

# Summary of Commission, Council, and EP Positions for MiFIR Review

with ICMA comments

## CTP & Bond market transparency

April 2023



### Summary of ICMA comments

These comments represent the consolidated views of ICMA's broad and diverse membership constituting sell sides, buy sides, as well as relevant financial market infrastructures and data providers, that are active in the European and international bond markets. These are intended to help inform any compromises and refinements in the trilogue process, with the shared objective of ensuring the success of the consolidated tape and embedding a transparency framework that underpins resilient, liquid, and competitive bond markets in the EU: which is the cornerstone of CMU.

It is important to note that, on balance, members would prefer for the appropriate deferral categories and periods to be determined by the Level 2 legislation and based on analysis of the underlying market structure and liquidity. Not only would this significantly reduce the risk of the EU transparency regime failing to achieve its intended objective of underpinning resilient and liquid EU bond markets, but it would also afford greater flexibility in response to changing market conditions or structure. This would also put the EU in a stronger position to compete with more agile, market-based jurisdictions.

However, ICMA members believe that there are still opportunities for constructive refinements even at this late stage in the process.

### Key recommendations

- The deletion of Article 22a(5), introduced in the EP text, which proposes giving responsibility for applying deferrals to the CTP
- Alignment of price deferrals and volume omissions for large trades in illiquid bonds [Art 11]
- Outstanding issuance to be usable as a liquidity determinant for all bonds [Art 2]
- The removal of SI pre-trade transparency requirements [Art 18]
- The distinction between investment grade and high yield credit ratings to be usable as a further liquidity determinant for corporate bonds [Art 2]
- The de-coupling of the proposed DPE/DRE regime and the SI regime [Art 21a]
- The eventual disaggregation of sovereign bond trades, applied consistently across all NCAs [Art 11]

## Key messages

### CTP

- **ICMA members support the deletion of Article 22a(5) introduced in the EP text.**

While there are potentially some benefits to streamlining the application of deferrals, members note that this creates a significant change in established market structure, adding a new layer of complexity with associated cost implications. It also overlooks the fact that APAs will still be required to apply the appropriate deferrals for publication, as well as that SIs also apply their own deferrals. Members also raise concerns about implications for data ownership and note this would likely result in end data providers requiring new contractual arrangements with respect to the use and protection of data, mirroring those already in place with APAs. ICMA members, which include potential CTPs, further agree that this amendment will have no impact on latency for bond market post-trade data, nor is it a necessary requirement for the success of the CT. Additionally, ICMA would urge the co-legislators to be sensitive to the optics of this intervention, particularly considering its timing and materiality.

### Bond market transparency

- **While ICMA members, on balance, would prefer the Council proposal with respect to deferrals for bonds, there remains significant concern among both sell- and buy-side members where price and volume deferrals are not aligned, and the implications of this for EU bond market liquidity. [Art 11]**

It is important to recognise that in the case of large trades, particularly where there is not a liquid market (category 4), publication of the price alone provides the market with enough information to determine: (i) whether the trade is a risk position; (ii) the direction of the trade (has the liquidity provider gone long or short); and (iii) the relative size of the trade (is a large transaction). If the objective of the deferral regime is to protect liquidity provision in the EU bond markets, the current Council and EP proposals for accelerated publication of price for large trades in bonds with no liquid market do not support this. This will make transacting in larger sizes (block trades) much more difficult to execute in the EU, particularly in times of heightened volatility or low liquidity. Related to this, ICMA members would argue that comparisons with the US TRACE deferral model are not relevant, given that the US and EU bonds markets are not comparable with respect to size, structure, and liquidity.

- **ICMA members are supportive of the Council text with respect to (outstanding) issuance size being a liquidity determinant for all bond classes. [Art 2]**

Given the well-established and broadly understood correlation between the outstanding issuance size of a bond and its relative liquidity, ICMA members would support the possibility to use this important characteristic as a liquidity determinant in applying the deferral framework.

- **ICMA members support the Council proposal for the elimination of pre-trade transparency requirements for SIs in the case of bonds. [Art 18]**

It is important to note that pre-trade transparency with respect to SI quotes offers little or no value from the perspective of price discovery or best execution, which is primarily based on post-trade transparency.

- **ICMA members would also support the distinction between investment grade and high yield credit ratings as a further liquidity determinant, particularly in the case of corporate bonds (in line with the Commission proposal). This recognises that IG and HY have distinct market structures and very different liquidity profiles. [Art 2]**
- **ICMA's members believe that the DPE/DRE regime should be de-coupled from the obligations of reporting parties (who are mostly SIs). [Art 21a]**
- **ICMA members are broadly supportive of the eventual disaggregation of sovereign bond trades, applied consistently across all NCAs. [Art 11]**

## Summary of Commission, Council, and EP Positions for MiFIR Review

### with ICMA comments

#### CTP & Bond market transparency

#	Topic	Commission Proposal	Council Proposal	EP Proposal	ICMA Comments
		<a href="https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021PC0727&amp;from=EN">https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021PC0727&amp;from=EN</a>	<a href="https://www.consilium.europa.eu/media/61065/st16099-en22.pdf">https://www.consilium.europa.eu/media/61065/st16099-en22.pdf</a>	<a href="https://www.europarl.europa.eu/doceo/document/A-9-2023-0040_EN.html">https://www.europarl.europa.eu/doceo/document/A-9-2023-0040_EN.html</a>	
<b>Consolidated Tape</b>					
1	<b>Applying the deferrals</b>	<p>'Article 22a</p> <p>Provision of market data to the CTP (...)</p> <p>5. Market data contributors shall provide the information with regard to waivers and deferrals as laid down in Articles 4, 7, 11, 14, 20 and 21.</p>	<p>'Article 22a</p> <p>Provision of market data to the CTP (...)</p> <p>4. Market data contributors shall apply the deferrals as laid down in Articles 7, 11, 11a, 20 and 21 to the core market data to be submitted to the CTP. Market data contributors shall apply the deferrals in such a way that the CTP is able to disseminate the consolidated core market data no later than</p>	<p>'Article 22a</p> <p>Provision of market data to the CTP (...)</p> <p>5. <i>Each CTP shall <b>apply the</b> deferrals as laid down in Articles 7, 11, 20 and 21 <b>to the market data to be submitted to the CTP, and disseminate them in accordance with Articles 6, 10, 20 and 21.</b></i></p>	<p><b>ICMA members are broadly supportive of the Council proposal and raise concerns about the insertion in the EP proposal requiring the CTP to apply the deferrals.</b></p> <p>While there are potentially some benefits to streamlining the application of deferrals, members note that this creates a significant change in established market structure, adding a new layer of complexity with associated cost implications. It also overlooks the fact that APAs</p>

			in accordance with Articles 6, 10, 20 and 21.’;		<p>will still be required to apply the appropriate deferrals for publication, as well as that SIs also apply their own deferrals.</p> <p>Members also raise concerns about implications for data ownership and note this would likely result in end data providers requiring new contractual arrangements with respect to the use and protection of data, mirroring those already in place with APAs.</p> <p>ICMA members, which include potential CTPs, agree that this amendment will have no impact on latency for bond market post-trade data, nor is it a necessary requirement for the success of the CT.</p> <p>With this in mind, ICMA and its members would suggest that a detailed cost-benefit analysis be undertaken with respect to this amendment.</p>
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					Furthermore, ICMA would urge the co-legislators to be sensitive to the optics of this intervention, particularly considering its timing and materiality.
2	<b>CTP Revenue sharing</b>	<p>(16) Article 27h is replaced by the following:</p> <p>‘Article 27h Organisational requirements for consolidated tape providers</p> <p>1. CTPs shall, in accordance with the conditions for authorisation referred to in Article 27da:</p> <p>(...)</p> <p>(c) in the case of market data concerning shares, redistribute part of their revenues for the purposes of covering the cost related to mandatory contribution and of ensuring a fair level of participation for regulated markets, and in particular smaller regulated markets, in the revenue generated by the consolidated tape, in accordance with Article 27da(4);</p>	<p>‘Article 27h</p> <p>Organisational requirements for consolidated tape providers</p> <p>1. CTPs shall, in accordance with the conditions for authorisation referred to in Article 27da:</p> <p>(...)</p> <p>(c) in the case of market data concerning shares, redistribute part of their revenues for the purposes of covering the cost related to mandatory contribution and of ensuring a fair level of participation for trading venues, and in particular smaller regulated markets, SME Growth Markets and others trading venues providing initial admission to trading of shares and trading venues providing the best bid</p>	<p>(16) Article 27h is replaced by the following:</p> <p>‘Article 27h</p> <p>Organisational requirements for <del>consolidated tape providers</del> <b>CTPs</b></p> <p>1. CTPs shall, in accordance with the conditions for authorisation referred to in Article 27da:</p> <p>(...)</p> <p>(c) in the case of market data concerning shares <b>and ETFs</b>, redistribute part of their revenues for the purposes of covering the cost related to mandatory contribution and, <b>when applicable</b>, of ensuring a <b>fair reasonable</b> level of participation for regulated markets, and in particular smaller regulated markets <b>and SME Growth</b></p>	<p><b>ICMA members are broadly supportive of the EP proposal removing bonds from the scope of revenue sharing.</b></p> <p>ICMA members believe that the complexity and expense of applying a revenue sharing model for bonds would outweigh any potential benefit.</p> <p>However, it is important to note that some members are supportive of revenue sharing for bond data, noting that some trading venues currently commercialise this data and invest heavily to produce and maintain this for their subscribers.</p>

			<p>and offers available, in the revenue generated by the consolidated tape in accordance with paragraph 5.</p> <p>(d) in case of market data concerning asset classes other than shares, redistribute part of their revenue fairly for the purpose of covering the costs, including loss of revenue, related to mandatory contribution, and of ensuring a fair level of participation for trading venues in the revenue generated by the consolidated tape;</p>	<p><b>Markets</b>, in the revenue generated by the consolidated tape, in accordance with Article 27da<del>(4)</del> <b>(3)</b>;</p>	
<b>Bond market transparency</b>					
<b>1</b>	<b>Deferral regime for non-equities</b>	<p>Article 11 is amended as follows:</p> <p>(a) paragraph 1 is amended as follows:</p> <p>(i) the first subparagraph is replaced by the following: ‘Based on the deferral regime as set out in paragraph 4, competent authorities shall authorise market operators and investment firms operating a trading venue to defer the publication of the price of</p>	<p>(6) Article 11 is replaced by the following:</p> <p>Article 11</p> <p><b>Deferred publication for bonds, structured finance products or emission allowances</b></p> <p>1 Market operators and investment firms operating a trading venue may defer the</p>	<p>Article 11 is replaced by the following:</p> <p>Authorisation of deferred publication</p> <p>1. Competent authorities shall be able to authorise market operators and investment firms operating a trading venue to defer the publication of the</p>	<p><b>While ICMA members, on balance, would prefer the Council proposal with respect to deferrals for bonds, there remains significant concern among both sell- and buy-side members where price and volume deferrals are not aligned, and the implications of this for EU bond market liquidity.</b></p>

	<p>transactions until the end of the trading day, or the volume of transactions for a maximum of two weeks.’;</p> <p>(...)</p> <p>(c) paragraph 4 is amended as follows:</p> <p>(i) the first subparagraph is amended as follows: point (c) is replaced by the following:</p> <p>‘(c) the transactions eligible for price or volume deferral, and the transactions for which competent authorities shall authorise market operators and investment firms operating a trading venue to provide for deferred publication of the volume or price for one of the following durations:</p> <p>(i) 15 minutes;</p> <p>(ii) end of trading day;</p> <p>(iii) two weeks.’;</p>	<p>publication of the details of transactions executed in respect of bonds, structured finance products or emission allowances traded on a trading venue, including the price and the volume, in accordance with paragraphs 2, 3 and 4.</p> <p>Market operators and investment firms operating a trading venue shall clearly disclose proposed arrangements for deferred trade-publication to market participants and the public.</p> <p>The arrangements for deferred trade-publication shall be organised by using five categories of transactions related to a class of bond, structured finance product or emission allowance traded on a trading venue:</p> <p>(a) category 1: transactions of a medium size in a financial instrument for which there is a liquid market;</p>	<p>details of transactions for a period calculated according to the size or type of transaction. The publication of (the volume of very large transactions may be deferred for an extended period not exceeding four weeks. (...)</p> <p>The arrangements for deferred publication shall be organised using the</p> <p>following five categories of transactions related to a bond, structured finance product, emission allowance or derivatives traded on a trading venue:</p> <p>(a) category 1: transactions of a medium size in a financial instrument for which there is a liquid market;</p> <p>(b) category 2: transactions of a medium size in a financial instrument for which there is not a liquid market;</p> <p>(c) category 3: transactions of a large size in a financial instrument for which there is a liquid market;</p> <p>(d) category 4: transactions of a large size in a financial instrument for which</p>	<p>It is important to recognise that in the case of large trades, particularly where there is not a liquid market (category 4), publication of the price alone provides the market with enough information to determine: (i) whether the trade is a risk position; (ii) the direction of the trade (has the liquidity provider gone long or short); and (iii) the relative size of the trade (is a large transaction).</p> <p>If the objective of the deferral regime is to protect liquidity provision in the EU bond markets, the current Council and EP proposals for accelerated publication of price for large trades in bonds with no liquid market do not support this. Furthermore, ICMA members would argue that comparisons with the US TRACE deferral model are not relevant, given that the US and EU bonds markets are not comparable with</p>
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			<p>(b) category 2: transactions of a medium size in a financial instrument for which there is not a liquid market;</p> <p>(c) category 3: transactions of a large size in a financial instrument for which there is a liquid market;</p> <p>(d) category 4: transactions of a large size in a financial instrument for which there is not a liquid market;</p> <p>(e) category 5: transactions of a very large size, irrespective of the liquidity status of the financial instrument.</p> <p>2. The deferrals for categories set in paragraph 1 shall not exceed:</p> <p>(a) for category 1, for price and volume 15 minutes;</p> <p>(b) for category 2, for price the end of the trading day and for volume the end of the second trading day;</p>	<p>there is not a liquid market;</p> <p>(e) category 5: transactions of a very large size, irrespective of the liquidity of the financial instrument.</p> <p>(...)</p> <p>4a. For establishing the price and volume deferrals in paragraph 4, point (cb), ESMA shall apply the following maximum durations:</p> <p>(a) for transactions in category 1: a price deferral and a volume deferral not exceeding 15 minutes;</p> <p>(b) for transactions in category 2: a price deferral and a volume deferral not exceeding the end of the trading day;</p> <p>(c) for transactions in category 3: a price deferral not exceeding the end of the trading day and a volume deferral not exceeding one week following the transaction date;</p> <p>(d) for transactions in category 4: a price deferral not exceeding the end of the trading day and a volume deferral not exceeding two weeks following the</p>	<p>respect to size, structure, and liquidity.</p>
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			<p>(c) for category 3, for price the end of the second trading day and for volume one week;</p> <p>(d) for category 4, for price one week and for volume two weeks; and</p> <p>(e) for category 5, for price and volume four weeks</p>	<p>transaction date;</p> <p>(e) for transactions in category 5: a price deferral and a volume deferral not exceeding four weeks following the transaction date.</p>	
2	<b>Criteria for determining whether bonds are liquid</b>	<p>Article 11 is amended as follows:</p> <p>(c) paragraph 4 is amended as follows:</p> <p>(ii) the following subparagraph is inserted after the first subparagraph: 'For the purposes of the first subparagraph, point (c), ESMA shall specify the buckets for which the deferral period shall apply across the Union by using the following criteria:</p> <p>(a) the liquidity determination;</p> <p>(b) the size of the transaction, in particular transactions in illiquid markets or transactions that are large in scale;</p>	<p>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 this Article as well as under Article 27g:</p> <p>(...)</p> <p>(c) what constitutes a transaction of a medium, large and very large size in a liquid and illiquid financial instrument as referred to in paragraph 1, third sub-paragraph, based on quantitative and qualitative research taking into account the criteria in Article 2(1)(17)(a) and other relevant criteria where applicable;</p>	<p>in Article 2, paragraph 1 is amended as follows:</p> <p>(...)</p> <p><i>(ab)1 point (17) is amended as follows:</i></p> <p><i>(a) in point (a), the following point is added:</i></p> <p><i>(iiia) the issuance size for corporate bonds;';</i></p>	<p><b>ICMA members are supportive of the Council text with respect to (outstanding) issuance size being a liquidity determinant for all bond classes.</b></p> <p>Given the well-established and broadly understood correlation between the outstanding issuance size of a bond and its relative liquidity, ICMA members would support the possibility to use this important characteristic as a liquidity determinant in applying the deferral framework.</p> <p>ICMA members would also support the distinction</p>

		<p>(c) for bonds, the classification of the bond as investment grade or high yield.’;</p>	<p>(...)</p> <p>(e) the criteria to be applied when determining the size or type of a transaction for which 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.</p> <p>in Article 2, paragraph 1 is amended as follows:</p> <p>(...)</p> <p>(ab) point (17) is replaced by the following:</p> <p>(17) ‘liquid market’ means: (a) for the purposes of Articles 9, 11 and 11a a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, and where</p>		<p>between investment grade and high yield credit ratings as a further determinant, particularly in the case of corporate bonds (in line with the Commission proposal). This recognises that IG and HY have distinct market structures and very different liquidity profiles.</p>
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			<p>the market is assessed in accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instruments: (i) the average frequency and size of transactions over a range of market conditions, having regard to the nature and life cycle of products within the class of financial instrument; (ii) the number and type of market participants, including the ratio of market participants to traded financial instruments in a particular product; (iii) the average size of spreads, where available; (iv) the issuance size, which shall be used to define a liquid market for bonds, with the exception of covered bonds, and may be used to define a liquid market for non-equity instruments other than derivatives;</p>		
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3	<b>Deferrals and disaggregation for sovereign bond trades</b>	<p>Article 11 is amended as follows:</p> <p>(b) paragraph 3 is replaced by the following:</p> <p>‘3. Competent authorities may, when authorising a deferred publication as referred to in paragraph 1 with regard to transactions in sovereign debt, allow market operators and investment firms operating a trading venue:</p> <p>(a) to allow the omission of the publication of the volume of an individual transaction during an extended time period of deferral; or</p> <p>(b) to publish in an aggregated form several transactions in sovereign debt for an indefinite period of time.’</p>	<p>3. In addition to the deferred publication as referred to in paragraphs 1 and 2, competent authorities of the Member State of a sovereign debt instrument may, with regard to transactions in that sovereign debt instruments in the Union:</p> <p>(a) allow the omission of the publication of the volume of an individual transaction during an extended time period of deferral; or</p> <p>(b) defer the publication of the details of several transactions for six months.</p> <p>The set deferred publication by competent authorities of Member State in relation to sovereign debt instrument is applicable in the European Union. ESMA shall publish on its website the list of the deferred publication related to sovereign debt instrument. ESMA shall monitor the application of those arrangements for deferred trade-publication and shall</p>	<p>2a. With respect to sovereign debt instruments, competent authorities of a sovereign debt instrument may allow, with regard to transactions in that sovereign debt instrument in the Union:</p> <p>(a) the omission of the publication of the volume of an individual transaction during an extended time period of deferral not exceeding six months; or</p> <p>(b) the deferral of the publication of the details of several transactions in an aggregated form for six months.</p> <p>ESMA shall publish on its website the list of the deferred publication related to sovereign debt instruments. ESMA shall monitor the application of those arrangements for deferred publication and shall submit an annual report to the Commission indication how they are used in practice. When the deferral time period lapses, the outstanding details of the transaction and all the details of the transaction on an individual basis shall</p>	<p><b>ICMA members are broadly supportive of the eventual disaggregation of sovereign bond trades, applied consistently across all NCAs.</b></p>
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			<p>submit an annual report to the Commission indication how they are used in practice.</p> <p>When the deferral time period lapses, the outstanding details of the transaction and all the details of the transaction on an individual basis shall be published.</p>	be published.	
4	<b>Pre-trade transparency</b>	<p><i>[Original regulation 600/2014]</i></p> <p>Article 18</p> <p>Obligation for systematic internalisers to make public firm quotes in respect of bonds, structured finance products, emission allowances and derivatives</p> <p>1. Investment firms shall make public firm quotes in respect of bonds, structured finance products, emission allowances and derivatives traded on a trading venue for which they are systematic internalisers and for which there is a liquid market when the following conditions are</p>	(9a) Article 18, paragraphs 1 to 3, and 5 to 11 are deleted;	<p>(9a) Article 18 is replaced by the following:</p> <p>‘Obligation for systematic internalisers to make public firm quotes in respect of bonds, structured finance products, emission allowances and derivatives</p> <p>1. Investment firms shall make public firm quotes in respect of bonds, structured finance products, emission allowances traded on a trading venue and derivatives subject to the clearing obligation set out in Article 4 of Regulation (EU) No 648/2012, for which they are systematic internalisers and for which there is a liquid market when the following conditions are fulfilled:</p>	<p><b>ICMA members support the Council proposal for the elimination of pre-trade transparency requirements for SIs in the case of bonds.</b></p> <p>It is important to note that pre-trade transparency with respect to SI quotes offers little or no value from the perspective of price discovery or best execution, which is primarily based on post-trade transparency.</p>

	<p>fulfilled: (a) they are prompted for a quote by a client of the systematic internaliser; (b) they agree to provide a quote.</p> <p>2. In relation to bonds, structured finance products, emission allowances and derivatives traded on a trading venue for which there is not a liquid market, systematic internalisers shall disclose quotes to their clients on request if they agree to provide a quote. That obligation may be waived where the conditions specified in Article 9(1) are met.</p> <p>3. Systematic internalisers may update their quotes at any time. They may withdraw their quotes under exceptional market conditions.</p> <p>4. Member States shall require that firms that meet the definition of systematic internaliser notify their competent authority. Such notification shall be transmitted to ESMA. ESMA shall establish a list of all systematic internalisers in the Union.</p>		<p>(a) they are prompted for a quote by a client of the systematic internaliser; (b) they agree to provide a quote.</p> <p>2. Systematic internalisers may update their quotes at any time.</p> <p>3. Member States shall require that firms that meet the definition of systematic internalisers notify their competent authority, specifying the financial instruments for which they meet the definition of systematic internaliser. Such notification shall be transmitted to ESMA within one working day.</p> <p>ESMA shall establish a register of all systematic internalisers in the Union, including the details of systematic internalisers at the level of an individual financial instrument. That list shall be updated by ESMA without delay and within one working day of the competent authority transmitting to it a notification in accordance with the first subparagraph.</p> <p>4. Systematic internalisers shall not be subject to this Article when they deal in sizes that are large in scale</p>	
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	<p>5. Systematic internalisers shall make the firm quotes published in accordance with paragraph 1 available to their other clients. Notwithstanding, they shall be allowed to decide, on the basis of their commercial policy and in an objective non-discriminatory way, the clients to whom they give access to their quotes. To that end, systematic internalisers shall have in place clear standards for governing access to their quotes. Systematic internalisers may refuse to enter into or discontinue business relationships with clients on the basis of commercial considerations such as the client credit status, the counterparty risk and the final settlement of the transaction.</p> <p>6. Systematic internalisers shall undertake to enter into transactions under the published conditions with any other client to whom the quote is made available in accordance with paragraph 5 when the quoted size is at or below the size specific to the financial instrument determined in</p>		<p>compared with the normal market size and as determined in accordance with Article 9(5)(c). In respect of a package order and without prejudice to paragraph 2, the obligations in this Article shall only apply to the package order as a whole and not to any component of the package order separately.</p> <p>5. The quotes published pursuant to paragraph 1 shall be made public in a manner which is easily accessible to other market participants on a reasonable commercial basis.</p> <p>6. The quoted price or prices shall be such as to ensure that the systematic internaliser complies with its obligations under Article 27 of Directive 2014/65/EU, where applicable, and shall reflect prevailing market conditions in relation to prices at which transactions are concluded for the same or similar financial instruments on a trading venue.</p> <p>However, in justified cases, they may execute orders at a better price provided that the price falls</p>	
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		<p>accordance with Article 9(5)(d). Systematic internalisers shall not be subject to the obligation to publish a firm quote pursuant to paragraph 1 for financial instruments that fall below the threshold of liquidity determined in accordance with Article 9(4).</p> <p>7. Systematic internalisers shall be allowed to establish non-discriminatory and transparent limits on the number of transactions they undertake to enter into with clients pursuant to any given quote.</p> <p>8. The quotes published pursuant to paragraph 1 and 5 and those at or below the size referred to in paragraph 6 shall be made public in a manner which is easily accessible to other market participants on a reasonable commercial basis.</p> <p>9. The quoted price or prices shall be such as to ensure that the systematic internaliser complies with its obligations under Article 27 of Directive 2014/65/EU, where applicable, and shall reflect prevailing market conditions in</p>		<p>within a public range close to market conditions.'</p>	
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		<p>relation to prices at which transactions are concluded for the same or similar financial instruments on a trading venue. However, in justified cases, they may execute orders at a better price provided that the price falls within a public range close to market conditions.</p> <p>10. Systematic internalisers shall not be subject to this Article when they deal in sizes above the size specific to the financial instrument determined in accordance with Article 9(5)(d).</p>			
5	<b>Designated Publishing Entity/ Designated Reporting Entity</b>		<p>‘Article 21a</p> <p>Designated publishing entity</p> <p>1. Where only one party to a transaction is a designated publishing entity in accordance with paragraph 3, it shall be responsible for making public transactions through an APA in accordance with Article 20(1) or Article 21(1).</p>	<p>(9e) the following Article is inserted:</p> <p>‘Article 21a</p> <p>Designated reporting entity</p> <p>1. Where only one party to a transaction is a designated reporting entity in accordance with paragraph 3 of this Article, it shall be responsible for the disclosure of transactions through an APA in</p>	<p><b>ICMA’s members believe that the DPE/DRE regime should be de-coupled from the obligations of reporting parties (who are mostly SIs).</b></p> <p>The two regimes are based on different levels of granularity, making them incompatible. While the DPE/DRE regime is intended to simplify the</p>

			<p>2. Where neither of the parties to a transaction, or both of the parties to a transaction are designated publishing entities in accordance with paragraph 3, only the entity that sells the financial instrument concerned shall make the transaction public through an APA.</p> <p>3. Investment firms shall receive the status of designated publishing entity upon request to their competent authority for specified classes of financial instruments. All systematic internalisers are designated publishing entities for the financial instruments or classes of financial instruments for which they are systematic internaliser. The request shall be notified by the competent authority to ESMA.</p> <p>4. ESMA shall establish a list of all designated publishing entities, specifying the identity of the designated publishing entities, including the</p>	<p>accordance with Article 20(1) or Article 21(1).</p> <p>2. Where none of the parties to a transaction, or both of the parties to a transaction are designated reporting entities in accordance with paragraph 3, only the entity that sells the financial instrument concerned shall make the transaction public through an APA.</p> <p>3. Upon request to ESMA, investment firms shall obtain the status of designated reporting entity for specific financial instruments or classes of financial instruments. All systematic internalisers shall be considered to be designated as reporting entities for the financial instruments or classes of financial instruments for which they are systematic internaliser.</p> <p>4. ESMA shall establish a register of all designated reporting entities, specifying the identity of the designated reporting entities, including the systematic internalisers, as well as the instruments or classes of</p>	<p>determination of which counterparty will report a trade, it should do this by designating reporters either at the asset class or entity level.</p> <p>The SI regime is applied at an instrument level, meaning that a counterparty would need to establish whether the firm they are trading with is an SI, at the specific ISN level, each time. Accordingly, mapping the SPE/DRE regime directly from the SI regime would also bring this to the instrument level, thereby negating the intended simplification.</p>
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			systematic internalisers, as well as the classes of financial instruments for which they are designated publishing entities and keep it updated on its website.';	instruments for which they are designated reporting entities.';	
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### **International Capital Market Association (ICMA)**

ICMA promotes well-functioning cross-border capital markets, which are essential to fund sustainable economic growth. It is a not-for-profit membership association with offices in Zurich, London, Paris, Brussels, and Hong Kong, serving over 600 members in 65 jurisdictions globally. Its members include private and public sector issuers, banks and securities dealers, asset and fund managers, insurance companies, law firms, capital market infrastructure providers and central banks. ICMA provides industry-driven standards and recommendations, prioritising three core fixed income market areas: primary, secondary and repo and collateral, with cross-cutting themes of sustainable finance and FinTech and digitalisation. ICMA works with regulatory and governmental authorities, helping to ensure that financial regulation supports stable and efficient capital markets.

[www.icmagroup.org](http://www.icmagroup.org)

### **Contacts:**

Andy Hill                      Senior Director, Deputy Head of Market Practice and Regulatory Policy  
[andy.hill@icmagroup.org](mailto:andy.hill@icmagroup.org)

Julia Rodkiewicz            Director, Regulatory Policy  
[julia.rodkiewicz@icmagroup.org](mailto:julia.rodkiewicz@icmagroup.org)

Alexander Westphal        Director, Market Practice and Regulatory Policy  
[alexander.westphal@icmagroup.org](mailto:alexander.westphal@icmagroup.org)