ESMA Updates Its Opinion on Ancillary Activity Calculations

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On October 2, the European Securities and Markets Authority (ESMA) published an updated opinion on ancillary activity calculations under the revised Markets in Financial Instruments Directive (MiFID II).

Article 2(1)(j) of MiFID II provides an exemption for persons dealing on their own account or providing investment services relating to commodity derivatives, provided that their activity is an ancillary activity to their main business. Market participants are required to measure their own activity against total market sizes in commodity derivatives based on historical data. In the opinion, ESMA provides the estimation of the market size of various commodity derivatives, including metals, oil and coal, as well as emission allowances.

The opinion is an updated version of the opinion on ancillary activity calculations that ESMA first published in June 2017 (for further information see here). ESMA has expanded the opinion to include estimates for 2017 and the all of 2016. ESMA has prepared those estimations based on data collected from trading venues, as well as data reported to trade repositories under the European Market Infrastructure Regulation.

The opinion is available here.

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