ESMA Publishes Annual Transparency Calculations

Friday, March 6, 2020

On February 28, the European Securities and Markets Authority (ESMA) published the annual transparency calculations for equity and equity-like instruments. This information is published for the purposes of the MiFID II/MiFIR transparency requirements, in particular:

- pre-trade transparency requirements for all market participants are waived for transactions whose size is above large-in-scale (LIS) thresholds;
- systematic internalisers (SIs) have pre-trade transparency obligations for instruments traded on a trading venue, which are waived if the instrument is illiquid; and
- SIs have pre-trade transparency obligations, which are waived when dealing with orders over the standard market size (SMS).

The LIS thresholds and the determination of liquidity and the SMS are calculated using these annual transparency calculations. Technically, the national competent authorities of the EU member state in which the relevant MiFID firm is based should make these calculations; however, all EU member states apart from Poland have
delegated this obligation to ESMA.

Currently, there are 1,493 liquid shares and 788 liquid equity-like instruments other than shares, which are subject to MiFID II/MiFIR transparency requirements. The full list of assessed equity and equity-like instruments is published on ESMA’s Financial Instruments Transparency System (FITRS), available here. The full list for instruments available for trading before January 3, 2018, through separately maintained registers for equity and non-equity instruments, is available here and here respectively.

These calculations are applicable starting April 1, and until then the 2019 annual transparency calculations continue to apply. For more information, please see the March 8, 2019 edition and June 28, 2019 edition of Corporate & Financial Weekly Digest.

ESMA’s press release is available here.

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