair defined as combination of the two currencies in which the two legs of the swap are denominated **Segmentation criterion 2** ('RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Fixed-to-Float 'single currency swaps' and futures/forwards/ options on Fixed-to-Float 'single currency swaps' a swap or a future/forward/option on a swap where two parties ex- change cash flows denominated in the same currency and the cash flows of one leg are deter- mined by a fixed interest rate while those of the other leg are determined by a floating interest rate **RTS2#3 = DERV** **RTS2#4 = INTR** RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = XFSC	a fixed-to-float single currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13) — notional currency in which the two legs of the swap are denominated **Segmentation criterion 2** ('RTS2#8)— time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Float-to-Float 'single currency swaps' and futures/forwards/ options on Float-to-Float 'single currency swaps' a swap or a future/forward/option on a swap where two parties ex-change cash flows denominated in the same currency and where the cash flows of both legs are determined by floating interest rates RTS2#3 = DERV RTS2#4 = INTR RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = FFSC	a float-to-float single currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13) — notional currency in which the two legs of the swap are denominated **Segmentation criterion 2** ('RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Fixed-to-Fixed 'single currency swaps' and futures/forwards/ options on Fixed-to-Fixed 'single currency swaps' a swap or a future/forward/option on a swap where two parties ex-change cash flows denominated in the same currency and where the cash flows of both legs are determined by fixed interest rates RTS2#3 = DERV RTS2#4 = INTR RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = XXSC	a fixed-to-fixed single currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13) — notional currency in which the two legs of the swap are denominated **Segmentation criterion 2** ('RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Overnight Index Swap (OIS) 'single currency swaps' and futures/forwards/ options on Over- night Index Swap (OIS) 'single currency swaps' a swap or a future/forward/option on a swap where two parties ex-change cash flows denominated in the same currency and where the cash flows of at least one leg are determined by an Over- night Index Swap (OIS) rate **RTS2#3 = DERV** **RTS2#4 = INTR** RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = OSSC	an overnight index swap (OIS) single currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13) — notional currency in which the two legs of the swap are denominated **Segmentation criterion 2** ('RTS2#8) — time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Inflation 'single currency swaps' and futures/forwards/ options on Inflation 'single currency swaps' a swap or a future/forward/option on a swap where two parties exchange cash flows denominated in the same currency and where the cash flows of at least one leg are determined by an inflation rate **RTS2#3 = DERV** **RTS2#4 = INTR** RTS2#5 = SWAP or FONS or FWOS or OPTS RTS2#16 = IFSC	an inflation single currency sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#13) — notional currency in which the two legs of the swap are denominated **Segmentation criterion 2** ('RTS2#8)— time to maturity bucket of the swap defined as follows: Maturity bucket 1: 0 < time to maturity ≤ 1 month Maturity bucket 2: 1 month < time to maturity ≤ 3 months Maturity bucket 3: 3 months < time to maturity ≤ 6 months Maturity bucket 4: 6 months < time to maturity ≤ 1 year Maturity bucket 5: 1 year < time to maturity ≤ 2 years Maturity bucket 6: 2 years < time to maturity ≤ 3 years … Maturity bucket m: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	10	

Asset class — Interest Rate Derivatives	
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), the following methodology shall be applied**
Other Interest Rate Derivatives an interest rate derivative that does not belong to any of the above sub-asset classes **RTS2#3 = DERV** **RTS2#4 = INTR** RTS2#5 = OTHR	any other interest rate derivative is considered not to have a liquid market

2. Table 6.1 of Annex III is replaced by the following:

Table 6.1

Equity derivatives — classes not having a liquid market

Asset class — Equity Derivatives

any contract as defined Annex I, Section C(4) of Directive 2014/65/EU related to:

(a) one or more shares, depositary receipts, ETFs, certificates, other similar financial instruments, cash-flows or other products related to the performance of one or more shares, depositary receipts, ETFs, certificates, or other similar financial instruments;

(b) an index of shares, depositary receipts, ETFs, certificates, other similar financial instruments, cash-flows or other products related to the performance of one or more shares, depositary receipts, ETFs, certificates, or other similar financial instruments

Asset class — Equity Derivatives

Sub-asset class	For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied
Stock index options an option whose underlying is an index composed of shares RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = OPTN RTS2#27 = STIX RTS23#26 or if null RTS23#28	all index options are considered to have a liquid market
Stock index futures/forwards a future/forward whose underlying is an index composed of shares RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = FUTR or FORW RTS2#27 = STIX RTS23#26 or if null RTS23#28	all index futures/forwards are considered to have a liquid market
Stock options an option whose underlying is a share or a basket of shares resulting from a corporate action RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = OPTN RTS2#27 = SHRS RTS23#26 or if null RTS23#28	all stock options are considered to have a liquid market

Stock futures/forwards a future/forward whose underlying is a share or a basket of shares resulting from a corporate action RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = FUTR or FORW RTS2#27 = SHRS RTS23#26 or if null RTS23#28	all stock futures/forwards are considered to have a liquid market
Stock dividend options an option on the dividend of a specific share RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = OPTN RTS2#27 = DVSE RTS23#26 or if null RTS23#28	all stock dividend options are considered to have a liquid market
Stock dividend futures/forwards a future/forward on the dividend of a specific share RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = FUTR or FORW RTS2#27 = DVSE RTS23#26 or if null RTS23#28	all stock dividend futures/forwards are considered to have a liquid market

Dividend index options an option on an index composed of dividends of more than one share RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = OPTN RTS2#27 = DIVI RTS23#26 or if null RTS23#28	all dividend index options are considered to have a liquid market
Dividend index futures/forwards a future/forward on an index composed of dividends of more than one share RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = FUTR or FORW RTS2#27 = DIVI RTS23#26 or if null RTS23#28	all dividend index futures/forwards are considered to have a liquid market
Volatility index options an option whose underlying is a volatility index defined as an index relating to the volatility of a specific underlying index of equity instruments RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = OPTN RTS2#27 = VOLI RTS23#26 or if null RTS23#28	all volatility index options are considered to have a liquid market

Volatility index futures/forwards a future/forward whose underlying is a volatility index defined as an index relating to the volatility of a specific underlying index of equity instruments RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = FUTR or FORW RTS2#27 = VOLI RTS23#26 or if null RTS23#28	all volatility index futures/forwards are considered to have a liquid market
ETF options an option whose underlying is an ETF RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = OPTN RTS2#27 = ETFS RTS23#26 or if null RTS23#28	all ETF options are considered to have a liquid market
ETF futures/forwards a future/forward whose underlying is an ETF RTS2#3 = DERV RTS2#4 = EQUI' RTS2#5 = FUTR or FORW RTS2#27 = ETFS RTS23#26 or if null RTS23#28	all ETF futures/forwards are considered to have a liquid market

<table>
<tr><td colspan="5">Asset class — Equity Derivatives</td></tr>
<tr><td></td><td>Sub-asset class</td><td>For the purpose of the determination of the classes of financial instruments considered not to have a liquid mar- ket as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below</td><td>Each sub-class shall be determined not to have a li- quid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria
Average daily notional amount (ADNA) [quantitative liquidity criterion 1]</td><td>Average daily number of trades [quantitative liquidity criterion 2]</td></tr>
<tr><td></td><td>Swaps

RTS2#3 = DERV

RTS2#4 = EQUI'

'RTS2#5 = SWAP</td><td>a swap sub-class is defined by the following segmentation criteria: Segmentation criterion 1 ('RTS2#27) — underlying type: single name, index, basket Segmentation criterion 2 (RTS23#26 or if null RTS23#28) — underlying single name, index, basket
Segmentation criterion 3 ('RTS2#28) — parameter: price return basic performance parameter, parameter return dividend, parameter return variance, parameter return volatility
Segmentation criterion 4 ('RTS2#8) — time to maturity bucket of the swap defined as follows:
<table><tr><td>Price return basic performance para- meter</td><td>Parameter return variance/volatility</td><td>Parameter return dividend</td></tr><tr><td>Maturity bucket 1: 0 < time to maturity ≤ 1 month</td><td>Maturity bucket 1: 0 < time to maturity ≤ 3 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 1 year</td></tr><tr><td>Maturity bucket 2: 1 month < time to maturity ≤ 3 months</td><td>Maturity bucket 2: 3 months < time to maturity ≤ 6 months</td><td>Maturity bucket 2: 1 year < time to maturity ≤ 2 years</td></tr><tr><td>Maturity bucket 3: 3 months < time to maturity ≤ 6 months</td><td>Maturity bucket 3: 6 months < time to maturity ≤ 1 year</td><td>Maturity bucket 3: 2 years < time to maturity ≤ 3 years</td></tr></table></td><td>EUR 50 000 000</td><td></td></tr>
</table>

Maturity bucket 4: 6 months < time to maturity ≤ 1 year	**Maturity bucket 4**: 1 year < time to maturity ≤ 2 years	…
Maturity bucket 5: 1 year < time to maturity ≤ 2 years	**Maturity bucket 5**: 2 years < time to maturity ≤ 3 years	**Maturity bucket m**: (n-1) years < time to maturity ≤ n years
Maturity bucket 6: 2 years < time to maturity ≤ 3 years	…	
…	**Maturity bucket m**: (n-1) years < time to maturity ≤ n years	
Maturity bucket m: (n-1) years < time to maturity ≤ n years		

Portfolio Swaps RTS2#3 = DERV RTS2#4 = EQUI' 'RTS2#5 = PSWP	a portfolio swap sub-class is defined by a specific combination of: **Segmentation criterion 1** ('RTS2#27) — underlying type: single name, index, basket **Segmentation criterion 2** (RTS23#26 or if null RTS23#28) — underlying single name, index, basket **Segmentation criterion 3** ('RTS2#28) — parameter: price return basic performance parameter, parameter return dividend, parameter return variance, parameter return volatility **Segmentation criterion 4** ('RTS2#8) — me to maturity bucket of the portfolio swap defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 month **Maturity bucket 2**: 1 month < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 6 months **Maturity bucket 4**: 6 months < time to maturity ≤ 1 year **Maturity bucket 5**: 1 year < time to maturity ≤ 2 years **Maturity bucket 6**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	EUR 50 000 000	15

Asset class — Equity Derivatives

Sub-asset class	For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied
Other equity derivatives an equity derivative that does not belong to any of the above sub-asset classes RTS2#3 = DERV RTS2#4 = EQUI RTS2#5 = OTHR'	any other equity derivative is considered not to have a liquid market

3. Table 7.1 of Annex III is replaced by the following:

<table>
<tr><td colspan="4">Asset class — Commodity Derivatives</td></tr>
<tr><td rowspan="2">Sub-asset class</td><td rowspan="2">For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below</td><td colspan="2">Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds</td></tr>
<tr><td>Average daily notional amount (ADNA) [quantitative liquidity criterion 1]</td><td>Average daily number of trades [quantitative liquidity criterion 2]</td></tr>
<tr><td>Metal commodity futures/forwards

RTS2#3 = ‘DERV’ and RTS2#4 = ‘COMM’ and RTS23#35 = 'METL' and [RTS2#5 = ‘FUTR’ or ‘FORW’]</td><td>a metal commodity future/forward sub-class is defined by the following segmentation criteria:
Segmentation criterion 1 (RTS23#36) — metal type: precious metal, non-precious metal
Segmentation criterion 2 (RTS23#37) — underlying metal
Segmentation criterion 3 (RTS2#15) — notional currency defined as the currency in which the notional amount of the future/forward is denominated
Segmentation criterion 4 (RTS2#8) — time to maturity bucket of the future/forward defined as follows:
<table>
<tr><th>Precious metals</th><th>Non-precious metals</th></tr>
<tr><td>Maturity bucket 1: 0 < time to maturity ≤ 3 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 1 year</td></tr>
<tr><td>Maturity bucket 2: 3 months < time to maturity ≤ 1 year</td><td>Maturity bucket 2: 1 year < time to maturity ≤ 2 years</td></tr>
<tr><td>Maturity bucket 3: 1 year < time to maturity ≤ 2 years</td><td>Maturity bucket 3: 2 years < time to maturity ≤ 3 years</td></tr>
</table></td><td>EUR
10 000 000</td><td>10</td></tr>
</table>

Asset class — Commodity Derivatives				
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**		**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
			Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
	Maturity bucket 4: 2 years < time to maturity ≤ 3 years	. . .		
	. . .	**Maturity bucket m**: (n-1) years < time to maturity ≤ n years		
	Maturity bucket m: (n-1) years < time to maturity ≤ n years			
Metal commodity options RTS2#3 = 'DERV' and RTS2#4 = 'COMM' and RTS23#35 = 'METL' and RTS2#5 = 'OPTN'	a metal commodity option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1 (RTS23#36)** — metal type: precious metal, non-precious metal **Segmentation criterion 2 (RTS23#37)** — underlying metal **Segmentation criterion 3 (RTS2#15)** — notional currency defined as the currency in which the notional amount of the option is denominated **Segmentation criterion 4 (RTS2#8)** — time to maturity bucket of the option defined as follows:		EUR 10 000 000	10
	Precious metals	**Non-precious metals**		
	Maturity bucket 1: 0 < time to maturity ≤ 3 months	**Maturity bucket 1**: 0 < time to maturity ≤ 1 year		

Asset class — Commodity Derivatives				
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**		**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
			Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
	Maturity bucket 2: 3 months < time to maturity ≤ 1 year	**Maturity bucket 2**: 1 year < time to maturity ≤ 2 years		
	Maturity bucket 3: 1 year < time to maturity ≤ 2 years	**Maturity bucket 3**: 2 years < time to maturity ≤ 3 years		
	Maturity bucket 4: 2 years < time to maturity ≤ 3 years	…		
	…	**Maturity bucket m**: (n-1) years < time to maturity ≤ n years		
	Maturity bucket m: (n-1) years < time to maturity ≤ n years			

<table>
<tr><th colspan="4">Asset class — Commodity Derivatives</th></tr>
<tr><th rowspan="2">Sub-asset class</th><th rowspan="2" colspan="2">For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below</th><th colspan="2">Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds</th></tr>
<tr><th>Average daily notional amount (ADNA) [quantitative liquidity criterion 1]</th><th>Average daily number of trades [quantitative liquidity criterion 2]</th></tr>
<tr><td>Metal commodity swaps
RTS2#3 = ‘DERV’ and RTS2#4 = ‘COMM’ and RTS23#35 = 'METL' and RTS2#5 = ‘SWAP’</td><td colspan="2">a metal commodity swap sub-class is defined by the following segmentation criteria:
Segmentation criterion 1 (RTS23#36) — metal type: precious metal, non-precious metal
Segmentation criterion 2 (RTS23#37) — underlying metal
Segmentation criterion 3 (RTS2#15) — notional currency defined as the currency in which the notional amount of the swap is denominated
Segmentation criterion 4 (RTS23#34) —delivery type defined as cash, physical or optional
Segmentation criterion 5 (RTS2#8) — time to maturity bucket of the swap defined as follows:</td><td>EUR
10 000 000</td><td>10</td></tr>
<tr><td></td><td>Precious metals</td><td>Non-precious metals</td><td></td><td></td></tr>
<tr><td></td><td>Maturity bucket 1: 0 < time to maturity ≤ 3 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 1 year</td><td></td><td></td></tr>
<tr><td></td><td>Maturity bucket 2: 3 months < time to maturity ≤ 1 year</td><td>Maturity bucket 2: 1 year < time to maturity ≤ 2 years</td><td></td><td></td></tr>
<tr><td></td><td>Maturity bucket 3: 1 year < time to maturity ≤ 2 years</td><td>Maturity bucket 3: 2 years < time to maturity ≤ 3 years</td><td></td><td></td></tr>
<tr><td></td><td>Maturity bucket 4: 2 years < time to maturity ≤ 3 years</td><td>…</td><td></td><td></td></tr>
<tr><td></td><td>…</td><td>Maturity bucket m: (n-1) years < time to maturity ≤</td><td></td><td></td></tr>
</table>

<table>
<tr><td colspan="5">Asset class — Commodity Derivatives</td></tr>
<tr><td rowspan="2">Sub-asset class</td><td colspan="3" rowspan="2">For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below</td><td colspan="2">Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds</td></tr>
<tr><td>Average daily notional amount (ADNA)
[quantitative liquidity criterion 1]</td><td>Average daily number of trades
[quantitative liquidity criterion 2]</td></tr>
<tr><td></td><td colspan="2"></td><td>n years</td><td></td><td></td></tr>
<tr><td></td><td colspan="2">Maturity bucket m: (n-1) years < time to maturity ≤ n years</td><td></td><td></td><td></td></tr>
<tr><td>Energy commodity futures/forwards

RTS2#3 = ‘DERV’ and RTS2#4 = ‘COMM’ and RTS23#35 = 'NRGY' and [RTS2#5 = ‘FUTR’ or ‘FORW’]</td><td colspan="3">an energy commodity future/forward sub-class is defined by the following segmentation criteria:
Segmentation criterion 1 (RTS23#36) — energy type: oil, distillates, coal, light ends, natural gas, electricity, inter energy
Segmentation criterion 2 (RTS23#37) — underlying energy
Segmentation criterion 3 (RTS2#15) — notional currency defined as the currency in which the notional amount of the future/forward is denominated
Segmentation criterion 4 — [deleted]
Segmentation criterion 5 (RTS2#14) — delivery/cash settlement location applicable to all energy types
Segmentation criterion 6 (RTS2#8) — time to maturity bucket of the future/forward defined as follows:</td><td>EUR 10 000 000</td><td>10</td></tr>
<tr><td></td><td>Oil/ Distillates/ Light ends</td><td>Coal</td><td>Natural Gas/Electricity/Inter-energy</td><td></td><td></td></tr>
<tr><td></td><td>Maturity bucket 1: 0 < time to maturity ≤ 4 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 6 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 1 month</td><td></td><td></td></tr>
</table>

Asset class — Commodity Derivatives					
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**			**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
				Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
	Maturity bucket 2: 4 months < time to maturity ≤ 8 months	**Maturity bucket 2**: 6 months < time to maturity ≤ 1 year	**Maturity bucket 2:** 1 month < time to maturity ≤ 1 year		
	Maturity bucket 3: 8 months < time to maturity ≤ 1 year	**Maturity bucket 3**: 1 year < time to maturity ≤ 2 years	**Maturity bucket 3**: 1 year < time to maturity ≤ 2 years		
	Maturity bucket 4: 1 year < time to maturity ≤ 2 years	…	...		
	…	**Maturity bucket m:** (n-1) years < time to maturity ≤ n years	**Maturity bucket m**: (n-1) years < time to maturity ≤ n years		
	Maturity bucket m: (n-1) years < time to maturity ≤ n years				

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<tr><th colspan="5">Asset class — Commodity Derivatives</th></tr>
<tr><th rowspan="2">Sub-asset class</th><th colspan="3" rowspan="2">For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below</th><th colspan="2">Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds</th></tr>
<tr><th>Average daily notional amount (ADNA) [quantitative liquidity criterion 1]</th><th>Average daily number of trades [quantitative liquidity criterion 2]</th></tr>
<tr><td rowspan="4">Energy commodity options
RTS2#3 = ‘DERV’ and RTS2#4 = ‘COMM’ and RTS23#35 = 'NRGY' and RTS2#5 = ‘OPTN’</td><td colspan="3">an energy commodity option sub-class is defined by the following segmentation criteria:
Segmentation criterion 1 (RTS23#36) — energy type: oil, distillates, coal, light ends, natural gas, electricity, inter-energy
Segmentation criterion 2 (RTS23#37) — underlying energy
Segmentation criterion 3 (RTS2#15) — notional currency defined as the currency in which the notional amount of the option is denominated
Segmentation criterion 4 — [deleted]
Segmentation criterion 5 (RTS2#14) — delivery/cash settlement location applicable to all energy types
Segmentation criterion 6 (RTS2#8) — time to maturity bucket of the option defined as follows:</td><td rowspan="4">EUR 10 000 000</td><td rowspan="4">10</td></tr>
<tr><td>Oil/Distillates/Light ends</td><td>Coal</td><td>Natural Gas/Electricity/Inter-energy</td></tr>
<tr><td>Maturity bucket 1: 0 < time to maturity ≤ 4 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 6 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 1 month</td></tr>
<tr><td>Maturity bucket 2: 4 months < time to maturity ≤ 8 months</td><td>Maturity bucket 2: 6 months < time to maturity ≤ 1 year</td><td>Maturity bucket 2: 1 month < time to maturity ≤ 1 year</td></tr>
</table>

Asset class — Commodity Derivatives					
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**			**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
				Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
	Maturity bucket 3: 8 months < time to maturity ≤ 1 year	**Maturity bucket 3**: 1 year < time to maturity ≤ 2 years	**Maturity bucket 3**: 1 year < time to maturity ≤ 2 years		
	Maturity bucket 4: 1 year < time to maturity ≤ 2 years	…	…		
	…	**Maturity bucket m:** (n-1) years < time to maturity ≤ n years	**Maturity bucket m**: (n-1) years < time to maturity ≤ n years		
	Maturity bucket m: (n-1) years < time to maturity ≤ n years				

<table>
<tr><th colspan="5">Asset class — Commodity Derivatives</th></tr>
<tr><th rowspan="2">Sub-asset class</th><th colspan="3" rowspan="2">For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below</th><th colspan="2">Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds</th></tr>
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<tr><td rowspan="4">Energy commodity swaps
RTS2#3 = ‘DERV’ and RTS2#4 = ‘COMM’ and RTS23#35 = 'NRGY' and RTS2#5 = ‘SWAP’</td><td colspan="3">an energy commodity swap sub-class is defined by the following segmentation criteria:
Segmentation criterion 1 (RTS23#36) — energy type: oil, distillates, coal, light ends, natural gas, electricity, inter-energy
Segmentation criterion 2 (RTS23#37) — underlying energy
Segmentation criterion 3 (RTS2#15) — notional currency defined as the currency in which the notional amount of the swap is denominated
Segmentation criterion 4 (RTS23#34) —delivery type defined as cash, physical or optional
Segmentation criterion 5 — [deleted]
Segmentation criterion 6 (RTS2#14) — delivery/cash settlement location applicable to all energy types
Segmentation criterion 7 (RTS2#8) — time to maturity bucket of the swap defined as follows:</td><td rowspan="4">EUR 10 000 000</td><td rowspan="4">10</td></tr>
<tr><td>Oil/Distillates/Light ends</td><td>Coal</td><td>Natural Gas/'Electricity/Inter-energy</td></tr>
<tr><td>Maturity bucket 1: 0 < time to maturity ≤ 4 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 6 months</td><td>Maturity bucket 1: 0 < time to maturity ≤ 1 month</td></tr>
<tr><td>Maturity bucket 2: 4 months < time to maturity ≤ 8 months</td><td>Maturity bucket 2: 6 months < time to maturity ≤ 1 year</td><td>Maturity bucket 2: 1 month < time to maturity ≤ 1 year</td></tr>
</table>

Asset class — Commodity Derivatives					
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**			**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
				Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
	Maturity bucket 3: 8 months < time to maturity ≤ 1 year	**Maturity bucket 3**: 1 year < time to maturity ≤ 2 years	**Maturity bucket 3**: 1 year < time to maturity ≤ 2 years		
	Maturity bucket 4: 1 year < time to maturity ≤ 2 years	…	…		
	…	**Maturity bucket m:** (n-1) years < time to maturity ≤ n years	**Maturity bucket m**: (n-1) years < time to maturity ≤ n years		
	Maturity bucket m: (n-1) years < time to maturity ≤ n years				
Agricultural commodity futures/forwards RTS2#3 = 'DERV' and RTS2#4 = 'COMM' and RTS23#35 = 'AGRI' and [RTS2#5 = 'FUTR' or 'FORW']	an agricultural commodity future/forward sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#36 and RTS23#37) — underlying agricultural commodity (sub-product and further sub product) **Segmentation criterion 2** (RTS2#15) — notional currency defined as the currency in which the notional amount of the future/forward is denominated **Segmentation criterion 3** (RTS2#8) — time to maturity bucket of the future/forward defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 3 months **Maturity bucket 2**: 3 months < time to maturity ≤ 6 months			EUR 10 000 000	10

Asset class — Commodity Derivatives			
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**	**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
		Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
	Maturity bucket 3: 6 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years		

Asset class — Commodity Derivatives			
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**	**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
		Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
Agricultural commodity options RTS2#3 = 'DERV' and RTS2#4 = 'COMM' and RTS23#35 = 'AGRI' and RTS2#5 = 'OPTN'	an agricultural commodity option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#36 and RTS23#37) — underlying agricultural commodity (sub-product and further sub product) **Segmentation criterion 2** (RTS2#15) — notional currency defined as the currency in which the notional amount of the option is denominated **Segmentation criterion 3** (RTS2#8) — time to maturity bucket of the option defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 3 months **Maturity bucket 2**: 3 months < time to maturity ≤ 6 months **Maturity bucket 3**: 6 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	EUR 10 000 000	10

Asset class — Commodity Derivatives			
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**	**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
		Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
Agricultural commodity swaps RTS2#3 = 'DERV' and RTS2#4 = 'COMM' and RTS23#35 = 'AGRI' and RTS2#5 = 'SWAP'	an agricultural commodity swap sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** (RTS23#36 and RTS23#37) — underlying agricultural commodity (sub-product and further sub product) **Segmentation criterion 2** (RTS2#15) — notional currency defined as the currency in which the notional amount of the swap is denominated **Segmentation criterion 3** (RTS23#34) —delivery type defined as cash, physical or optional **Segmentation criterion 4** (RTS2#8) — time to maturity bucket of the swap defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 3 months **Maturity bucket 2**: 3 months < time to maturity ≤ 6 months **Maturity bucket 3**: 6 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	EUR 10 000 000	10
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied**		

Asset class — Commodity Derivatives			
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**	**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds**	
		Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
Other commodity derivatives a commodity derivative that does not belong to any of the above sub-asset classes	any other commodity derivative is considered not to have a liquid market		

4. Table 8.1 of Annex III is replaced by the following:

Asset class — Foreign Exchange Derivatives
a financial instrument relating to currencies as defined in Section C(4) of Annex I of Directive 2014/65/EU

Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further**	**Each sub-class shall be determined not to have a liquid market as per Arti-**

	segmented into sub-classes as defined below	**Average daily number of trades** [quantitative liquidity criterion 2] **Average**
Non-deliverable forward (NDF) means a forward that, by its terms, is cash- settled between its counterparties, where the settlement amount is determined by the difference in the exchange rate of two currencies as be- tween the trade date and the valuation date. On the settlement date, one party will owe the other party the net difference between (i) the exchange rate set at the trade date; and (ii) the exchange rate on the valuation date, based upon the notional amount, with such net amount payable in the settlement currency stipulated in the con- tract. RTS2#3 = DERV RTS2#4 = CURR RTS2#5 = FORW RTS2#26 = NDLV	a non-deliverable FX forward sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** 'RTS23#13 and RTS23#47— underlying currency pair defined as combination of the two currencies underlying the derivative contract **Segmentation criterion 2** 'RTS2#8— time to maturity bucket of the forward defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 week **Maturity bucket 2**: 1 week < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years **Maturity bucket 5**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	Non-deliverable forward (NDF) are considered not to have a liquid market

Deliverable forward (DF) means a forward that solely involves the ex- change of two different currencies on a specific future contracted settlement date at a fixed rate agreed upon on the inception of the contract covering the exchange. RTS2#3 = DERV RTS2#4 = CURR' RTS2#5 = FORW RTS2#26 = DLVB	a deliverable FX forward sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** 'RTS23#13 and RTS23#47— underlying currency pair defined as combination of the two currencies underlying the derivative contract **Segmentation criterion 2** 'RTS2#8— time to maturity bucket of the forward defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 week **Maturity bucket 2**: 1 week < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years **Maturity bucket 5**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	Deliverable forward (DF) are considered not to have a liquid market

Non-Deliverable FX options (NDO) means an option that, by its terms, is cash- settled between its counterparties, where the settlement amount is determined by the difference in the exchange rate of two currencies as be- tween the trade date and the valuation date. On the settlement date, one party will owe the other party the net difference between (i) the exchange rate set at the trade date; and (ii) the exchange rate on the valuation date, based upon the notional amount, with such net amount payable in the settlement currency stipulated in the con- tract. RTS2#3 = DERV RTS2#4 = CURR' RTS2#5 = OPTN RTS2#26 = NDLV	a non-deliverable FX option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** 'RTS23#13 and RTS23#47 — underlying currency pair defined as combination of the two currencies underlying the derivative contract **Segmentation criterion 2** 'RTS2#8— time to maturity bucket of the option defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 week **Maturity bucket 2**: 1 week < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years **Maturity bucket 5**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	Non-Deliverable FX options (NDO) are considered not to have a liquid market

Deliverable FX options (DO) means an option that solely involves the ex- change of two different currencies on a specific future contracted settlement date at a fixed rate agreed upon on the inception of the contract covering the exchange. **'RTS2#3 = DERV** **RTS2#4 = CURR** RTS2#5 = OPTN RTS2#26 = DLVB	a deliverable FX option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** ''RTS23#13 and RTS23#47— underlying currency pair defined as combination of the two currencies underlying the derivative contract **Segmentation criterion 2** RTS2#8— time to maturity bucket of the option defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 week **Maturity bucket 2**: 1 week < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years **Maturity bucket 5**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	Deliverable FX options (DO) are considered not to have a liquid market

Non-Deliverable FX swaps (NDS) means a swap that, by its terms, is cash-settled between its counterparties, where the settlement amount is determined by the difference in the exchange rate of two currencies as between the trade date and the valuation date. On the settlement date, one party will owe the other party the net difference between (i) the exchange rate set at the trade date; and (ii) the exchange rate on the valuation date, based upon the notional amount, with such net amount payable in the settlement currency stipulated in the contract. **'RTS2#3 = DERV** **RTS2#4 = CURR'** RTS2#5 = SWAP RTS2#26 = NDLV	a non-deliverable FX swap sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** 'RTS23#13 and RTS23#47 — underlying currency pair defined as combination of the two currencies underlying the derivative contract **Segmentation criterion 2** 'RTS2#8 — time to maturity bucket of the swap defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 week **Maturity bucket 2**: 1 week < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years **Maturity bucket 5**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	Non-Deliverable FX swaps (NDS) are considered not to have a liquid market

Deliverable FX swaps (DS) means a swap that solely involves the exchange of two different currencies on a specific future contracted settlement date at a fixed rate agreed upon on the inception of the contract covering the exchange. **'RTS2#3 = DERV** **RTS2#4 = CURR** RTS2#5 = SWAP RTS2#26 = DLVB	a deliverable FX swap sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** 'RTS23#13 and RTS23#47 — underlying currency pair defined as combination of the two currencies underlying the derivative contract **Segmentation criterion 2** 'RTS2#8 — time to maturity bucket of the swap defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 week **Maturity bucket 2**: 1 week < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years **Maturity bucket 5**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	Deliverable FX swaps (DS) are considered not to have a liquid market

FX futures **'RTS2#3 = DERV** **RTS2#4 = CURR'** 'RTS2#5 = FUTR	an FX future sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** 'RTS23#13 and RTS23#47 — underlying currency pair defined as combination of the two currencies underlying the derivative contract **Segmentation criterion 2** 'RTS2#8 — time to maturity bucket of the future defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 week **Maturity bucket 2**: 1 week < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 1 year **Maturity bucket 4**: 1 year < time to maturity ≤ 2 years **Maturity bucket 5**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	FX futures are considered not to have a liquid market

Asset class — Foreign Exchange Derivatives	
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied**
Other Foreign Exchange Derivatives an FX derivative that does not belong to any of the above sub-asset classes 'RTS2#3 = DERV RTS2#4 = CURR 'RTS2#5 = OTHR	any other FX derivative is considered not to have a liquid market

5. Table 9.1 of Annex III is replaced by the following:

Table 9.1

Credit derivatives — classes not having a liquid market

Asset class — Credit Derivatives					
	Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**	**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria. For sub-classes determined to have a liquid market the additional qualitative liquidity criterion, where applicable, shall be applied**		
			Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]	**On-the-run status of the index** [Additional qualitative liquidity criterion]

Index credit default swap (CDS) a swap 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 **RTS2#3 = DERV** **RTS2#4 = CRDT**	an index credit default swap sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** RTS2#34 — underlying index **Segmentation criterion 2** RTS2#42 — notional currency defined as the currency in which the notional amount of the derivative is denominated **Segmentation criterion 3** RTS2#8— time maturity bucket of the CDS defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 year **Maturity bucket 2**: 1 year < time to maturity ≤ 2 years **Maturity bucket 3**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	EUR 200 000 000	10	The underlying index is considered to have a liquid market: (1) during the whole period of its 'on-the-run status' (2) for the first 30 working days of its '1x off-the-run status' 'on-the-run' index means the rolling most recent version (series) of the index created on the date on which the composition of the index is effective and ending one day prior to the date on which the composition of the next version (series) of the index is effective. '1x off-the-run status' means the version (series) of the index which is immediately prior to the cur- rent 'on-the-run' version (series) at a certain point in time. A version (series) ceases being 'on-the-run' and acquires its '1x off-the-run' status when the latest version (series) of the index is created.

Single name credit de- fault swap (CDS) a swap whose exchange of cash flows is linked to the creditworthiness of one is- suer of financial instruments and the occurrence of credit events **RTS2#3 = DERV** **RTS2#4 = CRDT**	a single name credit default swap sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** 'RTS2#41 — underlying reference entity **Segmentation criterion 2** 'RTS2#39 — underlying reference entity type defined as follows: 'Issuer of sovereign and public type' means an issuer entity which is either: (a) the Union; (b) a Member State including a government department, an agency or a special purpose vehicle of a Member State; (c) a sovereign entity which is not listed under points (a) and (b); (d) in the case of a federal Member State, a member of that federation; (e) a special purpose vehicle for several Member States; (f) an international financial institution established by two or more Member States which have the purpose of mobilising funding and providing financial assistance to the benefit of its members that are experiencing or are threatened by severe financial problems; (g) the European Investment Bank; (h) a public entity which is not a sovereign issuer as specified in the points (a) to (c). 'Issuer of corporate type' means an issuer entity which is not an issuer of sovereign and public type.	EUR 10 000 000	10	

	Segmentation criterion 3 RTS2#42 — notional currency defined as the currency in which the notional amount of the derivative is denominated **Segmentation criterion 4** RTS2#8 — time maturity bucket of the CDS defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 year **Maturity bucket 2**: 1 year < time to maturity ≤ 2 years **Maturity bucket 3**: 2 years < time to maturity ≤ 3 years …**Maturity bucket m**: (n-1) years < time to maturity ≤ n years			
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**	**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet the following qualitative liquidity criterion**		
CDS index options an option whose underlying is a CDS index **RTS2#3 = DERV** **RTS2#4 = CRDT**	a CDS index option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** RTS23#26 — CDS index sub-class as specified for the sub-asset class of index credit default swap (CDS) **Segmentation criterion 2** RTS2#8 — time maturity bucket of the option defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 6 months **Maturity bucket 2**: 6 months < time to maturity ≤ 1 year **Maturity bucket 3**: 1 year < time to maturity ≤ 2 years **Maturity bucket 4**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	a CDS index option whose underlying CDS index is a sub-class determined to have a liquid market and whose time to maturity bucket is 0-6 months is considered to have a liquid market a CDS index option whose underlying CDS index is a sub-class determined to have a liquid market and whose time to maturity bucket is not 0-6 months is not considered to have a liquid market a CDS index option whose underlying CDS index is a sub-class determined not to have a liquid market is not considered to have a liquid market for any given time to maturity bucket		

Single name CDS options an option whose underly-ing is a single name CDS **RTS2#3 = DERV** **RTS2#4 = CRDT**	a single name CDS option sub-class is defined by the following segmentation criteria: **Segmentation criterion 1** RTS23#26 — single name CDS sub-class as specified for the sub-asset class of single name CDS **Segmentation criterion 2** RTS2#8— time maturity bucket of the option defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 6 months **Maturity bucket 2**: 6 months < time to maturity ≤ 1 year **Maturity bucket 3**: 1 year < time to maturity ≤ 2 years **Maturity bucket 4**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	a single name CDS option whose underlying single name CDS is a sub-class determined to have a liquid market and whose time to maturity bucket is 0-6 months is considered to have a liquid market a single name CDS option whose underlying single name CDS is a sub-class determined to have a liquid market and whose time to maturity bucket is not 0-6 months is not considered to have a liquid market a single name CDS option whose underlying single name CDS is a sub-class determined not to have a liquid market is not considered to have a liquid market for any given time to maturity bucket
Asset class — Credit Derivatives		
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall apply**	
Other credit derivatives a credit derivative that does not belong to any of the above sub-asset classes **RTS2#3 = DERV** **RTS2#4 = CRDT** RTS2#5 = OTHR	any other credit derivatives is considered not to have a liquid market	

6. Table 9.2 of Annex III is replaced by the following:

Asset class — Credit Derivatives															
Sub-asset class	**Percentiles and threshold floors to be applied for the calculation of the pre-trade and post-trade SSTI and LIS thresholds for the sub-classes determined to have a liquid market**														
	Transactions to be considered for the calculations of the thresholds	**SSTI pre-trade**					**LIS pre-trade**		**SSTI post-trade**			**LIS post-trade**			
		Trade – percentile				**Threshold floor**	**Trade – percentile**	**Threshold floor**	**Trade – percentile**	**Volume – percentile**	**Threshold floor**	**Trade – percentile**	**Volume – percentile**	**Threshold floor**
Index credit default swap (CDS)	Calculation of thresholds should be performed for each sub-class of the sub-asset class considering the transactions executed on financial instruments belonging to the sub-class	S1	S2	S3	S4	EUR 2 500 000	70	EUR 5 000 000	80	60	EUR 7 500 000	90	70	EUR 10 000 000
		30	40	50	60									
Single name credit default swap (CDS)	Calculation of thresholds should be performed for each sub-class of the sub-asset class considering the transactions executed on financial instruments belonging to the sub-class	S1	S2	S3	S4	EUR 2 500 000	70	EUR 5 000 000	80	60	EUR 7 500 000	90	70	EUR 10 000 000
		30	40	50	60									

Asset class — Credit Derivatives	
	Percentiles and threshold floors to be applied for the calculation of the pre-trade and post-trade SSTI and LIS thresholds for the sub-classes determined to have a liquid market

Sub-asset class	Transactions to be considered for the calculations of the thresholds	SSTI pre-trade					LIS pre-trade		SSTI post-trade			LIS post-trade		
		Trade – percentile				Threshold floor	Trade – percentile	Threshold floor	Trade – percentile	Volume – percentile	Threshold floor	Trade – percentile	Volume – percentile	Threshold floor
CDS index options	Calculation of thresholds should be performed for each sub-class of the sub-asset class considering the transactions executed on financial instruments belonging to the sub-class	S1	S2	S3	S4	EUR 2 500 000	70	EUR 5 000 000	80	60	EUR 7 500 000	90	70	EUR 10 000 000
		30	40	50	60									
Single name CDS options	Calculation of thresholds should be performed for each sub-class of the sub-asset class considering the transactions executed on financial instruments belonging to the sub-class	S1	S2	S3	S4	EUR 2 500 000	70	EUR 5 000 000	80	60	EUR 7 500 000	90	70	EUR 10 000 000
		30	40	50	60									

7. Table 9.3 of Annex III is replaced by the following:

Credit derivatives — pre-trade and post-trade SSTI and LIS thresholds for sub-classes determined not to have a liquid market

Asset class — Credit Derivatives				
Sub-asset class	Pre-trade and post-trade SSTI and LIS thresholds for the sub-classes determined not to have a liquid market			
	SSTI pre-trade	LIS pre-trade	SSTI post-trade	LIS post-trade
	Threshold value	Threshold value	Threshold value	Threshold value
Index credit default swap (CDS)	EUR 2 500 000	EUR 5 000 000	EUR 7 500 000	EUR 10 000 000
Single name credit default swap (CDS)	EUR 2 500 000	EUR 5 000 000	EUR 7 500 000	EUR 10 000 000
CDS index options	EUR 2 500 000	EUR 5 000 000	EUR 7 500 000	EUR 10 000 000
Single name CDS options	EUR 2 500 000	EUR 5 000 000	EUR 7 500 000	EUR 10 000 000
Other credit derivatives	EUR 2 500 000	EUR 5 000 000	EUR 7 500 000	EUR 10 000 000

8. Table 10.1 of Annex III is replaced by the following:

Asset class — C10 Derivatives		
Sub-asset class	For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below	Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria

		Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]

Freight derivatives a financial instrument relating to freight rates as defined in Section C(10) of Annex I of Directive 2014/65/EU RTS2#3 = 'DERV' and RTS2#4 = 'COMM' and RTS23#35 = 'FRGT'	a freight derivative sub-class is defined by the following segmentation criteria: **Segmentation criterion 1 (RTS2#5)** — contract type: futures or options **Segmentation criterion 2 (RTS23#36)** — freight type **Segmentation criterion 3 (RTS2#37)** — freight sub-type **Segmentation criterion 4 (RTS2#12)** — specification of the size related to the freight sub-type **Segmentation criterion 5 (RTS2#13)** — specific route or time charter average **Segmentation criterion 6 (RTS2#8)** — time maturity bucket of the derivative defined as follows: **Maturity bucket 1**: 0 < time to maturity ≤ 1 month **Maturity bucket 2**: 1 month < time to maturity ≤ 3 months **Maturity bucket 3**: 3 months < time to maturity ≤ 6 months **Maturity bucket 4**: 6 months < time to maturity ≤ 9 months **Maturity bucket 5**: 9 months < time to maturity ≤ 1 year **Maturity bucket 6**: 1 year < time to maturity ≤ 2 years **Maturity bucket 7**: 2 years < time to maturity ≤ 3 years … **Maturity bucket m**: (n-1) years < time to maturity ≤ n years	EUR 10 000 000	10

Asset class — C10 Derivatives	
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied**
Other C10 derivatives a financial instrument as defined in Section C(10) of Annex I of Directive 2014/65/EU which is not a 'Freight derivative', any of the following interest rate derivatives sub- asset classes: 'Inflation multi-currency swap or cross-currency swap', a 'Future/forward on inflation multi-currency swaps or cross-currency swaps', an 'Inflation single currency swap', a 'Fu- ture/forward on inflation single currency swap' and any of the following equity derivatives sub- asset classes: a 'Volatility index option', a 'Volatil- ity index future/forward', a swap with parameter return variance, a swap with parameter return volatility, a portfolio swap with parameter return variance, a portfolio swap with parameter return volatility	any other C10 derivatives is considered not to have a liquid market

9. Table 11.1 of Annex III is replaced by the following:

Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below**	Qualitative liquidity criterion	**Average daily notional amount (ADNA)** [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]

Currency CFDs RTS2#3 = DERV RTS2#5 = CFDS RTS2#29 = CURR	a currency CFD sub-class is defined by the underlying currency pair defined as combination of the two currencies underlying the CFD/spread betting contract. RTS2#30 and RTS2#31		EUR 50 000 000	100
Commodity CFDs RTS2#3 = DERV RTS2#5 = CFDS RTS2#29 = COMM	a commodity CFD sub-class is defined by the underlying commodity of the CFD/spread betting contract RTS23#35 and RTS23#36 and RTS23#37		EUR 50 000 000	100
Equity CFDs RTS2#3 = DERV RTS2#5 = CFDS RTS2#29 = EQUI	an equity CFD sub-class is defined by the underlying equity security of the CFD/spread betting contract RTS23#26	an equity CFD sub-class is considered to have a liquid market if the underlying is an equity security for which there is a liquid market as determined in accordance with Article 2(1)(17)(b) of Regulation (EU) No 600/2014		
Bond CFDs RTS2#3 = DERV RTS2#5 = CFDS RTS2#29 = BOND	a bond CFD sub-class is defined by the underlying bond or bond future of the CFD/spread betting contract RTS23#26	a bond CFD sub-class is considered to have a liquid market if the underlying is a bond or bond future for which there is a liquid market as determined in accordance with Articles 6 and 8(1)(b).		
CFDs on an equity future/for- ward RTS2#3 = DERV RTS2#5 = CFDS RTS2#29 = FTEQ	a CFD on an equity future/forward sub-class is defined by the underlying future/forward on an equity of the CFD/spread betting contract RTS23#26	a CFD on an equity future/forward sub-class is considered to have a liquid market if the underlying is an equity future/forward for which there is a liquid market as determined in accordance with Articles 6 and 8(1)(b).		

CFDs on an equity option RTS2#3 = DERV RTS2#5 = CFDS RTS2#29 = OPEQ	a CFD on an equity option sub-class is defined by the underlying option on an equity of the CFD/spread betting contract RTS23#26	a CFD on an equity option sub-class is considered to have a liquid market if the underlying is an equity option for which there is a liquid market as determined in accordance with Articles 6 and 8(1)(b).		

Asset class – Financial contracts for differences (CFDs)	
Sub-asset class	**For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied**
Other CFDs	
a CFD/spread betting that does not belong to any of the above sub-asset classes RTS2#3 = DERV RTS2#5 = CFDS RTS2#29 = OTHR	any other CFD/spread betting is considered not to have a liquid market

10. Table 12.1 of Annex III is replaced by the following:

Emission allowances — classes not having a liquid market

Asset class — Emission Allowances

Sub-asset class	Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria	
	Average Daily Amount (ADA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]
European Union Allowances (EUA) any unit recognised for compliance with the requirements of Directive 2003/87/EC of the European Parliament and of the Council ([1]) (Emissions Trading Scheme) which represents the right to emit the equivalent to 1 tonne of carbon dioxide equivalent (tCO_2e) RTS2#3 = EMAL and RTS2#11 = EUAE	150 000 tons of Carbon Dioxide Equivalent	5
European Union Aviation Allowances (EUAA) any unit recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme) which represents the right to emit the equivalent to 1 tonne of carbon dioxide equivalent (tCO_2e) from aviation RTS2#3 = EMAL and RTS2#11 = EUAA	150 000 tons of Carbon Dioxide Equivalent	5
Certified Emission Reductions (CER) any unit recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme) which represents the emissions reduction equivalent to 1 tonne of carbon dioxide equivalent (tCO_2e) RTS2#3 = EMAL and RTS2#11 = CERE	150 000 tons of Carbon Dioxide Equivalent	5
Emission Reduction Units (ERU) any unit recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme) which represents the emissions reduction equivalent to 1 tonne of carbon dioxide equivalent (tCO_2e) RTS2#3 = EMAL and RTS2#11 = ERUE	150 000 tons of Carbon Dioxide Equivalent	5

Other Emission Allowances an emission allowance which is an emission allowance recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme and is not a European Union Allowances (EUA), a European Union Aviation Allowances (EUAA), a Certified Emission Reductions (CER) and an Emission Reduction Units (ERU) RTS2#3 = EMAL and RTS2#11 = OTHR	any other emission allowances is considered not to have a liquid market
([1]) Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (JO L 275, 25.10.2003, p. 32).	

11. Table 13.1 of Annex III is replaced by the following:

Emission allowance derivatives — classes not having a liquid market

	Asset class — Emission Allowance Derivatives	
Sub-asset class	**Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria**	
	Average Daily Amount (ADA) [quantitative liquidity criterion 1]	**Average daily number of trades** [quantitative liquidity criterion 2]

Emission allowance derivatives whose underlying is of the type European Union Allowances (EUA) a financial instrument relating to emission allowances of the type European Union Allowances (EUA) as defined in Section C(4) of Annex I of Directive 2014/65/EU RTS2#3 = DERV and RTS2#4 = EMAL and RTS2#43 = EUAE	150 000 tons of Carbon Dioxide Equivalent	5
Emission allowance derivatives whose underlying is of the type European Union Aviation Allowances (EUAA) a financial instrument relating to emission allowances of the type European Union Aviation Allowances (EUAA) as defined in Section C(4) of Annex I of Directive 2014/65/EU RTS2#3 = DERV and RTS2#4 = EMAL and RTS2#43 = EUAA	150 000 tons of Carbon Dioxide Equivalent	5
Emission allowance derivatives whose underlying is of the type Certified Emission Reductions (CER) a financial instrument relating to emission allowances of the type Certified Emission Reductions (CER) as defined in Section C(4) of Annex I of Directive 2014/65/EU RTS2#3 = DERV and RTS2#4 = EMAL and RTS2#43 = CERE	150 000 tons of Carbon Dioxide Equivalent	5
Emission allowance derivatives whose underlying is of the type Emission Reduction Units (ERU) a financial instrument relating to emission allowances of the type Emission Reduction Units (ERU) as defined in Section C(4) of Annex I of Directive 2014/65/EU RTS2#3 = DERV and RTS2#4 = EMAL and RTS2#43 = ERUE	150 000 tons of Carbon Dioxide Equivalent	5

Other Emission allowance derivatives an emission allowance derivative whose underlying is an emission allowances recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme) and is not a European Union Allowances (EUA), a European Union Aviation Allowances (EUAA), a Certified Emission Reductions (CER) and an Emission Reduction Units (ERU) RTS2#3 = DERV and RTS2#4 = EMAL and RTS2#43 = OTHR	any other emission allowance derivative is considered not to have a liquid market

8.3.4 ANNEX IV of RTS 2

ii. Annex IV is amended as follows:

1. Table 1 of Annex IV is replaced by the following:

Table 1

Symbol table for Table 2

SYMBOL	DATA TYPE	DEFINITION
{ALPHANUM-n}	Up to n alphanumerical char- acters	Free text field.
{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); — the number may be prefixed with '-' (minus) to indicate negative numbers. Where applicable, values shall be rounded and not truncated.
{COUNTRYCODE_2}	2 alphanumerical characters	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
{CURRENCYCODE_3}	3 alphanumerical characters	3 letter currency code, as defined by ISO 4217 currency codes
{DATEFORMAT}	ISO 8601 date format	Dates should be formatted by the following format: YYYY-MM-DD.
{ISIN}	12 alphanumerical characters	ISIN code, as defined in ISO 6166
{LEI}	20 alphanumerical characters	Legal entity identifier as defined in ISO 17442
{MIC}	4 alphanumerical characters	Market identifier as defined in ISO 10383
{EIC}	16 alphanumerical characters	an EIC code pertaining to a delivery point within or outside the European Union

{INDEX}	4 alphabetic characters	‘EONA’ — EONIA ‘EONS’ — EONIA SWAP ‘EURI’ — EURIBOR ‘EUUS’ — EURODOLLAR ‘EUCH’ — EuroSwiss ‘GCFR’ — GCF REPO ‘ISDA’ — ISDAFIX ‘LIBI’ — LIBID ‘LIBO’ — LIBOR ‘MAAA’ — Muni AAA ‘PFAN’ — Pfandbriefe ‘TIBO’ — TIBOR ‘STBO’ — STIBOR ‘BBSW’ — BBSW ‘JIBA’ — JIBAR ‘BUBO’ — BUBOR ‘CDOR’ — CDOR ‘CIBO’ — CIBOR

2. Table 2 of Annex IV is replaced by the following:

Table 2

Details of the reference data to be provided for the purpose of transparency calculations

#	FIELD	DETAILS TO BE REPORTED	FORMAT FOR REPORTING
1	Instrument identification code	Code used to identify the financial instrument	{ISIN}
2	Instrument full name	Full name of the financial instrument	{ALPHANUM-350}

3	MiFIR identifier	**Identification of non-equity financial instruments:** **Securitised derivatives** as defined in Table 4.1 in Section 4 of Annex III **Structured Finance Products (SFPs)** as defined in Article 2(1)(28) of Regulation (EU) No 600/2014 **Bonds (for all bonds except ETCs and ETNs)** as defined in Article 4(1)(44)(b) of Directive 2014/65/EU **ETCs** as defined in Article 4(1)(44)(b) of Directive 2014/65/EU and further specified in Table 2.4 of Section 2 of Annex III **ETNs** as defined in Article 4(1)(44)(b) of Directive 2014/65/EU and further specified in Table 2.4 of Section 2 of Annex III **Emission allowances** as defined in Table 12.1 of Section 12 of Annex III **Derivative** as defined in Annex I, Section C (4) to (10) of Directive 2014/65/EU	**Non-equity financial instruments:** 'SDRV' — Securitised derivatives 'SFPS' — Structured Finance Products (SFPs) 'BOND' — Bonds 'ETCS' — ETCs 'ETNS' — ETNs 'EMAL' — Emission Allowances 'DERV' — Derivative
4	Asset class of the underlying	To be populated when the MiFIR identifier is a securitised derivative or a derivative.	'INTR' — Interest rate 'EQUI' — Equity 'COMM' — Commodity 'CRDT' — Credit 'CURR' — Currency 'EMAL' — Emission Allowances 'OCTN' — Other C10

5	Contract type	To be populated when the MiFIR identifier is a derivative.	'OPTN' — Options 'FUTR' — Futures (including — Forward Freight Agreements (FFAs)) 'FRAS' — Forward Rate Agreement (FRA) 'FORW' — Forwards 'SWAP' — Swaps 'PSWP' — Portfolio Swaps 'SWPT' — Swaptions 'OPTS' — Option on a swap 'FONS' — Futures on a swap 'FWOS' — Forwards on a swap 'SPDB' — Spread betting 'CFDS' — CFD 'OTHR' — Other
6	Reporting day	Day for which the reference data is provided	{DATEFORMAT}
7	Trading venue	Segment MIC for the trading venue, where available, otherwise operating MIC.	{MIC}
8	Maturity	Defined maturity of the financial instrument. Field applicable for the asset classes of bonds, interest rate derivatives, equity derivatives, commodity derivatives, foreign exchange derivatives, credit derivatives C10 derivatives and derivatives on emission allowances.	{DATEFORMAT}

Bonds (all bond types except ETCs and ETNs) related fields

The fields in this section should only be populated for Bonds as defined in Table 2.1 of Section 2 of Annex III

9	Bond type	Bond type as specified in Table 2.2 of Section 2 of Annex III. To be populated only when the MiFIR identifier is equal to bonds.	'EUSB' — Sovereign Bond 'OEPB' — Other Public Bond 'CVTB' — Convertible Bond 'CVDB' — Covered Bond 'CRPB' — Corporate Bond 'OTHR' — Other
10	Issuance date	Date on which a bond is issued and begins to accrue interest.	{DATEFORMAT}

Emission Allowances related fields

The fields in this section should only be populated for emission allowances as defined in Table 12.1 of Section 12 of Annex III

11	Emissions Allowances sub type	Emissions Allowances	'CERE' — CER 'ERUE' — ERU 'EUAE' — EUA 'EUAA' — EUAA 'OTHR' — Other

Derivatives related fields

Commodity derivatives and C10 derivatives

The fields in this section should only be populated for commodity derivatives as defined in Table 7.1 of Section 7 of Annex III and for C10 derivatives as defined in Table 10.1 of Section 10 of Annex III

12	Specification of the size related to the freight sub-type	To be populated when the base product specified in field 35 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to freight.	For dry freight: 'CAPE' — Capesize 'PNMX' — Panamax 'SPMX' — Supramax 'HAND' — Handysize For wet freight: 'CLAN' — Clean 'DRTY' — Dirty {ALPHANUM-4} otherwise
13	Specific route or time charter average	To be populated when the base product specified in field 35 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to freight.	For wet freight: 'TD7' — TD7 'TD8' — TD8 'TD17' — TD17 'TD19' — TD19 'TD20' — TD20 'BLPG1' — BLPG1 'TD3C' — TD3C 'TC2' — TC2 'TC2_37' — TC2_37 'TD3' — TD3 'TC5' — TC5 'TC6' — TC6 'TC7' — TC7 'TC9' — TC9 'TC12' — TC12 'TC14' — TC14 'TC15' — TC15 For dry freight: '4TC' — 4TC '5TC' — 5TC '6TC' — 6TC '10TC' — 10TC 'C3' — C3 'C5' — C5 'C7' — C7 'P1A' — P1A 'P2A' — P2A 'P3A' — P3A 'P1E' — P1E 'P2E' — P2E 'P3E'— P3E {ALPHANUM-6} otherwise
14	Delivery/cash settlement location	To be populated when the base product specified in field 35 in Table 2 of the Annex in Delegated Regulation (EU) 2017/585 is equal to energy.	{EIC} for electricity or natural gas 'OTHR' — Other otherwise
15	Notional currency	Currency in which the notional is denominated.	{CURRENCYCODE_3}

Interest rate derivatives

The fields in this section should only be populated for interest rate derivatives as defined in Table 5.1 of Section 5 of Annex III

16	Underlying type	To be populated for contract type different from swaps, swaptions, futures on a swap and forwards on a swap with one of the following alternatives ********** To be populated for the contract types of swaps, swaptions, options on a swap, futures on a swap and forwards on a swap with regard to the underlying swap with one of the following alternatives	'BOND' — Bond 'BNDF' — Bond Futures 'INTR' — Interest rate 'IFUT' — Interest rate Futures- FRA ********** 'FFMC' — FLOAT TO FLOAT MULTI-CURRENCY SWAPS 'XFMC' — FIXED TO FLOAT MULTI-CURRENCY SWAPS 'XXMC' — FIXED TO FIXED MULTI-CURRENCY SWAPS 'OSMC' — OIS MULTI-CURRENCY SWAPS 'IFMC' — INFLATION MULTI- CURRENCY SWAPS 'FFSC' — FLOAT TO FLOAT SINGLE-CURRENCY SWAPS 'XFSC' — FIXED TO FLOAT SINGLE-CURRENCY SWAPS 'XXSC' — FIXED TO FIXED SINGLE-CURRENCY SWAPS 'OSSC' — OIS SINGLE-CUR- RENCY SWAPS 'IFSC' — INFLATION SINGLE- CURRENCY SWAPS
17	Issuer of the underlying bond	To be populated when the underlying type is a bond or a bond future with the legal entity identifier code (LEI) of the issuer of the direct or ultimate underlying bond.	{LEI}

18	Maturity date of the underlying bond	To be populated with the date of the defined maturity of the underlying bond.	{DATEFORMAT}
19	Issuance date of the under- lying bond	To be populated with the issuance date of the underlying bond.	{DATEFORMAT}
20	Notional currency of the swaption	To be populated for swaptions only.	{CURRENCYCODE_3}
21	Maturity of the underlying swap	To be populated for swaptions, options on swaps, futures on swaps and for- wards on a swap only.	{DATEFORMAT}
22	Inflation index ISIN code / ISIN code of the underlying bond	In case of swaptions on one of the following underlying swap types: inflation single currency swap, futures/forwards on inflation single currency swap, inflation multi-currency swap, futures/forwards on inflation multi-currency swap; whenever the inflation index has an ISIN, the field has to be populated with the ISIN code for that index. ********** In case of Bond Options/ Options on a bond option/ Options on a bond future, the field has to be populated with the ISIN code of the ultimate underlying bond.	{ISIN} ********** {ISIN}
23	Inflation index name	To be populated with standardised name of the index in case of swaptions on one of the following underlying swap types: inflation single currency swap, futures/forwards on inflation single currency swap, inflation multi-currency swap, futures/ forwards on inflation multi-currency swap.	{ALPHANUM-25}
24	Reference rate	Name of the reference rate.	{INDEX} or {ALPHANUM-25}- if the reference rate is not included in the {INDEX} list
25	Term of the underlying interest rate	This field states the term of the interest rate underlying the contract. The term shall be expressed in days, weeks, months or years. Starting with the largest term unit (years) and working downwards, if the term of the interest rate is an integer number, such standard term should be populated in this field.	{INTEGER-3}+'DAYS' — days {INTEGER-3}+'WEEK' — weeks {INTEGER-3}+'MNTH' — months {INTEGER-3}+'YEAR' — years

Foreign exchange derivatives

The fields in this section should only be populated for foreign exchange derivatives as defined in Table 8.1 of Section 8 of Annex III

26	Contract sub-type	To be populated so as to differentiate deliverable and non-deliverable forwards, options and swaps as defined in Table 8.1 of Section 8 of Annex III.	'DLVB' — Deliverable 'NDLV' — Non-deliverable

Equity derivatives

The fields should only be populated for equity derivatives as defined in Table 6.1 of Section 6 of Annex III

27	Underlying type	To be populated when the MiFIR identifier is a derivative, the asset class of the underlying is equity and the sub-asset class is neither swaps nor portfolio swaps.	'STIX' — Stock Index 'SHRS' — Share/Stock 'DIVI' — Dividend Index 'DVSE' — Stock dividend 'BSKT' — Basket of shares resulting from a corporate action 'ETFS' — ETFs 'VOLI' — Volatility Index 'OTHR' — Other (including depositary receipts, certificates and other equity like financial instrument)
		**********	**********
		To be populated when the MiFIR identifier is a derivative, the asset class of the underlying is equity, the sub-asset class is either swaps or portfolio swaps and the segmentation criterion 2 as defined in Table 6.1 of Section 6 of Annex III is a single name.	'SHRS' — Share/Stock 'DVSE' — Stock dividend 'ETFS' — ETFs 'OTHR' — Other (including depositary receipts, certificates and other equity like financial instrument)
		**********	**********
		To be populated when the MiFIR identifier is a derivative, the asset class of the underlying is equity, the sub-asset class is either swaps or portfolio swaps and the segmentation criterion 2 as defined in Table 6.1 of Section 6 of Annex III is an index.	'STIX' — Stock Index 'DIVI' — Dividend Index 'VOLI' — Volatility Index 'OTHR' — Other
		**********	**********
		To be populated when the MiFIR identifier is a derivative, the asset class of the underlying is equity, the sub-asset class is either swaps or portfolio swaps and the segmentation criterion 2 as defined in Table 6.1 of Section 6 of Annex III is a basket.	'BSKT' — Basket

28	Parameter	To be populated when the MiFIR identifier is a derivative, the asset class of the underlying is equity and the sub-asset class is one of the following: swaps, portfolio swaps.	‘PRBP’ — Price return basic performance parameter ‘PRDV’ — Parameter return dividend ‘PRVA’ — Parameter return variance ‘PRVO’ — Parameter return volatility

Contracts for difference (CFDs)

The fields should only be populated when the contract type is equal to contract for difference or spread betting

29	Underlying type	To be populated when the MiFIR identifier is a derivative and ‘the contract type is equal to contract for difference or spread betting	‘CURR’ — Currency EQUI’ — Equity ‘BOND’ — Bonds ‘FTEQ’ — Futures/Forward on an equity ‘OPEQ’ — Options on an equity ‘COMM’ — Commodity ‘EMAL’ — Emission Allowances ‘OTHR’ — Other
30	Notional currency 1	Currency 1 of the underlying currency pair. This field is applicable when the underlying type is currency.	{CURRENCYCODE_3}
31	Notional currency 2	Currency 2 of the underlying currency pair. This field is applicable when the underlying type is currency.	{CURRENCYCODE_3}

Credit derivatives

The fields in this section should only be populated for credit derivatives as defined in Table 9.1 of Section 9 of Annex III

32	ISIN code of the underlying credit default swap	To be populated for derivatives on a credit default swaps with the ISIN code of the underlying swap.	{ISIN}
33	Underlying Index code	To be populated for derivatives on a CDS index with the ISIN code of the index.	{ISIN}
34	Underlying Index name	To be populated for derivatives on a CDS index with the standardised name of the index.	{ALPHANUM-25}
35	Series	The series number of the composition of the index if applicable. To be populated for a CDS Index or a derivative on a CDS Index with the series of the CDS Index.	{DECIMAL-18/17}
36	Version	A new version of a series is issued if one of the constituents defaults and the index has to be re-weighted to account for the new number of total constituents within the index. To be populated for a CDS Index or a derivative on a CDS Index with the version of the CDS Index.	{DECIMAL-18/17}
37	Roll months	All months when the roll is expected as established by the index provider for a given year. Field should be repeated for each month in the roll. To be populated for a CDS Index or a derivative on a CDS Index.	'01', '02', '03', '04', '05', '06', '07', '08', '09', '10', '11', '12'
38	Next roll date	To be populated in the case of a CDS Index or a derivative on a CDS Index with the next roll date of the index as established by the index provider.	{DATEFORMAT}
39	Issuer of sovereign and public type	To be populated when the reference entity of a single name CDS or a derivative on single name CDS is a sovereign issuer as defined in Table 9.1 Section 9 of Annex III.	'TRUE' — the reference entity is an issuer of sovereign and public type 'FALSE' — the reference entity is not an issuer of sovereign and public type
40	Reference obligation	To be populated for a derivative on a single name credit de- fault swap with the ISIN of the reference obligation.	{ISIN}

41	Reference entity	To be populated with the reference entity of a single name CDS or a derivative on single name CDS.	{COUNTRYCODE_2} or ISO 3166-2 — 2 character country code followed by dash '-' and up to 3 alphanumeric character country subdivision code or {LEI}
42	Notional currency	Currency in which the notional is denominated.	{CURRENCYCODE_3}

Emission allowance derivatives

The fields in this section should only be populated for emission allowance derivatives as defined in Table 13.1 of Section 13 of Annex III

43	Emission Allowances derivative sub type	To be populated when variable #3 'MiFIR identifier' is 'DERV'-derivative and variable #4 'asset class of the underlying' is 'EMAL'-emission allowance	'CERE' — CER 'ERUE' —ERU 'EUAE' — EUA 'EUAA' —EUAA 'OTHR' — Other

8.3.5 ANNEX V of RTS 2

iii. Annex V is inserted:

Annex V

Quantitative data to be provided for the purpose of transparency calculations

Table 1

Symbol table for Table 2

Symbol	Data Type	Definition
{ALPHANUM-n}	Up to n alphanumerical characters	Free text field.
{ISIN}	12 alphanumerical characters	ISIN code, as defined in ISO 6166

{MIC}	4 alphanumerical characters	Market identifier as defined in ISO 10383
{DATEFORMAT}	ISO 8601 date format	Dates should be formatted by the following format: YYYY-MM-DD.
{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); values are rounded and not truncated.
{INTEGER-n}	Integer number of up to n digits	Numerical field for both positive and negative integer values.

Table 2

Details of the data to be provided for the purpose of determining a liquid market, the LIS and SSTI thresholds for non-equity financial instruments

#	**Field**	**Details to be reported**	**Type of execution or publication venue**	**Format and standards for reporting**

1	Instrument identification code	Code used to identify the financial instrument	Regulated Market (RM) Multilateral Trading Facility (MTF) Organised Traded Facility (OTF) Approved Publication Arrangement (APA) Consolidated tape provider (CTP)	{ISIN}
2	Execution date	Date on which the trades are executed.	RM, MTF, OTF, APA, CTP	{DATEFORMAT}
3	Execution venue	Segment MIC of the EU trading venue or systematic internaliser, where available, otherwise operating MIC. Segment MIC of the systematic internaliser where available, otherwise the operating MIC. The MIC code XOFF for OTC transactions. For a given ISIN and execution date, APAs should sum all OTC trading activity for that instrument in a single record (ISIN, XOFF, execution date).	RM, MTF, OTF, APA, CTP	{MIC} of the trading venue or systematic internaliser or 'XOFF'

4	Suspended instrument flag	Indicator of whether the instrument was suspended during the whole day for trading on the respective TV on the execution date. As a consequence, Fields 5 shall be reported with a value of zero.	RM, MTF, OTF	'TRUE' - if the instrument was suspended for the whole trading day or 'FALSE' – if the instrument was not suspended for the whole trading day
5	Total number of transactions	The total number of transactions executed on the execution date. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date. In all cases, the field has to be populated with a value greater than or equal to zero. For instruments that are suspended for the whole day, the field should have zero value.	RM, MTF, OTF, APA, CTP	{INTEGER-18}

6	Total volume	The total volume executed on the execution date. The volume shall be measured in accordance with Table 4 of Annex II of this Regulation. Monetary amounts shall be reported in Euros. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date.	RM, MTF, OTF, APA, CTP	{DECIMAL-18/5}
7	“Size of transaction” bin range	This field shall be populated with the values as provided in Tables 3 and 4 of this Annex. The size of transaction bin range as defined: in Table 4 of this Annex for emission allowances and derivatives thereof; In Table 3 of this Annex for the other instruments. For instruments that are suspended for the whole day, data related to this field and to fields 8 and 9 shall not be reported.	RM, MTF, OTF, APA, CTP	{ALPHANUM - -140}

8	Total number of transactions executed for that bin	Total number of transactions executed on the execution date which size lies in the bin's range. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date.	RM, MTF, OTF, APA, CTP	{INTEGER-18}
9	Total volume traded for that bin	Total volume traded represented by all transactions executed on the reporting day which size lies in the bin's range. The volume shall be measured in accordance with Table 4 of Annex II of this Regulation. Monetary amounts shall be reported in Euros. Transactions that have been cancelled should be excluded from the reported figures. Transactions that benefit from deferred publication shall be counted in the aggregates provided by the submitting entities on the basis of the execution date.	RM, MTF, OTF, APA, CTP	{DECIMAL-18/5}

Table 3

Trade-size bins for bonds, SFPs, securitised derivatives, interest rate derivatives, equity derivatives, foreign exchange derivatives, credit derivatives, commodity derivatives, C10 derivatives and CFDs

Scope	Size of transaction bin	Definition

Transactions with a size between 0 and 1,000,000 (excluded)	]0 – 100,000[	Transactions with a trade size smaller than EUR 100,000
	[100,000 – 100,000]	Transactions with a trade size equal to EUR 100,000
	]100,000 – 200,000[	Transactions with a trade size greater than EUR 100,000 and smaller than EUR 200,000
	[200,000 – 300,000[	Transactions with a trade size greater than or equal to EUR 200,000 and smaller than EUR 300,000
	[300,000 – 400,000[	Transactions with a trade size greater than or equal to EUR 300,000 and smaller than EUR 400,000
	[Y– Y+100,000[	Transactions with a trade size greater than or equal to EUR Y and smaller than EUR Y +100,000 (EUR 100,000 step)
	[900,000 – 1,000,000[	Transactions with a trade size greater than or equal to EUR 900,000 and smaller than EUR 1,000,000
Transactions with a size between 1,000,000 (included) and 10,000,000 (excluded)	[1,000,000 – 1,500,000[	Transactions with a trade size greater than or equal to EUR 1,000,000 and smaller than EUR 1,500,000
	[1,500,000 – 2,000,000[	Transactions with a trade size greater than or equal to EUR 1,500,000 and smaller than EUR 2,000,000
	[Z– Z+500,000[	Transactions with a trade size greater than or equal to EUR Z and smaller than EUR Z +500,000 (EUR 500,000 step)
	[9,500,000 – 10,000,000[	Transactions with a trade size greater than or equal to EUR 9,500,000 and smaller than EUR 10,000,000

Transactions with a size between 10,000,000 (included) and 100,000,000 (excluded)	[10,000,000 – 15,000,000[	Transactions with a trade size greater than or equal to EUR 10,000,000 and smaller than EUR 15,000,000
	[15,000,000 – 20,000,000[	Transactions with a trade size greater than or equal to EUR 15,000,000 and smaller than EUR 20,000,000
	[W– W+5,000,000[	Transactions with a trade size greater than or equal to EUR W and smaller than EUR W +5,000,000 (EUR 5,000,000 step)
	[95,000,000 – 100,000,000[	Transactions with a trade size greater than or equal to EUR 95,000,000 and smaller than EUR 100,000,000
Transactions with a size greater than or equal to 100,000,000	[100,000,000 – 125,000,000[	Transactions with a trade size greater than or equal to EUR 100,000,000 and smaller than EUR 125,000,000
	[125,000,000 – 150,000,000[	Transactions with a trade size greater than or equal to EUR 125,000,000 and smaller than EUR 150,000,000
	[X– X+25,000,000[	Transactions with a trade size greater than or equal to EUR X and smaller than EUR X +25,000,000 (EUR 25,000,000 step)
…	…	…

Table 4

Size of transaction bin ranges for emission allowances and derivatives on emission allowances

Scope	Size of transaction bin	Definition

Transactions with a size between 0 and 1,000,000 (excluded)	]0 – 100,000[	Transactions with a trade size smaller than 100,000 tonnes of carbon dioxide equivalent (tCO2e)
	[100,000 – 100,000]	Transactions with a trade size equal to 100,000 tCO2e
	]100,000 – 200,000[	Transactions with a trade size greater than 100,000 tCO2e and smaller than 200,000 tCO2e
	[200,000 – 300,000[	Transactions with a trade size greater than or equal to 200,000 tCO2e and smaller than 300,000 tCO2e
	[300,000 – 400,000[	Transactions with a trade size greater than or equal to 300,000 tCO2e and smaller than 400,000 tCO2e
	[Y– Y+100,000[	Transactions with a trade size greater than or equal to Y tCO2e and smaller than Y tCO2e +100,000 (100,000 tCO2e step)
	[900,000 – 1,000,000[	Transactions with a trade size greater than or equal to 900,000 tCO2e and smaller than 1,000,000 tCO2e
Transactions with a size between 1,000,000 (included) and 10,000,000 (excluded)	[1,000,000 – 1,500,000[	Transactions with a trade size greater than or equal to 1,000,000 tCO2e and smaller than 1,500,000 tCO2e
	[1,500,000 – 2,000,000[	Transactions with a trade size greater than or equal to 1,500,000 tCO2e and smaller than 2,000,000 tCO2e
	[Z– Z+500,000[	Transactions with a trade size greater than or equal to Z tCO2e and smaller than Z tCO2e +500,000 (500,000 tCO2e step)

	[9,500,000 – 10,000,000[	Transactions with a trade size greater than or equal to 9,500,000 tCO2e and smaller than 10,000,000 tCO2e
Transactions with a size between 10,000,000 (included) and 100,000,000 (excluded)	[10,000,000 – 15,000,000[	Transactions with a trade size greater than or equal to 10,000,000 tCO2e and smaller than 15,000,000 tCO2e
	[15,000,000 – 20,000,000[	Transactions with a trade size greater than or equal to 15,000,000 tCO2e and smaller than 20,000,000 tCO2e
	[W– W+5,000,000[	Transactions with a trade size greater than or equal to W tCO2e and smaller than W tCO2e +5,000,000 (5,000,000 tCO2e step)
	[95,000,000 – 100,000,000[	Transactions with a trade size greater than or equal to 95,000,000 tCO2e and smaller than 100,000,000 tCO2e
Transactions with a size greater than or equal to 100,000,000	[100,000,000 – 125,000,000[	Transactions with a trade size greater than or equal to 100,000,000 tCO2e and smaller than 125,000,000 tCO2e
	[125,000,000 – 150,000,000[	Transactions with a trade size greater than or equal to 125,000,000 tCO2e and smaller than 150,000,000 tCO2e
	[X– X+25,000,000[	Transactions with a trade size greater than or equal to X tCO2e and smaller than X tCO2e +25,000,000 (25,000,000 tCO2e step)
…	…	…

Article 2

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.

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

Notwithstanding the first paragraph, points (a) to (k) of Article 1(4), points (h), (i), (j), (o), (p), (q), (s), (t), (u), (v), (w) and (x) of Article 1(7), Article 1(8) and Article 1(9) shall apply from 1 January 2023 [1 January 2024 where the Regulation is published in the Official Journal of the European Union after 30 June 2022]

Done at Brussels,

For the Commission

The President

8.4 Annex V Detailed feedback related to commodity derivatives

Section 4.2 of the CP presented 9 proposals related to changes to the transparency framework applicable to commodity derivatives. The detailed feedback received to those proposals is provided below (Question 30 of the CP).

Proposal #1: [Metals] Determine that all metal sub-asset classes do not have a liquid market.

All stakeholders supported this proposal.

Proposal #2: Maintain the criterion “average daily number of trades” (do not switch to “median daily number of trades”)

All stakeholders supported this proposal.

Proposal #3: Increase the parameter of the ADNT to 50 trades per day for all commodity, C10, EA and DEA sub-classes.

Stakeholders all agreed that the ADNT parameter should increase from 10 to 100 trades per day, and not to 50 trades per day as proposed by ESMA, providing the following reasons:

— given that ESMA disagrees that liquidity should be assessed on a venue-per-venue basis, the proposed ADNT of 50 trades corresponds to one trade every 10 minutes across all venues. As not all market participants have the possibility to bundle liquidity of all venues onto one screen, even one trade every 5 minutes (ADNT 100) remains a low number;

— moving to 100 trades per day means that there will be more observations to base the LIS threshold on and the counterintuitive effects of the percentile approach to calculate the LIS threshold will be further reduced.

One stakeholder argued that a sub-class with 45 pre-arranged trades and 5 screen trades on average (total of 50 trades per day), versus another sub-class with 5 pre-arranged trades and 45 screen trades on average (same total of 50 trades per day), would have very different liquidity profiles, which should be considered. For that reason, this stakeholder suggested the addition of a criterion based on whether most transactions are executed on screen and suggested that if less than 50% of the transactions are executed on screen, the class should be deemed illiquid.

Stakeholders agreed that the same parameters should be set for all classes. Indeed, they considered that liquidity has to be determined by the opportunity to trade, and not by the objective of determining that a certain percentage of the total trading activity falls into liquid classes.

Finally, stakeholders recognised that setting the parameter of the ADNT at 100 trades per day (as opposed to 50 trades per day as proposed by ESMA) would have a significant impact on the number of electricity sub-classes that would be deemed liquid, while the impact on the gas sub-classes would be more limited.

Proposal #4: [ADNA] Replace the criterion “average daily notional amount” with the criterion “standard trade size” calculated as the most frequently traded size (mode) and set the parameter of the STS_mode at 5 lots

On one hand, stakeholders agreed with the following benefits of the STS_mode:

— the STS_mode is important to ensure that the liquidity of certain commodity markets is assessed appropriately, notably options where order book transactions are very limited.

— The STS_mode addresses the main issue of the ADNA, i.e that ADNA does not allow distinguishing between (1) a market with on average few trades of large sizes (potentially illiquid); and (2) a market with on average numerous trades of small sizes (potentially liquid).

On the other hand, stakeholders highlighted the following limitations of the STS_mode in case it is used in isolation:

— the STS_mode does not take into account the number of “units” in each lot (1 lot of a monthly contract has more MWh than one lot of a daily contract). The proportion of traded volumes (in lots) on screen versus pre-arranged varies depending on the number of “units” in the contract trade. Contracts with a small number of units tend to trade more frequently on screen compared to contracts with a large number of units. The STS_mode fails to reflect this feature.

— if STS replaces ADNA, it solves an issue that no longer exists (i.e. the same result would be achieved by simply removing the ADNA);

— the assumption that the more liquid an instrument the smaller the STS does not always hold true;

— the STS of short term maturities tends to be higher than for long term maturities because the first are used as final portfolio adjustment before delivery and transactions in these contracts involve lower notional amounts. Consequently, the long-term maturities will artificially be more quickly deemed liquid than short-term maturities.

In conclusion, while one stakeholder agreed with ESMA's proposal, all the others suggested to use the new liquidity criterion (STS_mode) in combination with another metric, which was defined as the Average Daily Amount of Lots (ADAL).

Proposal #5: [ADNA] Set the same parameter of the STS_mode for all contract types, including options (5 lots)

Most stakeholders agreed with this proposal. However, a few others considered that there is no "one size fits all" approach in order to assess the liquidity of a particular commodity asset class. In their opinion, commodity futures markets, notably nascent and new futures contract markets, have different types of users, and applying a standardised approach (i.e. the same parameter of the STS_mode for all contract types) would not meet all of the various characteristics and specificities. They mentioned in particular the case of energy options contracts and certain spread trading strategies (intercommodity spreads).

Proposal #6: [LIS/SSTI] LIS and SSTI thresholds are equal to a set percentage of the average daily volumes (in lots), rounded to the nearest 5 lots and bounded by a floor and a cap.

Stakeholders did not support the new methodology to calculate the LIS/SSTI thresholds as a percentage of the ADVL for the following reasons:

— the ADVL fails to address the number of "units" in the contract being traded;

— the ADVL dissociates large-in-scale and normal market size, introducing new counterintuitive effects for liquid markets;

— the ADVL as envisaged in the CP leads to inappropriately high LIS thresholds for certain commodity derivatives, in particular on the option markets where there is no order book activity.

While stakeholders agreed with the four issues identified by ESMA with respect to the current approach, they generally considered that those issues are addressed by some of the other changes proposed in the CP. Indeed:

— on the first issue (the current methodology to calculate the LIS/SSTI thresholds leads to a counter-intuitive effect and leads by construction to higher thresholds for the least liquid classes): stakeholders argued that this effect is partially addressed by (1) the new proposals related to the liquidity determination, and (2) the new proposals on the segmentation criteria which lead to the creation of more homogeneous classes.

— the second issue (i.e. the disproportionate impact of the floor and its calibration) can be addressed by removing the floor;

— the third issue (the impact of the trade-size bins and the rounding effect) is addressed by defining more granular trade-size bins in lots, as proposed by ESMA in the CP

— the fourth issue (linked to the conversion of volumes in EUR) is addressed by calculating the LIS and SSTI thresholds based on trade sizes in lots, rather than in EUR (as proposed in the CP).

While there was a consensus among stakeholders that the ADVL would not be a suitable methodology to calculate the LIS/SSTI thresholds, there were mixed views on what the best alternative could be. The most supported option was to maintain the current percentile approach subject to the following modifications: percentile based on the distribution of trade sizes in lots instead of EUR, parameter to be maintained at 70th for the pre-trade LIS thresholds, removal of the floor, addition of a cap, and definition of granular trade size buckets.

In addition, one stakeholder suggested to make no change to the current methodology. Another stakeholder suggested using a combination of (1) a given percentile of the trade size distribution (in lots) and (2) the average daily volumes in trades (ADVT).

Another stakeholder presented a new methodology referred to as the “breaking point” as follows: the LIS would be equal to the largest trade size (in lots) where the percentage of trade count executed on screen remains above 50%. As illustrated in graphs provided by the respondent, contracts tend to demonstrate liquidity on screen up to a certain trade size (1 lot, 2 lots, 3 lots, up to 10 or 20 lots depending on the contract) but when moving to larger trade sizes, the market shifts gradually to the pre-arranged market and order book liquidity dries. According to this stakeholder, this point where the liquidity shifts from mainly on-screen to mainly pre-arranged (the so called “breaking point”) corresponds to an appropriate LIS threshold.

Proposal #7: [Units or Lots] Set the liquidity framework in lots (STS_mode parameter set in lots, volumes reported to ESMA in lots, LIS and SSTI thresholds published in lots) accompanied by Level 3 measures to address the risk of downward revisions of the lot sizes

Most stakeholders agreed with this proposal.

Several respondents flagged that a downward revision of the lot size could have genuine justification, for example trading separately from a large benchmark contract when trying to build a niche market. In that sense they considered that the proposal to request the formal authorisation of the competent authorities and the change being subject to a yearly monitoring by ESMA would be too constraining. Instead, they suggested that such downward revisions of the lot size could be made in coordination with the CA, without necessarily a formal approval.

Those stakeholders also proposed an alternative method to cater for possible downward revisions of the lot size. This would consist in ESMA setting a standard conversion for the different contracts, based on market practice (e.g. 1 lot on a monthly electricity contact has a standard between 672 MWh and 745 MWh). In case a trading venue lists a contract with a different lot size (e.g. in KWh instead of KWh), it would have to use the standard to apply the

LIS threshold. The approach would be similar to the one adopted in the context of position limits applying to mini contracts.

Proposal #8: [Reporting to FITRS] number of transactions shall be reported to FITRS per trade-size bins which are defined in the new Annex V of RTS 2. Total volumes in lots and total volumes in underlying units shall also be reported to FITRS as specified in the new Annex V of RTS 2.

Stakeholders agreed with the proposal. They also requested additional guidance on how to assign traded volumes into bins when those volumes are reported in number of lots instead of EUR.

Proposal #9: [data scope] The transparency calculations continue to be performed with all data (on-venue, SI and OTC

Currently, the transparency calculations are based on (1) on-venue data (order-book and pre-arranged transactions); and (2) OTC and SI data. Stakeholders did not comment on the use of OTC and SI data (as such volumes are limited for commodity derivatives) but they were adamant on the necessity to rely on order-book data alone, for the following reasons:

- the trades pre-arranged off order book do not directly contribute to the liquidity of the order book and hence should not be considered when assessing the liquidity of a contract.

- it is the order book that needs to be liquid enough to support an LIS threshold.

- trade sizes are significantly larger off book and hence will give a misleading picture of what may be considered as “large-in-scale” on order book.