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*Plenary sitting*

**A9-0040/2023**

2.3.2023

# ***I
# REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 600/2014 as regards enhancing market data transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and prohibiting receiving payments for forwarding client orders
(COM(2021)0727 – C9-0440/2021 – 2021/0385(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Danuta Maria Hübner

## *Symbols for procedures*

| | |
|---|---|
| * | Consultation procedure |
| *** | Consent procedure |
| ***I | Ordinary legislative procedure (first reading) |
| ***II | Ordinary legislative procedure (second reading) |
| ***III | Ordinary legislative procedure (third reading) |

(The type of procedure depends on the legal basis proposed by the draft act.)

## *Amendments to a draft act*

**Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

**Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▌ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.
By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

**CONTENTS**

**Page**

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 600/2014 as regards enhancing market data transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and prohibiting receiving payments for forwarding client orders (COM(2021)0727 – C9-0440/2021 – 2021/0385(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament*,

– having regard to the Commission proposal to Parliament and the Council (COM(2021)0727),

– having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0440/2021),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Central Bank of 1 June 2022[1],

– having regard to the opinion of the European Economic and Social Committee of 23 March 2022[2],

– having regard to Rule 59 of its Rules of Procedure,

– having regard to the report of the Committee on Economic and Monetary Affairs (A9-0040/2023),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

[1] OJ C 286, 27.7.2022, p. 17.
[2] OJ C 290, 29.7.2022, p. 68.

**Amendment 1**

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

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**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EU) No 600/2014 as regards enhancing market data transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and prohibiting receiving payments for forwarding client orders**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,
Having regard to the proposal from the European Commission,
After transmission of the draft legislative act to the national parliaments,
Having regard to the opinion of the European Central Bank[3],
Having regard to the opinion of the European Economic and Social Committee[4],
Acting in accordance with the ordinary legislative procedure,
Whereas:

(1) In its 2020 CMU Action Plan[5], the Commission announced its intention to table a legislative proposal to create a centralised data base which was meant to provide a comprehensive view on prices and volume of equity and equity-like financial instruments traded throughout the Union across a multitude of trading venues ('consolidated tape'). On 2 December 2020, in its conclusion on the Commission's CMU Action Plan[6], the Council encouraged the Commission to stimulate more investment activity inside the Union by enhancing data availability and transparency by further assessing how to tackle the obstacles to establishing a consolidated tape in the Union.

(2) In its roadmap on 'The European economic and financial system: fostering openness, strength and resilience' of 19 January 2021[7], the Commission confirmed its intention to improve, simplify and further harmonise capital markets' transparency, as part of the

* Amendments: new or replacement text is marked in ***bold italics***, and deletions are indicated by the symbol ▌.
3 OJ C […], […], p. […].
4 OJ C […], […], p. […].
5 COM/2020/590 final.
6 Council Conclusions on the Commission's CMU Action Plan, 12898/1 of /20 REV 1 EF 286 ECOFIN 1023: https://data.consilium.europa.eu/doc/document/ST-12898-2020-REV-1/en/pdf;
7 COM/2021/32 final.

review of Directive 2014/65/EU of the European Parliament and of the Council[8] and of Regulation (EU) No 600/2014 the European Parliament and of the Council[9]. As part of efforts to strengthen the international role of the Euro, the Commission also announced that such reform would include the design and implementation of a consolidated tape, in particular for corporate bond issuances to increase the liquidity of secondary trading in euro-denominated debt instruments.

(3) Regulation (EU) No 600/2014 of the European Parliament and of the Council[10] provides for a legislative framework for 'consolidated tape providers' or 'CTPs', both for equity and non-equity. Those CTPs are currently responsible for collecting from trading venues and approved publication arrangements ('APAs') market data about financial instruments and consolidating those data into a continuous electronic live data stream, which provides market data per financial instrument. The idea behind the introduction of a CTP was that market data from trading venues and APAs would be made available to the public in a consolidated manner, including all of the Union's trading markets, using identical data tags, formats and user interfaces.

(4) To date, however, no supervised entity has applied for authorisation to act as a CTP. ESMA has identified three main obstacles that have prevented supervised entities to apply for registration as a CTP[11]. First, a lack of clarity as to how the CTP is to procure market data from the various execution venues or from the data reporting service providers concerned. Second, insufficient quality in terms of harmonisation of the data reported by those execution venues to allow for a cost-efficient consolidation. Third, a lack of commercial incentives to apply for authorisation as a CTP. It is therefore necessary to remove those obstacles. Such removal requires, first, that all trading venues and systematic internalisers ('SIs') provide CTPs with market data (provision rule). It secondly requires an improvement of the data quality by harmonising the data reports that trading venues and SIs should submit to the CTP. ***It thirdly requires that market data contributors transmit to the CTP as close to real time as it is technically possible pre- and post-trade information for shares and ETFs and as close to real time as it is technically possible post-trade information for bonds and derivatives.***

(5) Article 1(7) of Directive 2014/65/EU of the European Parliament and of the Council[12] requires operators of systems in which multiple third-party buying and selling trading interests in financial instruments are able to interact ('multilateral systems') to operate in accordance with the requirements concerning regulated markets ('RMs'), multilateral trading facilities ('MTFs'), or organised trading facilities ('OTFs'). The placement of that requirement in Directive 2014/65/EU has left room for varying interpretations of that requirement, which has led to an uneven playing field between multilateral systems

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

[9] 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 (OJ L 173, 12.6.2014, p. 84).

[10] 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 (OJ L 173, 12.6.2014, p. 84).

[11] ESMA 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.

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

that are licensed as an RM, MTF or OTF, and multilateral systems that are not licensed as such. In order to ensure a uniform application of that requirement, it should be introduced in Regulation (EU) No 600/2014.

(6) Article 4 of Regulation (EU) No 600/2014 allows competent authorities to waive the pre-trade transparency requirements for market operators and investment firms operating a trading venue who determine their prices by reference to the midpoint price of the primary market or the most relevant market in terms of liquidity. ▌In order to increase pre-trade transparency and thereby reinforce the price formation process, that waiver should ***only*** be applicable to orders with a size greater than or equal to ***a size to be determined by ESMA. When defining the threshold, it is appropriate for ESMA to take into account the impact of that measure on market quality, on the overall liquidity on Union trading venues, on end-investors' outcomes, and on the domestic and international attractiveness and competitiveness of Union capital markets and firms***. Where the consolidated tape for shares and exchange-traded funds (ETFs) will provide bid and offer prices from which a midpoint can be derived, the reference price waiver should also be available for systems deriving the midpoint price from the consolidated tape.

(7) Dark trading is trading without pre-trade transparency, using the reference price waiver laid down in Article 4(1), point (a) of Regulation (EU) No 600/2014 and the negotiated trade waiver laid down in Article 4(a) point (a), point (i) of that Regulation. The use of both waivers is capped by the double volume cap ('DVC'). The DVC is a mechanism that limits the level of dark trading to a certain proportion of total trading in an equity instrument. The amount of dark trading in an equity instrument on an individual venue may not exceed 4% of total trading in that instrument in the Union. When this threshold is breached, dark trading in that instrument on that venue is suspended. Secondly the amount of dark trading in an equity instrument in the Union may not exceed 8% of total trading in that instrument in the Union. When this threshold is breached all dark trading in that instrument is suspended. The venue specific threshold leaves room for continued use of those waivers on other platforms on which trading in that equity instrument is not yet suspended, until the Union wide threshold is breached. This causes complexity in terms of monitoring the levels of dark trading and of enforcing the suspension. To simplify the double volume cap while keeping its effectiveness, ***this Regulation introduces a*** new single volume cap ***relying*** solely on the EU-wide threshold. That threshold should be lowered to 7 % to compensate for a potential increase of trading under those waivers as a consequence of abolishing the venue specific threshold. ***Utilising all the available and relevant market data, ESMA should regularly assess the calibration of the threshold of the single volume cap, its scope, its effects on the competitiveness of Union firms and the significance of the market impact and the efficiency of the price formation process in the Union. ESMA could also consider ways to thoroughly improve the limitations that are currently in place to limit dark trading, including further intervention on any trading system, as opposed to only a subset thereof, to ensure that these are effective in their aim to safeguard the price formation process without unduly affecting the global competitiveness of Union firms and the attractiveness of the Union's markets. Taking into account financial stability considerations, international best practices and developments, ESMA should formulate its suggestions in a report to the Commission by ... [three years after the entry into force of this amending Regulation], and every two years thereafter.***

(8) Article 10 of Regulation (EU) No 600/2014 contains requirements for trading venues to publish information related to transactions in non-equity instruments, including the price and the volume. Article 11 of that Regulation contains the grounds for national competent authorities to allow for delayed publication of those details. Deferred publication of those details is allowed where a transaction is above the large in scale ('LIS') size threshold and is in an instrument for which there is no liquid market, or where that transaction is above the size specific to the instrument threshold in case the transaction involves liquidity providers. National competent authorities have discretion in the duration of the deferred period and in the details of the transactions that may be deferred. That discretion has led to differing practices among the member states and to ineffective post-trade transparency publications. To ensure transparency towards all types of investors, it is necessary to harmonise the deferral regime at the level of the European Union, remove discretion at national level and facilitate market data consolidation. It is therefore appropriate to reinforce post-trade transparency requirements by removing the discretion for ***national*** competent authorities ***and setting out the categories of transactions for which deferral is allowed, taking into account the size of the transactions and the liquidity of the financial instruments concerned***.

(9) To ensure an adequate level of transparency, the price ***and the volume*** of a non-equity transaction should be published as close to real time as possible and ***the price should*** only be delayed until maximally the end of the trading day. However, in order not to expose liquidity providers in non-equity instruments to undue risk, it should be possible to mask ***the price and volume*** of ***very large*** transactions for a ***longer*** period of time, which should not ***exceed four*** weeks. The exact calibration of the various buckets corresponding to different time deferrals should be left to ESMA due to the technical expertise required to specify the calibration as well as due to the need to allow for the flexibility to amend the calibration. Those deferrals should be based on the liquidity of the non-equity instrument***, using the issuance size as a proxy, and*** the size of the transaction ***(trade size) only***. ***In order to simplify the pre-trade transparency regime for bonds and derivatives, the size specific to the instrument should be removed, and the large in scale size should be lowered so that only one threshold remains at an adequate level. ESMA should regularly review the calibrations of the deferrals applicable to the various buckets, with the goal to gradually decrease them should the qualitative and quantitative evidence allow it.***

(10) Article 13 of Regulation (EU) No 600/2014 requires market operators and investment firms operating a trading venue to make the pre-trade and post-trade information on transactions in financial instruments available to the public on a reasonable commercial basis ('RCB'), and to ensure non-discriminatory access to that information. That Article has, however, not delivered on its objectives. The information provided by trading venues, APAs and systematic internalisers on a reasonable commercial basis does not enable users to understand market data policies and how the price for market data is set. ESMA issued guidelines explaining how the concept of RCB should be applied. These guidelines should be converted to legal obligations. Due to the high level of detail required to specify RCB and the required flexibility in amending the applicable rules based on the fast changing data landscape, ESMA should be empowered to develop draft regulatory technical standards specifying ***what constitutes a reasonable commercial basis and*** how RCB should be applied, thereby further strengthening the harmonised and consistent application of Article 13 of Regulation (EU) No 600/2014.

(11) In order to reinforce the price formation process and to maintain a level playing field between trading venues and systematic internalisers, Article 14 of Regulation (EU) No 600/2014 requires systematic internalisers to make public all quotes in equity instruments placed by that systematic internaliser below the standard market size. Systematic internalisers are free to decide which sizes they quote, as long as they quote at a minimum size of 10% of the standard market size. That possibility, however, has led to very low levels of pre-trade transparency provided by systematic internalisers in equity instruments, and has hampered the achievement of a level playing field. It is therefore necessary to require systematic internalisers to publish firm quotes relating to a minimum ***size to be determined by ESMA. When determining the minimum size, it is appropriate for ESMA to consider the following objectives: increasing pre-trade transparency of equity instruments for the benefit of end-investors; maintaining a level playing field between trading venues and systematic internalisers; providing end investors with an adequate choice of trading options; and ensuring that the trading landscape in the Union remains attractive and competitive both domestically and internationally***.

(12) In order to create a level playing field, in addition to the obligation to publish firm quotes ▌ systematic internalisers should also ***not*** be allowed to match at midpoint below ***a size to be determined by ESMA and aligned with the size below which systematic internalisers' pre-trade transparency requirements apply***. It should furthermore be clarified that systematic internalisers should be allowed to match at midpoint ***above this*** size without complying with the tick-size regime. ***That would bring the Union in line with the prevalent international market practices.***

(13) Market participants need core market data to be able to make informed investment decisions. Pursuant to the current Article 27h of Regulation (EU) 600/2014, sourcing core market data about certain financial instruments directly from trading venues and APAs requires that consolidated tape providers enter into separate licensing agreements with all those data contributors. That process is burdensome, costly and time consuming. It has been one of the obstacles to consolidated tape providers emerging on a cross market basis. This obstacle should be removed in order to enable consolidated tape providers to obtain the market data and to overcome licencing issues. Trading venues and APAs, or investment firms and systematic internalisers without intervention of APAs ('market data contributors') should be required to submit their market data to consolidated tape providers, and to use harmonised templates respecting high–quality data standards to do so. Only CTPs selected and authorised by ESMA should be able to collect harmonised market data from the individual data sources in accordance with the mandatory contribution rule. To make the market data useful for investors, market data contributors should be required to provide the CTP with market data as close as technically possible to real time.

(14) Title II and III of Regulation (EU) 600/2014 require trading venues, APAs, investment firms and systematic internalisers ('market data contributors') to publish pre-trade data on financial instruments, including bid and offer prices and post-trade data on transactions, including the price and volume at which a transaction in a specific instrument has been concluded. Market participants are not obliged to use the consolidated core market data provided by the CTP. The requirement to publish those pre-trade and post-trade data should therefore remain applicable to enable market participants to access market data. However, to avoid undue burden on market data

contributors, it is appropriate to align the requirement for market data contributors to publish data as much as possible with the requirement to contribute data to the CTP.

(15) Due to the disparate quality of market data, it is difficult for market participants to compare those data, which devoids data consolidation of much added-value. It is of the utmost importance for the proper functioning of the transparency regime set out in Title II and III of Regulation ***No*** (EU) 600/2014 and for the consolidation of data by consolidated tape providers that market data are of high quality. It is therefore appropriate to require that those market data comply with high quality standards in terms of both substance and format. It should be possible to change the substance and the format of the data within a short time to allow for changing market practices and insights. Therefore the requirements for the quality of data should ***be*** specified by ***ESMA*** in ***draft regulatory technical standards*** and should take into account ***prevailing industry standards and practices, international developments and standards agreed at the Union or international level, as well as*** the advice of a dedicated consultative group, ***established by the Commission and tasked with providing indications limited to the output of the consolidated tape. ESMA should be closely involved in the work of that consultative group***.

(16) To better monitor reportable events, Directive 2014/65/EU harmonised the synchronisation of business clocks for trading venues and their members. To ensure that, in the context of the consolidation of market data, timestamps reported by different entities can be compared meaningfully, it is appropriate to extend the requirements for harmonisation of the synchronisation of business clocks to systematic internalisers, APAs and consolidated tape providers. Due to the level of technical expertise required to specify the requirements for application of a synchronized business clock, ESMA should be empowered to develop draft regulatory technical standards to specify the accuracy with which the clocks should be synchronized.

(17) Article 23 of Regulation (EU) No 600/2014 requires that the majority of trading in shares takes place on trading venues or systematic internalisers ('share trading obligation'). This requirement does not apply to trades in shares which are non-systematic, ad hoc or irregular and infrequent. It is not clear when this exemption applies. ESMA therefore clarified this by making a distinction between shares on the basis of their International Securities Identification Number (ISIN). Pursuant to that distinction, only shares with an EEA ISIN are subject to the share trading obligation. That approach provides clarity to market participants trading in shares. It is therefore appropriate to incorporate ESMA's current practice in Regulation (EU) No 600/2014, while simultaneously removing the exemption for trades in shares which are non-systematic, ad-hoc or irregular and infrequent.

(18) Determination of the date by which transactions are reported is important to ensure sufficient preparedness by both supervisors and reporting entities. It is also crucial to align the timing of changes in different reporting frameworks. Setting this date in a delegated act will provide the necessary flexibility and aligns ESMA's empowerments with those laid down in Regulation (EU) 2019/834. To increase overall market reporting consistency, ESMA should also take account of international developments and standards agreed upon at Union or global level when developing relevant draft regulatory technical standards.

(19) Reporting in financial markets – in particular transaction reporting – is already highly automated and data is more standardised. Some inconsistencies between frameworks

have already been resolved in the European Market Infrastructure Regulation (EMIR) Refit and Securities Financing Transactions Regulation (SFTR). The empowerments for ESMA should be aligned to adopt technical standards and ensure greater consistency in transaction reporting between the EMIR, SFTR and MiFIR frameworks. This will improve transaction data quality and avoid unnecessary additional costs for the industry. ***In addition, the transaction reporting should allow for a broad exchange of transaction data between national competent authorities to adequately reflect the latter's evolving supervisory needs to monitor the most recent market developments and potential related risks. This should address, for instance, the need for any national competent authority to obtain a comprehensive overview of the investment made by clients residing, domiciled or established in its jurisdiction, including where such investments are made through investment firms authorised in another Member State or financial instruments for which it is not the competent authority of the most relevant market in terms of liquidity.***

***(19a) Market participants and ESMA have shown that the existing reporting regime can create uncertainty about who should report transactions and can lead to double reporting. The problem is particularly acute when investment firms trading with each other do not know whether their counterparty is a systematic internaliser for the traded financial instrument, and as such should report transactions to the approved publication arrangement. In addition, the link between the reporting obligation and the status of systematic internaliser has led to an inflated number of systematic internalisers in the Union, distorting the picture of market participants. The link between the systematic internaliser status and the post-trade transparency and reporting requirements should be removed, introducing instead the possibility for market participants to register as a designated reporting entity. In addition, ESMA should establish a register of all designated reporting entities, specifying their identity as well as the instruments or classes of instruments for which they are designated reporting entities. That would eliminate uncertainty about who should report a transaction and reduce the regulatory burden on investment firms, particularly smaller ones. Such an approach would also have the advantage that only those firms that qualify or have opted in as systematic internalisers will act as liquidity providers, providing further clarity to the overall structure of the equity market.***

(20) Competition among consolidated tape providers ensures that the consolidated tape is provided in the most efficient way and under the best conditions for users. However, no entity has, up until now, applied to act as a consolidated tape provider. It is therefore considered appropriate to empower ESMA to periodically organise a competitive selection procedure to select a single entity which is able to provide the consolidated tape for each specified asset class. ***ESMA should prioritise the selection and authorisation of a consolidated tape provider for bonds, followed by shares and ETFs and finally by derivatives. The selection processes for each CTP should be staggered at regular intervals, with each selection process starting no later than six months following the initiation of the preceding one. Given the similarities between shares and ETFs, ESMA should conduct a parallel process for those two financial***

***instruments, accepting proposals for either a single consolidated tape comprising both shares and ETFs, or two separate tapes. For both shares and ETFs the market data that data contributors are required to send to the relevant CTP should contain pre-trade and post-trade market data related to the first five layers of the order books***.

(21) According to data presented in the impact assessment accompanying the proposal for this Regulation, the expected revenue generation for the consolidated tape will vary depending on the precise features of the tape. The expected revenue of the CTP should significantly exceed the cost of its production and therefore help to build a solid revenue participation scheme whereby the CTP and the market data contributors share aligned commercial interests. This principle should not prevent CTPs from making a necessary margin to maintain a viable business model and from using the core market data to offer further analytics or other services aimed to increase the revenue pool. ***The market data contributor should at least receive a remuneration based on the costs it has incurred in generating the data and providing it to the CTP. Retail investors should have access to the consolidated tape, either free of charge or for a nominal annual fee, and the tape provider should ensure that the information provided to retail investors is easily accessible and displayed in a user-friendly and understandable format.***

(22) There is an objective difference between a venue of primary admission and other trading venues that serve as secondary trading markets. A venue of primary admission admits companies to the public markets, playing a crucial role in the life of a share and for the share's liquidity. This is particularly true in the case of shares listed on smaller regulated markets which remain typically traded mostly on the venue of primary admission. ***In smaller regulated markets and SME growth markets the level of concentration of trading in shares, for which they are also the venue of primary admission, means that their relative contribution to the fragmentation of trading in the Union is less significant compared to that of larger regulated markets. The average daily trading volume of shares in the smaller regulated markets is relatively low, often accounting for less than 1 % of the average daily trading volume of the Union as a whole. Smaller regulated markets and SME growth markets are, on average, less diversified and more dependent on data revenues, and the mandatory contribution to the consolidated tape for shares could deprive them of their most important source of income. Therefore, given the lower levels of fragmentation of smaller markets, their relative share of the overall trading landscape and legitimate concerns about the viability of their business, an exclusion from the mandatory contributions to the consolidated tape should be considered appropriate to allow them*** to maintain their local admissions and safeguard a rich and vibrant ecosystem in line with the objectives of the Capital Markets Union. ***From a procedural perspective, the first exclusion criterion should be market share; if the market share at any future point exceeds the threshold set out in this Regulation, fragmentation criteria should apply as alternative exemption criteria. Notwithstanding the mandatory contribution exemption, smaller regulated markets that wish to be included in the consolidated view provided by the consolidated tape should be able to opt in to the mandatory contribution scheme by notifying ESMA of their intent. Nevertheless, the development of a consolidated tape should aim to eventually attain a complete representation of the Union's trading venues, to achieve the full benefits of an integrated capital markets union.***

(23) ***The desired outcome of the consolidated tape would be to provide end investors with a truly consolidated overview*** of ***the*** trading ***opportunities available*** in the ***Union,***

***including small regulated markets and lower trading costs through increased cross-border competition***, ***thereby increasing the overall domestic and international attractiveness of Union capital markets, and fostering their growth, in line with the objectives of the capital markets union. Regardless of the exemption granted to smaller regulated markets under this Regulation from the mandatory contribution of market data to the consolidated tape, a dedicated*** revenue participation scheme for the consolidated tape for shares ***and ETFs should be established, in order to incentivise their opt-in to the mandatory contribution scheme, which should remain nonetheless entirely voluntary. In particular***, data from trades in ***the*** less liquid shares should attract a higher remuneration than their notional trading value would indicate. Whether a share is less liquid should be determined on the basis of the proportion of pre-trade transparent liquidity displayed by the regulated market that admits the less liquid share, relative to the average daily trading turnover in that share.

(24) Given the novelty of the consolidated tape in the context of the EU financial markets, ESMA should be entrusted with providing the European Commission with an assessment of the revenue participation scheme designed ***to incentivise smaller*** regulated markets ***to opt in to the mandatory contribution of market data*** in the context of the consolidated tape for shares ***and ETFs***. This report should be prepared on the basis of at least ***18*** months of operation of the CTP and subsequently at the request of the Commission, where deemed necessary or appropriate. The assessment should focus in particular on whether the participation of small regulated markets in the revenue of the CTP is fair and effective in ***inducing those markets to contributing to the consolidated tape and in*** safeguarding the role that these markets play in their local financial ecosystem. ***It is appropriate for that assessment to establish whether the inclusion of those smaller regulated markets in the consolidated tape resulted in an increase in the trading volumes of shares in those regulated markets, a positive effect on the participation of professional and retail investors in the market, and an improvement of the trading conditions for end-investors.*** The Commission should be empowered to revise the mechanism of allocation by way of a delegated act, where necessary or appropriate.

(25) It is necessary to ensure that consolidated tape providers remedy information asymmetries in the capital markets in a sustainable manner, and to ensure that consolidated tape providers provide consolidated data that are reliable. Consolidated tape providers should therefore be obliged to adhere to organisational requirements and quality of service standards that must be met at all times once they have been authorised by ESMA. Quality standards should cover aspects related to the collection of consolidated core market data, accurate time-stamping of such data at various stages in the delivery chain, collection and administration of market data subscription fees, and allocation of revenue to market data contributors.

(26) In order to safeguard market participants' continued trust in the operation of a consolidated tape provider, such entities should periodically make a series of public reports concerning compliance with their obligations under this Regulation, in particular on performance statistics and incident reports relating to data quality and systems. Due to the highly technical nature of the substance of the report, ESMA should be empowered to specify the substance, format and timing.

(27) The requirement that trade reports should be made available free of access charges after 15 minutes currently applies to all trading venues, APAs and CTPs. For CTPs, that

requirement stands in the way of commercialising the consolidation of the core market data and considerably limits the commercial viability of a potential CTP, since certain potential clients could prefer waiting for the consolidated free data rather than subscribing to the consolidated tape. This is in particular the case for bonds and derivatives that are in general not traded frequently and for which the data has often kept most of its value after 15 minutes. While the requirement to deliver the data for free after 15 minutes should remain in place for trading venues and APAs, it should be abandoned for CTPs to protect its potential business model.

(28) Article 28 of Regulation (EU) No 600/2014 requires that OTC derivatives that are subject to the clearing obligation are traded on trading venues. Regulation (EU) 2019/834 of the European Parliament and of the Council[13] amended Regulation (EU) No 648/2012 of the European Parliament and of the Council[14] to reduce the scope of the entities that are subject to the clearing obligation. In light of the close interconnection between the clearing obligation under Regulation (EU) 648/2012 and the derivatives trading obligation under Regulation (EU) 600/2014, and to ensure greater legal coherence and to simplify the legal framework, it is necessary and appropriate to re-align the derivatives trading obligation with the clearing obligation for derivatives. Without that alignment, certain smaller financial counterparties and non-financial counterparties would no longer be captured by the clearing obligation but continue to be captured by the trading obligation.

(29) Article 6a of Regulation (EU) No 648/2012 provides for a mechanism to temporarily suspend the clearing obligation where the criteria on the basis of which specific classes of OTC derivatives have been made subject to the clearing obligation are no longer met, or where such suspension is considered necessary to avoid a serious threat to financial stability in the Union. Such suspension may, however, prevent counterparties from being able to comply with their trading obligation, laid down in Regulation (EU) 600/2014 because the clearing obligation is a pre-requisite to the trading obligation. It is therefore necessary to lay down that, where the suspension of the clearing obligation would lead to a material change in the criteria for the trading obligation, it should be possible to concurrently suspend the trading obligation for the same class or classes of OTC derivatives that are subject to the suspension of the clearing obligation.

(30) An ad-hoc suspension mechanism is necessary to ensure that the Commission may swiftly react to significant changes in market conditions that may have a material effect on the trading of derivatives and their counterparties. Where such market conditions are present, and upon the request of the competent authority of a Member state, the Commission should be able to suspend the trading obligation, independently from any suspension of the clearing obligation. Such a suspension of the trading obligation should be possible where the activities of an EU investment firm with a non-EEA counterparty are unduly affected by the scope of the EU trading obligation on derivatives and where that investment firm acts as a market-maker in the category of derivatives subject to the trading obligation. The issue of overlapping DTOs is particularly acute when trading

[13] Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories (OJ L 141, 28.5.2019, p. 42).

[14] Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

with counterparties domiciled in a third-country jurisdiction that applies its own DTO. This suspension would also help EU counterparties remaining competitive on global markets. When deciding upon the suspension of the trading obligation, the Commission should take into consideration the impact of such suspension on the clearing obligation laid down in Regulation (EU) No 648/2012.

(31) Open access provisions for exchange-traded derivatives reduce attractiveness to invest in new products as competitors may be able to get access without the upfront investment. The application of the open access regime for exchange-traded derivatives, laid down in Article 35 and 36 of Regulation (EU) No 600/2014, may thus limit competitiveness in these products, by removing incentives for regulated markets to create new exchange-traded derivatives. It should therefore be laid down that that regime should not apply to the CCP or trading venue concerned in respect of exchange-traded derivatives, thus fostering innovation and the development of exchange-traded derivatives in the Union.

(32) Financial intermediaries should strive to achieve the best possible price and the highest possible likelihood of execution for trades that they execute on behalf of their clients. To that end, financial intermediaries should select the trading venue or counterparty for executing their client trades solely on the basis of achieving best execution for their clients. It should be incompatible with that principle of best execution that a financial intermediary***, when acting on behalf of its clients,*** receives a ***fee, a commission or any non-monetary benefit*** from a ***third party*** in exchange for ***routing client orders for*** execution ***by that third party***. Investment firms should be therefore be prohibited from receiving such payment ***or any other non-monetary benefit***. ***This prohibition is rendered necessary in light of the divergent practices by national competent authorities across the Union in their application and supervision of best execution requirements as laid out in Article 27 of Directive 2014/65/EU. For this reason, no further national discretions should be considered acceptable with respect to the rules applicable to the routing of client orders for execution***.

***(32a) The energy crisis of 2022 has brought to light that the regulatory framework for commodity derivatives trading as set out in Directive 2014/65/EU could be further improved. In particular, the impact of higher and more frequent margin calls and the regulatory status of market participants, the impact of extreme volatility and prices and the impact of third country trade companies are elements that could warrant a review of the commodity derivatives framework. In particular, the impact and the consequences of introducing minimum holding periods for commodity derivatives is an element that deserves further consideration. ESMA should therefore carry out an analysis on whether such minimum holding period could effectively limit the volatility on derivatives markets without negatively impacting the functioning of those markets.***

(33) The Commission should adopt the draft regulatory technical standards developed by ESMA regarding the precise characteristics of the deferral regime for non-equity transactions, regarding the provision of information on a reasonable commercial basis, regarding the application of the synchronised business clocks by trading venues, systematic internalisers, APAs and CTPs and regarding characteristics of the public reporting obligation of the CTP. The Commission should adopt those draft regulatory technical standards by means of delegated acts pursuant to Article 290 TFEU and in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

(34) Since the objectives of this Regulation, namely to facilitate the emerging of a consolidated tape provider cross markets for each asset classes and to amend certain aspects of the existing legislation in order to improve transparency on markets in financial instruments but also to further enhance the level playing field between regulated markets and systematic internalisers, ***as well as enhance the international competitiveness of the Union's capital markets,*** cannot be sufficiently achieved by the Member States, but can rather, by reason of its scale and effects, be better achieved at the Union level, measure should be adopted at Union level, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives. This Regulation furthermore respects the fundamental rights and observes the principles recognised in the Charter, in particular the freedom to conduct a business and the right to consumer protection,

HAVE ADOPTED THIS REGULATION:

*Article 1*

**Amendments to Regulation (EU) No 600/2014**

(1) Article 1 is amended as follows:

(a) in paragraph 1, the following point (i) is added:

(h) the scope of multilateral trading.';

(b) paragraph 3 is replaced by the following:

'3. Title V of this Regulation shall also apply to all financial counterparties referred to in Article 4a(1), second subparagraph, of Regulation (EU) No 648/2012 and to all non-financial counterparties referred to in Article 10(1), second subparagraph, of that Regulation.';

(c) the following paragraph 7a is inserted:

'7a. All multilateral systems shall operate either in accordance with the provisions of Title II of Directive 2014/65/EU concerning MTFs or OTFs, or the provisions of Title III of that Directive concerning regulated markets.

All investment firms which, on an organised, frequent, systematic and substantial basis, deal on own account when executing client orders outside a regulated market, an MTF or an OTF shall operate in accordance with Title III of this Regulation.

Without prejudice to Articles 23 and 28, all investment firms concluding transactions in financial instruments which are not concluded on multilateral systems or systematic internalisers shall comply with Articles 20, 21, 22, 22a, 22b and 22c, of this Regulation.';

(2) in Article 2, paragraph 1 is amended as follows:

(a) point (11) is replaced by the following:

'(11) 'multilateral system' means any system or facility in which multiple third-party buying and selling trading interest in financial instruments are able to interact in the system;';

***(aa) the following point (16a) is inserted:***

***'(16a) 'designated reporting entity' means an investment firm responsible for making information on transactions public through an APA in accordance with Articles 20(1) and 21(1);';***

***(ab) point (17) is amended as follows:***

***(a) in point (a), the following point is added:***

***'(iiia) the issuance size for corporate bonds;';***

***(b) point (b) is replaced by the following:***

***'(b) for the purposes of Articles 4, 5 and 14, a market for a financial instrument that is assessed according to the following criteria:***

***(i) the market capitalisation;***

***(ii) the average daily number of transactions in those financial instruments, in particular, the fact that a financial instrument is traded daily;***

***(iii) the average daily turnover for those financial instruments;';***

(b) the following point (34a) is inserted:

'(34a) 'market data contributor' means a trading venue, an ***APA, or, for the purpose of pre-trade transparency for shares, an*** investment firm, ***operating a*** systematic ***internaliser***;';

(c) point (35) is replaced by the following:

'(35) 'consolidated tape provider' or 'CTP' means a person authorised in accordance with Title IVa, Chapter 1 of this Regulation to provide the service of collecting market data ▌ from market data contributors, and of consolidating those data into a continuous electronic live data stream providing ***regulatory data and*** core market data ▌ and of providing them to user of market data;';

***(ca) point (36a) is replaced by the following:***

***'(36a) 'data reporting services provider' means a person referred to in points (34), (35) and (36) and a person referred to in Article 27b(2);';***

(d) the following points (36b) ▌**,** (36c) ***and (36d)*** are inserted:

(36b) 'core market data' means:

(a) all of the following data on equities:

(i) ***for lit continuous trading protocols,*** the ***prices of the five*** best bids and offers with corresponding volumes ***available at those prices***;

***(ia) for auction systems, the price at which the trading algorithm would be best satisfied and the volume potentially executed at that price by participants in that system;***

(ii) ***for all price-forming trades across all trading mechanisms,*** the transaction price and volume executed***, the transaction time, the trading protocol, applicable waivers and deferrals***;

(iii) the intra-day auction information;

(iv) the end-of-day auction information;

(v) the market identifier code identifying the execution venue;

(vi) the standardised instrument identifier that applies across venues;

(vii) the timestamp information on all of the following:

- the ***venue's*** time of execution of the trade ***or of an amendment to the best bid or offer price or volume, an amendment to the indicative price or volume, and amendment to the trading status of an instrument***;

- the ***venue's*** time of publication of the ***elements listed in the first indent***;

- ***any change to the trading status of an instrument or segment***;

- the receipt of market data by the consolidated tape provider;

- the dissemination of consolidated market data to subscribers ***by the consolidated tape provider***;

(viii) the trading protocols and the applicable waivers or deferrals;

(b) all of the following data on ***non-equity instruments***:

(i) the transaction price and quantity/size executed at the stated price;

(ii) the market identifier code identifying the execution venue;

(iii) standardised instrument identifier that applies across venues;

(iv) the timestamp information on all of the following:

- the time of execution of the trade;

- the time of publication of the trade;

- the receipt of market data from the market data contributors;

- the receipt of market data at the consolidator's aggregation/consolidation mechanism;

- the dissemination of consolidated market data to subscribers;

(v) the trading protocols and the applicable waivers or deferrals;

(36c) 'regulatory data' means data related to the status of systems matching orders in financial instruments, including information about circuit breakers, trading halts, and opening and closing prices of those financial instruments;

***(36d) 'market operator group' means an undertaking or a group that owns or controls two or more market operators within the Union;';***

(3) Article 4 is amended as follows:

▌

(b) in paragraph 2, the first subparagraph is replaced by the following:

'The reference price referred to in paragraph 1, point (a) shall be established by obtaining either of the following:

(a) the midpoint within the current bid and offer prices of any of the following:

(i) the trading venue where those financial instruments were first admitted to trading;

(ii) the most relevant market in terms of liquidity;

(iii) the consolidated tape for shares ***and*** ETFs;

(b) when the price referred to in point (a) is not available, the opening or closing price of the relevant trading session.';

***(ba) paragraph 6 is amended as follows:***

***(i) point (a) is replaced by the following:***

***'(a) the range of bid and offer prices or designated market-maker quotes, and the depth of trading interest at those prices, to be made public for each class of financial instrument concerned in accordance with Article 3(1), taking into account the necessary calibration for different types of trading systems as referred to in Article 3(2), and the details of pre-trade data, including identifiers for different types of orders or quotes;';***

***(ii) the following point is added:***

***'(ea) the minimum size of an order that may be matched using the trading methodology referred to in paragraph 1, point (a), which shall be determined taking into account the international best practices, the competitiveness of Union firms, the significance of the market impact and the efficiency of the price formation.';***

(4) Article 5 is amended as follows:

(a) the title is replaced by the following:

'*Article 5*
**Volume cap**';

(b) paragraph 1 is replaced by the following:

'1. Trading venues shall suspend their use of the waivers referred to in Article 4(1), point (a), and 4(1), point (b)(i) where the percentage of volume traded in the Union in a financial instrument carried out under those waivers

exceeds 7% of the total volume traded in that financial instrument in the Union. Trading venues shall base their decision to suspend the use of those waivers on the data published by ESMA in accordance with paragraph 4, and shall take such decision within two working days after ***the*** publication of those data and for a period of six months.';

(c) paragraph 2 and 3 are deleted;

(d) paragraph 4 is replaced by the following:

'4. ESMA shall publish within ***seven*** working days of the end of each calendar month all of the following data:

(a) the total volume of Union trading per financial instrument in the previous 12 months;

(b) the percentage of trading in a financial instrument carried out ▌ under the waivers referred to in Article 4(1), point (a), and Article 4(1), point (b)(i) ***across the Union and on each trading venue in the previous 12 months***;

(c) the methodology that is used to derive the ***percentages*** referred to in point (b).';

(e) ***paragraphs*** 5 ***and 6 are*** deleted;

(f) paragraph 7 is replaced by the following:

'7. To ensure a reliable basis for monitoring the trading taking place under the waivers referred to in Article 4(1), point (a), and Article 4(1), point (b)(i) and for determining whether the limits referred to in paragraph 1 have been exceeded, operators of trading venues shall have in place systems and procedures to enable the identification of all trades which have taken place on their venue under those waivers';

***(fa) the following paragraph is added:***

***'9a. By ... [three years after the date of entry into force of this amending Regulation], and every two years thereafter, ESMA shall submit to the Commission a report assessing the volume cap threshold set out in paragraph 1 and the method by which it is defined, taking into account financial stability, international best practices, the competitiveness of Union firms, the significance of the market impact as well as the efficiency of the price formation.***

***The Commission is empowered to adopt delegated acts in accordance with Article 50 to amend this Regulation pursuant to regular reviews of the volume cap threshold set out in paragraph 1. For the purpose of this subparagraph, the Commission shall take into account the report from ESMA referred to in the first subparagraph, international developments and standards agreed at Union or international level.';***

***(4a) Article 8 is amended as follows:***

***(a) paragraphs 1 and 2 are replaced by the following***:

***1. Market operators and investment firms operating a trading venue shall make public current bid and offer prices and the depth of trading interests at those prices which are advertised through their systems for bonds, structured finance products, emission allowances, derivatives traded on a trading venue and package orders. Those market operators and investment firms shall make that information available to the public on a continuous basis during normal trading hours. That publication obligation does not apply to those derivative transactions of non-financial counterparties which are objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity of the non-financial counterparty or of that group.2. The transparency requirements referred to in paragraph 1 shall be calibrated for central limit order book and periodic auction systems only.';***

***(b) paragraph 4 is deleted;***

(5) Article 9 is amended as follows:

(a) in paragraph 1, ***points*** (b) ***and (e)(iii) are*** deleted;

***(ab) paragraph 3 is replaced by the following:***

***'3. Competent authorities shall regularly monitor the use and impact of the waivers granted in accordance with paragraph 1 and inform ESMA of their findings.***

***Competent authorities, may, either on their own initiative or upon request by other competent authorities or by ESMA, withdraw a waiver granted under paragraph 1 if they observe that the waiver is being used in a way that deviates from its original purpose or if they consider that the waiver is being used to circumvent the requirements established in this Article.***

***Competent authorities shall notify ESMA and other competent authorities of such withdrawal without delay and before it takes effect, providing full reasons for their decision.';***

(b) in paragraph 5, point (d) is deleted;

**I**

***(6a) Article 11 is replaced by the following:***

***'Authorisation of deferred publication***

***1. Competent authorities shall be able to authorise market operators and investment firms operating a trading venue to defer the publication of the 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.***

***Market operators and investment firms operating a trading venue shall clearly disclose proposed arrangements for deferred trade-publication to market participants and the public. ESMA shall monitor the application of those arrangements for deferred trade-publication and shall submit an annual report to the Commission on how they are used in practice.***

***The arrangements for deferred publication shall be organised using the following five categories of transactions related to a bond, structured finance product, emission allowance or derivatives traded on a trading venue:***

***(a) category 1: transactions of a medium size in a financial instrument for which there is a liquid market;***

***(b) category 2: transactions of a medium size in a financial instrument for which there is not a liquid market;***

***(c) category 3: transactions of a large size in a financial instrument for which there is a liquid market;***

***(d) category 4: transactions of a large size in a financial instrument for which there is not a liquid market;***

***(e) category 5: transactions of a very large size, irrespective of the liquidity of the financial instrument.***

***2. The competent authority responsible for supervising one or more trading venues on which a class of bond, structured finance product, emission allowance or derivative is traded may, where the liquidity of that class of financial instrument falls below the threshold determined in accordance with the methodology as referred to in Article 9(5)(a), temporarily suspend the obligations referred to in Article 10. That threshold shall be defined based on objective criteria specific to the market for the financial instrument concerned. Such temporary suspension shall be published on the website of the relevant competent authority.***

***The temporary suspension shall be valid for an initial period not exceeding three months from the date of its publication on the website of the relevant competent authority. Such a suspension may be renewed for further periods not exceeding three months at a time if the grounds for the temporary***

***suspension continue to be applicable. Where the temporary suspension is not renewed after that three month period, it shall automatically lapse.***

***Before suspending or renewing the temporary suspension of the obligations referred to in Article 10, the relevant competent authority shall notify ESMA of its intention and provide an explanation. ESMA shall issue an opinion to the competent authority as soon as practicable on whether in its view the suspension or the renewal of the temporary suspension is justified in accordance with the first and second subparagraphs.***

***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:***

***(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***

***(b) the deferral of the publication of the details of several transactions in an aggregated form for six months.***

***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 be published.***

***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 and under Article 27g:***

***(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 Article10(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) for the purposes of determining the categories referred to in paragraph 1, the third subparagraph of this Article, 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 subparagraph, of this Article and in Article 21(1);***

***(d) the price and volume deferrals applicable to each of the five categories set out in the paragraph 1, the third subparagraph, points (a)-(e), applying the following maximum durations:***

***(i) for transactions in category 1: a price deferral and a volume deferral not exceeding 15 minutes;***

***(ii) for transactions in category 2: a price deferral and a volume deferral not exceeding the end of the trading day;***

***(iii) 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;***

***(iv) 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 transaction date;***

***(v) for transactions in category 5: a price deferral and a volume deferral not exceeding four weeks following the transaction date.***

***For each of the categories set out under paragraph 1, the third subparagraph, points (a)-(e), ESMA shall regularly recalibrate the applicable deferral duration with the aim of gradually decreasing it where appropriate. Six months after the decreased deferral durations become applicable, ESMA shall perform a quantitative and qualitative review to assess the effects of the decrease. Where available, ESMA shall use the post-trade transparency data published by the consolidated tape for this purpose. If adverse effects to the financial instruments appear, ESMA shall increase the deferral duration back to the previous level.***

***4b. ESMA shall submit the draft regulatory technical standards referred to in paragraph 4 to the Commission by ... [six months after the date of entry into force of this amending Regulation].***

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

(7) ▌ Article 13, ***is replaced by the following***:

***'1. Market operators and investment firms operating a trading venue, APAs, CTPs and systematic internalisers shall make the information published in accordance with Article 3 and Article 4, Articles 6 to 11, and Articles 14, 20, 21, 27g and 27h, available to the public on a reasonable commercial basis and ensure non-discriminatory access to the information. Market operators and investment firms operating a trading venue, APAs and systematic internalisers shall make such information available free of charge 15 minutes after publication.***

***2. Providing data on a reasonable commercial basis means that the price of market data shall be based on the cost of producing and disseminating such data and may include a reasonable margin.***

***2a. Market operators and investment firms operating a trading venue, APAs, CTPs and systematic internalisers shall, upon request, provide the competent authorities and ESMA with information on the actual costs of producing and disseminating market data including the margins.***

3. ESMA shall develop draft regulatory technical standards to***:***

***(a)*** specify ***what constitutes a reasonable commercial basis, as well as*** the content, format and terminology of the reasonable commercial basis information that trading venues, APAs, CTPs and systematic internalisers have to make available to the public***;***

***(b) specify the frequency, contact details and format of the information to be provided to the competent authorities and ESMA in accordance with paragraph 2a;***

***(c) identify the cost criteria of producing and disseminating market data resulting from trading activities and specify what constitutes a reasonable margin that market operators and investment firms operating a trading venue, APAs, CTPs and systematic internalisers shall follow to comply with Article 13(2).***

***ESMA shall regularly monitor the developments in market data costs and the levels of compliance with the rules, and shall regularly update its draft regulatory technical standards in light of the result of its assessment.***

ESMA shall submit those draft regulatory technical standards to the Commission by [*OP please insert **XX** months after entry into force*].

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.';

(8) Article 14 is amended as follows:

(a) paragraphs 2 and 3 are replaced by the following:

‘2. This Article and Articles 15, 16 and 17 shall apply to systematic internalisers when they deal in sizes up to ***the threshold determined by ESMA in accordance with Article 4(6)(ea)***. Systematic internalisers shall not be subject to this Article and Articles 15, 16 and 17 when they deal in sizes above ***that threshold***.

3. Systematic internalisers ▌ minimum quoting size shall be ***determined by ESMA in accordance with paragraph 7***. For a particular share, depository receipt, ETF, certificate or other financial instrument that is similar to those financial instruments and that is traded on a trading venue, each quote shall include a firm bid and offer price, or firm bid and offer prices for a size or sizes which could be up to ***the threshold determined by ESMA in accordance with paragraph 7***. The price or prices shall reflect the prevailing market conditions for that share, depositary receipt, ETF, certificate or financial instrument that is similar to those financial instruments.’;

(b) the following paragraph 6a is inserted:

‘6a. ***ESMA shall, taking into consideration efficient valuation of shares, depositary receipts, ETFs, certificates and other similar financial instruments as well as the provision of favourable deals for investment firm clients, assess the appropriateness of the threshold for:***

***(a) the arrangements for the publication of a firm quote as referred to in paragraph 1;***

***(b) the size below which this Article and Articles 15, 16 and 17 shall apply to systematic internalisers as referred to in paragraph 2;***

***(c) the minimum quoting sizes as referred to in paragraph 3;***

***(d) the determination of whether prices reflect prevailing market conditions as referred to in paragraph 3; and***

***(e) the standard market size as referred to in paragraph 4.***

***On the basis of the assessment referred to in the first subparagraph, ESMA shall develop draft regulatory technical standards to modify the thresholds referred to in points (a)-(e), where appropriate.***

***ESMA shall submit those draft regulatory technical standards to the Commission by 31 December 2024.***

***Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the second subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.***’;

***(ba) in paragraph 7, the first subparagraph is replaced by the following:***

***'In order to ensure the efficient valuation of shares, depositary receipts, ETFs, certificates and other similar financial instruments and maximise the possibility of investment firms to obtain the best deal for their clients, ESMA shall develop draft regulatory technical standards to specify further the arrangements for the publication of a firm quote as referred to in paragraph 1, the determination of the minimum quoting sizes as referred to in paragraph 3, and of the standard market size as referred to in paragraph 4.'***

***(8a) Article 15 is amended as follows:***

***(a) in paragraph 1, the following subparagraphs are added:***

***'Upon the request of competent authorities, systematic internalisers shall provide the competent authority with a detailed description of the functioning of the systematic internaliser, including any links to or participation by a regulated market, an MTF, an OTF or a systematic internaliser owned by the same investment firm.***

***Competent authorities shall make that information available to ESMA on request.***

***Systematic internalisers shall establish and implement transparent and non-discriminatory rules and objective criteria for the efficient execution of orders. They shall have arrangements for the sound management of their technical operations, including the establishment of effective contingency arrangements to cope with risks of systems disruption.';***

***(b) paragraph 5 is replaced by the following:***

***'5. ESMA shall develop draft implementing technical standards to determine the content and format of the description and notification referred to in paragraph 1.***

***ESMA shall submit those draft implementing technical standards to the Commission by ... [six months after the date of entry into force of this amending Regulation].***

***Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.';***

***(8b) in Article 16, points (a) and (b) are replaced by the following:***

***'(a) that firms that meet the definition of systematic internaliser comply with the conditions for order execution laid down in Article 15(1);***

***(b) that firms that meet the definition of systematic internaliser comply with the conditions for price improvement laid down in Article 15(2).';***

(9) Article 17a is replaced by the following:

*'Article 17a*
**Tick sizes**

1. Systematic internalisers' quotes, price improvements on those quotes and execution prices shall comply with the tick sizes set in accordance with Article 49 of Directive 2014/65/EU.

2. The application of the tick sizes set in accordance with Article 49 of Directive 2014/65/EU shall not prevent systematic internalisers from matching orders ▌ at mid-point within the current bid and offer prices ***for sizes*** above ***the threshold determined by ESMA in accordance with Article 4(6)(ea)***.';

***(9a) Article 18 is replaced by the following:***

***'Obligation for systematic internalisers to make public firm quotes in respect of bonds, structured finance products, emission allowances and derivatives***

***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:***

***(a) they are prompted for a quote by a client of the systematic internaliser;***

***(b) they agree to provide a quote.***

***2. Systematic internalisers may update their quotes at any time.***

***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.***

***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.***

***4. Systematic internalisers shall not be subject to this Article when they deal in sizes that are large in scale 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.***

***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.***

***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.***

***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.***'

***(9b) in Article 19, paragraph 2 is deleted;***

***(9c) Article 20 is amended as follows:***

***(a) the following paragraph is inserted:***

***'2a. Each individual transaction shall be made public once through a single APA.';***

***(b) in paragraph 3, point (c) is deleted;***

***(9d) Article 21 is amended as follows:***

***(a) paragraph 1 is replaced by the following:***

***'1. Investment firms which, either on own account or on behalf of clients, conclude transactions in bonds, structured finance products and emission allowances traded on a trading venue, or derivatives subject to the clearing obligation set out in Article 4 of Regulation (EU) No 648/2012, shall make public the volume and price of those transactions and the time at which they were concluded. That information shall be made public through an APA.';***

***(b) paragraph 4 is replaced by the following:***

***'4. Competent authorities shall be able to authorise investment firms to provide for deferred publication of price or volume on the same conditions as laid down in Articles 11.';***

***(c) in paragraph 5, the introductory part is replaced by the following:***

***'5. ESMA shall develop draft regulatory technical standards in such a way as to enable the publication of information required under Article 27h of this Regulation to specify the following:';***

***(d) in paragraph 5, point (c) is deleted.;***

***(9e) the following Article is inserted:***

***'Article 21a***

***Designated reporting entity***

***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 accordance with Article 20(1) or Article 21(1).***

***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.***

***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.***

***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 instruments for which they are designated reporting entities.';***

***(9f) in Article 22(1), the introductory part is replaced by the following:***

***'In order to carry out calculations for determining the requirements for the pre- and post-trade transparency and the trading obligation regimes referred to in Articles 3 to 11, Articles 14 to 21 and Article 32, which are applicable to financial instruments and for determining whether an investment firm is a systematic internaliser, and to prepare annual reports to the Commission in accordance with Article 4(4), Article 9(2), Article 7(1) and Article 11(1), ESMA and competent authorities may require information from:';***

(10) the following Articles 22a, 22b and 22c are inserted:

*'Article 22a*

**Provision of market data to the CTP**

1. Market data contributors shall, with regard to shares, ETFs and bonds that are traded on a trading venue, and with regard to OTC derivatives as defined in Article 2(7) of Regulation (EU) No 648/2012 that are subject to the clearing obligation as referred to in Article 4 of that Regulation, provide the CTP with all the market data as set out in ***the regulatory technical standarts referred to in*** Article 22b(2) as needed for the CTP to be operational. Those market data shall be provided in a harmonised format, through a high quality transmission protocol, and as close to real-time as is technically possible.

***1a. Regulated markets and SME growth markets whose average daily trading volume of shares represents less than 1 % of the average daily trading volume of the Union, and who do not form part of a market operator group that operates regulated markets that collectively represent more than 2% of the average daily trading volume in the Union, shall not be required to provide their market data to the CTP.***

***1b. Regulated markets and SME growth markets whose average daily trading volume of shares exceeds 1 % of the average trading volume of the Union, and who do not form part of a market operator group that operates regulated markets that collectively represent more than 2% of the average daily trading volume in the Union, shall not be required to provide their market data to the CTP if:***

***(i) the regulated market or SME growth market accounts for more than 80% of the average daily trading volume of shares that were first admitted to trading on that regulated market or SME growth market; or***

***(ii) the average daily trading volume of shares first admitted on a regulated market on MTFs and systematic internalisers collectively is 20% or less of the average daily trading volume of those shares.***

***ESMA shall publish on its website a list of regulated markets exempted from providing their pre-trade market data to the CTP and shall update that list regularly.***

***1c. Notwithstanding paragraphs 1a and 1b, smaller regulated markets and SME growth markets may decide to provide their market data to the CTP, in accordance with paragraph 1, by notifying ESMA and the CTP. Those regulated markets that decide to subject themselves to the requirement to provide market data in accordance with paragraph 1 shall start providing market data to the CTP within 30 working days of the date of the notification to ESMA.***

2. Each CTP shall be free to choose, from among the types of connection ***and protocols*** that the market data contributors offer to other users, which connection ***and protocol*** it wishes to use for the provision of those data. Market data contributors shall not receive any remuneration for providing the connectivity other than the revenue sharing for shares, as specified in the conditions for appointment of the CTP in the selection process laid down in 27da.

3. Market data contributors shall, with regard to transactions in the instruments referred to in paragraph 1 that are concluded by investment firms outside a trading venue, provide the CTP with the market data concerning those transactions ***through an APA. Market data providers shall, with regard to the best bids and offers in shares and ETFs provided by investment firms outside a trading venue, provide the CTP with the market data concerning those bids and offers*** either directly or through an APA.

4. Market data contributors shall not receive any remuneration for the market data provided other than the revenue sharing as referred to in Article ***27h(1)***, point (c).

5. ***Each CTP*** shall ***apply the*** deferrals as laid down in Articles 7, 11, 20 and 21 ***to the market data to be submitted to the CTP, and disseminate them in accordance with Articles 6, 10, 20 and 21***.

***5a. Competent authorities shall monitor the data quality provided to the CTP by market data contributors. Where data quality is deemed insufficient, competent authorities shall take the necessary measures, including sanctions as provided by Article 70 of Directive 2014/65/EU and Title VIa, Chapter 2 of this Regulation.***

*Article 22b*

**Market data quality**

1. The Commission shall set up an expert stakeholder group by [***three*** *months* ***after the*** *entry into force* ***of this amending Regulation***] to provide advice on the quality and the substance of ***core*** market data , ***in relation to the output of the consolidated tapes*** and the quality of the transmission protocol referred to in Article 22a(1). ***ESMA shall work closely with*** **the** expert stakeholder group***, which*** shall provide advice on a yearly basis ***through a dedicated report***. That ***report*** shall be made public.

***The expert stakeholder group shall be composed of members with a sufficiently wide range of expertise, skills, knowledge and experience to provide adequate advice.***

***Members of the expert stakeholder group shall be selected following an open and transparent selection procedure. In selecting the members of the expert stakeholder group, the Commission shall ensure that they reflect the diversity of market participants across the Union.***

***The expert stakeholder group shall elect a Chair from among its members. The position of Chair shall be held for a period of two years. The European Parliament may invite the Chair of the expert stakeholder group to make a statement before it and answer any questions from its members whenever so requested.***

2. ***ESMA*** shall ***develop draft regulatory technical standards*** to specify***, where necessary,*** the quality and the substance of the ***core*** market data, the quality of the transmission protocol, ***and measures to address erroneous trade reporting and enforcement standards in relation to data quality***.

Those ***draft regulatory technical standards*** shall in particular specify all of the following:

(a) ***the content and the format of the core market data fields and the regulatory data fields, in accordance with prevailing industry standards and practices***;

(b) ***any data fields required to be contributed to and by the CTP in addition to*** core market data ***as*** referred to in Article 2(1)(36b) and regulatory data ***as*** referred to in Article 2(1)(36c)***;***

***(ba) what constitutes the transmission of data "as close to real time as technically possible".***

For the purposes of the first subparagraph, ***ESMA*** shall take into account the advice from ▌the ▌expert ***stakeholder*** group established in accordance with paragraph ***1***, international developments, and standards agreed at Union or international level. ***ESMA*** shall ensure that the ***draft regulatory technical standards*** take into account the reporting requirements laid down in Articles 3, 6, 8, 10, 14, 18, 20, 21 and 27g.

***ESMA shall submit those draft regulatory technical standards to the Commission by [12 months after the date of entry into force of this amending Regulation].***

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

*Article 22c*

**Synchronisation of business clocks**

1. Trading venues and their members or participants, systematic internalisers, APAs and CTPs shall synchronise their business clocks to record the date and time of any reportable event.

2. ESMA shall, in accordance with international standards, develop draft regulatory technical standards to specify the level of accuracy to which clocks are to be synchronised.

ESMA shall submit those draft regulatory technical standards to the Commission by [*OP insert a date 6 months as of entry into force*].

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.';

(11) in Article 23, paragraph 1 is replaced by the following:

'1. An investment firm shall ensure that the trades it undertakes in shares with an EEA International Securities Identification Number (ISIN) ***admitted to trading on a regulated market*** shall take place on a regulated market, MTF, systematic internaliser or a third-country trading venue assessed as equivalent in accordance with Article 25(4), point (a) of Directive 2014/65/EU, as appropriate, unless :

(a) those shares are traded on a third-country venue in ***a non-EEA*** currency; or

(b) those trades are carried out between eligible counterparties, between professional counterparties or between eligible and professional counterparties and do not contribute to the price discovery process.

▌

***(11a) Article 25 is amended as follows:***

***(a) paragraph 2 is replaced by the following:***

***'2. The operator of a trading venue shall keep at the disposal of the competent authority, for at least five years, the relevant data relating to all orders in financial instruments which are advertised through their systems in an electronic and machine-readable format and using a common template in accordance with the ISO***

*20022 methodology. The records shall contain the relevant data that constitute the characteristics of the order, including those that link an order with the executed transaction(s) that stems from that order and the details of which shall be reported in accordance with Article 26(1) and (3). ESMA shall perform a facilitation and coordination role in relation to the access by competent authorities to information under this paragraph.';*

*(b) in paragraph 3, the first subparagraph is replaced by the following:*

*'ESMA shall develop draft regulatory technical standards to specify the details and formats of the relevant order data required to be maintained under paragraph 2 of this Article that is not referred to in Article 26.'*

*(11b) in Article 26, paragraph 1 is replaced by the following:*

*'1. Investment firms which execute transactions in financial instruments shall report complete and accurate details of such transactions to the competent authority as quickly as possible, and no later than the close of the following working day.*

*The competent authorities shall, in accordance with Article 85 of Directive 2014/65/EU, establish the necessary arrangements in order to ensure that the competent authority of relevant markets also receive that information.*

*The competent authorities shall without undue delay make available to ESMA any information reported in accordance with this Article.*

*1a. By ... [12 months after the date of entry into force of this amending Regulation], the Commission shall, in close cooperation with ESMA, assess the possibility of extending the requirements of this Article to AIFMs as defined in Article 4(1), point (b) of Directive 2011/61/EU, and management companies, as defined in Article 2.1b of Directive 2009/65/EC, which provide investment services and activities, as defined in Article 4(1), point (2) of Directive 2014/65/EU and which execute transactions in financial instruments. In particular, the Commission shall include a cost-benefit analysis and an evaluation of the scope of such extension.*

*On the basis of that assessment and taking into account the goals of the capital markets union, the Commission is empowered to adopt delegated acts in accordance with Article 50 to amend this Regulation by extending the requirements of this Article as set out in the first subparagraph.';*

*(11c) in Article 26(2), the first subparagraph is replaced by the following:*

*'The obligation laid down in paragraph 1 shall apply to:*

*(a) financial instruments which are admitted to trading or traded on a trading venue or for which a request for admission to trading has been made;*

*(b) financial instruments where the underlying is a financial instrument traded on a trading venue;*

*(c) financial instruments where the underlying is an index or a basket composed of financial instruments traded on a trading venue; and*

*(ca) derivatives subject to the clearing obligation set out in Article 4 of Regulation (EU) No 648/2012 executed outside a trading venue.';*

*(11d) in Article 26, paragraph 3 is replaced by the following:*

*'3. The reports shall, in particular, include details of the names and numbers of the financial instruments bought or sold, the quantity, the dates and times of execution, the transaction prices, a designation to identify the parties on whose behalf the investment firm has executed that transaction, a designation to identify the persons and the computer algorithms within the investment firm responsible for the investment decision and the execution of the transaction, a designation to identify the entity subject to the reporting obligation, a designation to identify the applicable waiver under which the trade has taken place and means of identifying the investment firms concerned. Reports on a transaction made at the trading venue shall include a transaction identification code generated and disseminated by the trading venue to both buying and selling members of the trading venue. For transactions not carried out on a trading venue, the reports shall include a designation identifying the types of transactions in accordance with the measures to be adopted pursuant to Article 20(3)(a) and Article 21(5)(a). For commodity derivatives, the reports shall indicate whether the transaction reduces risk in an objectively measurable way in accordance with Article 57 of Directive 2014/65/EU.';*

*(11e) in Article 26, paragraph 5 is replaced by the following:*

*'5. The operator of a trading venue shall report details of transactions in financial instruments traded on its platform which are executed through its systems by any member, participant or user not subject to this Regulation in accordance with paragraphs 1 and 3.';*

*(11f) in Article 26(6), the first subparagraph is replaced by the following:*

*'In reporting the designation to identify the clients as required under paragraphs 3 and 4, investment firms shall use an ISO 17442 legal entity identifier code established to identify parties that are eligible for the code. The code shall be used to identify eligible parties regardless of their legal status and the way in which they are financed. For parties that are not eligible for the code, a national identifier established to identify parties that are not eligible for the legal entity identifier code shall be used.';*

(12) Article 26(9) is amended as follows:

▌

***(a) the first subparagraph is amended as follows:***

***(i) point (c) is replaced by the following:***

***'(c) the references of the financial instruments bought or sold, the quantity, the dates and times of execution, the transaction prices, the information and details of the identity of the client, a designation to identify the clients on whose behalf the investment firm has executed that transaction, a designation to identify the persons and the computer algorithms within the investment firm responsible for the investment decision and the execution of the transaction, a designation to identify the applicable waiver under which the trade has taken place, the means of identifying the investment firms concerned, the way in which the transaction was executed, data fields necessary for the processing and analysis of the transaction reports in accordance with paragraph 3;';***

***(ii) point (d) is deleted;***

***(iii) point (e) is replaced by the following:***

***'(e) the relevant categories of indices to be reported in accordance with paragraph 2;';***

***(iv) the following points are added:***

***'(ia) the conditions for linking specific transactions and the means of the identification of aggregated orders resulting in the execution of a transaction; and***

***(ib) the date by which transactions are to be reported.';***

***(b) the second subparagraph is replaced by the following:***

***'ESMA shall submit those draft regulatory technical standards to the Commission by ... [3 years after the date of entry into force of this amending Regulation].';***

(13) in Article 26, the following paragraph 11 is added:

‘11. By [*OP insert date 2 years as of date of publication*], ESMA shall submit to the Commission a report ***for the development*** of ***an integrated collection of*** transaction reporting ***data*** and ***for the*** streamlining of data flows under Article 26 of this Regulation to:

(a) reduce duplicative or inconsistent requirements for transaction data reporting, and in particular duplicative or inconsistent requirements laid down in this Regulation**,** Regulation (EU) 2019/834 of the European Parliament and of the Council[*1] **,** Regulation (EU) 2015/2365, ***and in other legislation of the financial industry***;

(b) improve data standardisation and efficient sharing and use of data reported within any Union reporting framework by any relevant competent authority, both Union and national.

When preparing the report, ESMA shall, where relevant, work in close cooperation with the other bodies of the European System of Financial Supervision and the European Central Bank.

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[*1] Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories (OJ L 141, 28.5.2019, p. 42)’;

(14) Article 27 is amended as follows:

***(-a) in paragraph 1, first and second subparagraphs are replaced by the following:***

***‘With regard to financial instruments admitted to trading or traded on a trading venue or concluded on a trading venue or where the issuer has approved trading of the issued instrument or where a request for admission to trading has been made, trading venues shall provide ESMA with identifying reference data for the purpose of transaction reporting under Article 26 and the transparency requirements under Articles 3, 6, 8, 8a, 10, 11, 11a, 14, 20 and 21.***

***With regard to derivatives, identifying reference data shall be based and further developed on globally agreed international standard used for identifying reference data as derivative identifiers.’;***

(a) ***paragraph 3 is amended as follows;***

***(i)*** the following point (c) is added:

‘(c) the date by which reference data are to be reported’.

***(ii)*** the following subparagraph is inserted after the first subparagraph:

‘When drafting those draft regulatory technical standards, ESMA shall take into account international developments and standards agreed upon at Union or global level, and the consistency of those draft regulatory technical standards with the reporting requirements laid down in Regulation (EU) 2019/834 and Regulation (EU) 2015/2365.’;

***(14a) Article 27d is amended as follows:***

***(a) the title is replaced by the following:***

***‘Article 27d***

***Procedures for granting and refusing applications for authorisation for ARMs and APAs’;***

***(b) paragraphs 1-3 are replaced by the following:***

***‘1. The applicant APA or ARM shall submit an application providing all information necessary to enable ESMA, or the national competent authority where relevant, to confirm that the APA or ARM has established, at the time of initial authorisation, all the necessary arrangements to meet its obligations under the provisions of this Title, including a programme of operations setting out, inter alia, the types of services envisaged and the organisational structure.***

***2. ESMA, or the national competent authority where relevant, shall assess whether the application for authorisation is complete within 20 working days of receipt of the application.***

***Where the application is not complete, ESMA, or the national competent authority where relevant, shall set a deadline by which the APA or ARM is to provide additional information.***

***After assessing an application as complete, ESMA, or the national competent authority where relevant, shall notify the APA or ARM accordingly.***

***3. ESMA, or the national competent authority where relevant, shall, within six months from the receipt of a complete application, assess the compliance of the APA or ARM with this Title. It shall adopt a fully reasoned decision granting or refusing authorisation and shall notify the applicant APA or ARM accordingly within five working days.’;***

(15) the following Article 27da is inserted:

‘*Article 27da*

***Process* for the *selection* of a single *CTP* for each asset class**

1. By [*OP insert date 3 months as of entry into force*], ESMA shall organise a selection procedure for the appointment of the CTP for a five year term. ESMA shall organise a separate selection procedure for ▌ the following asset classes, ***in the following order:***

***(a) bonds;***

***(b) shares and ETFs;***

***(c) derivatives.***

***Each selection procedure shall be initiated no later than six months following the initiation of the preceding one.***

2. For each of the asset classes referred to in paragraph 1, ESMA shall***select the applicant for subsequent authorisation*** on the basis of the following criteria:

(a) the technical ability of the applicants to provide a resilient consolidated tape throughout the Union;

(b) the capacity of the applicants to comply with the organisational requirements laid down in Article 27h;

***(ba) the ability to receive, consolidate and disseminate pre-trade and post-trade market data for shares and ETFs, up to the first five layers of the order books, and post-trade data for bonds and derivatives;***

(c) the ***adequacy of the*** governance structure of the applicants;

(d) the ***adequacy of the*** speed at which the applicants can disseminate core market data;

(e) the ***appropriateness*** of the ***applicant's methods and arrangements*** to ***ensure*** data ***quality***;

(f) the ***reasonable level of*** total expenditure needed by the applicants to develop the consolidated tape and the costs of operating the consolidated tape on an ongoing basis;

(g) the level of the fees that the applicant intends to charge to the different types of users of the core market data***, their proportionality to the costs incurred for running the CTP, the simplicity of its fee and licensing models, and the applicant's ultimate ability to cover costs and generate a reasonable margin in line with the requirements of Article 13***;

(h) the possibility of the applicants to use modern interface technologies for the provision of the core market data and for connectivity;

(i) the ***appropriateness of the arrangements in place to preserve records for the purposes of Article 27ha(3)***;

(j) the ***ability to ensure regularity, resilience and business continuity, and the process the applicants intend to put in place to mitigate and address cyber-risk;***

***(k) the process the applicants intend to put in place to mitigate the energy consumption generated by the storage of data.***

3. ***For the selection of the CTP for shares and ETFs, in addition to the criteria in paragraph 2 of this Article, ESMA shall consider the revenue redistribution scheme that the applicant intends to put in place in relation to each market data contributor, and in particular the formula applicable to smaller regulated markets and SME growth markets that decide to provide their market data to the CTP, in accordance with Article 22a(1c).***

4. ***Within six months from the initiation of the selection procedure referred to in paragraph 1, ESMA shall adopt a fully reasoned decision selecting entities deemed suitable for operating the consolidated tapes and inviting them to submit an application for authorisation.***

***(15a) the following Article is inserted:***

***'Article 27db***

***Process for the authorisation of CTPs***

***1. The application referred to in Article 27da shall provide all the information necessary to enable ESMA to confirm that the applicant has put in place, at the time of initial authorisation, all the necessary arrangements to fulfil the criteria set out in Article 27da(2) and to comply with the organisational requirements set out in Article 27h.***

***ESMA shall assess whether the application for authorisation is complete within 20 working days of its receipt.***

***Where the application is not complete, ESMA shall set a deadline by which the applicant is to provide additional information.***

***After assessing the application as complete, ESMA shall notify the CTP accordingly. Within three months from the receipt of a complete application, ESMA shall assess the compliance of the applicant with this Title. It shall adopt a fully reasoned decision granting or refusing authorisation and shall notify the applicant accordingly within five working days of the date of adoption of such reasoned decision. Such reasoned decision shall specify the conditions under which the CTP shall operate and, in particular, the level of fees referred to in Article 27da(2)(g), as indicated by the applicant, and, for shares, the level of the participation as referred to in Article 27h(1), point (c).***

***2. Once authorised by ESMA, the CTP shall be granted a transition period of three months to ensure the operational and technical set-up in accordance with the respective regulatory technical standards before the consolidated tape begins to operate. During this transition period, the CTP shall allow data providers to connect and test the connection to the CTP for data contribution.***

*3. The selected CTPs shall comply at all times with the organisational requirements set out in Article 27h and with the conditions set out in the decision of ESMA authorising the CTP referred to in paragraph 1, fourth subparagraph of this Article. A CTP that is no longer able to comply with those requirements and conditions, including the requirements and conditions on system disruptions and intrusions, shall inform ESMA thereof without undue delay.*

*4. The withdrawal of the authorisation referred to in Article 27e shall only take effect when a new CTP has been selected and authorised in accordance with Articles 27da and 27db.*

*5. ESMA shall develop draft regulatory technical standards to determine:*

*(a) the information to be provided under paragraph 1, including the programme of operations;*

*(b) the information included in the notifications under Article 27f(2).*

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

*6. ESMA shall develop draft implementing technical standards to determine standard forms, templates and procedures for the notification or provision of information provided for in paragraph 1 of this Article and in Article 27f(2).*

*Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.*

*(15b) In Article 27e, the following paragraph is inserted:*

*'2a. A data reporting services provider from which registration has been withdrawn shall ensure orderly substitution, including the transfer of data to other data reporting services providers, the due notice to its clients and the redirection of reporting flows to other data reporting services providers prior to the withdrawal.';*

*(15c) Article 27f is amended as follows:*

*(a) in paragraph 1, the third subparagraph is replaced by the following:*

*'Where a market operator seeks authorisation to operate an APA or an ARM pursuant to Article 27c, where if it fulfils the criteria for derogation of ESMA supervision and where the members of the management body of the APA, or the ARM are the same as the members of the management body of the regulated market, those persons are deemed to comply with the requirements laid down in the first subparagraph.';*

***(b) paragraph 4 is replaced by the following:***

***'4. ESMA, or the national competent authority where relevant, shall refuse or withdraw authorisation if it is not satisfied that the person or persons who effectively direct the business of the data reporting services provider are of sufficiently good repute, or if there are objective and demonstrable grounds for believing that proposed changes to the management body of the data reporting services provider pose a threat to its sound and prudent management and to the adequate consideration of the interest of its clients and the integrity of the market.';***

***(c) the following paragraphs are inserted:***

***'4a. An APA shall have objective, non-discriminatory and publicly disclosed requirements for access to its services by undertakings that are subject to the transparency obligations under Article 20(1) and Article 21(1).***

***An APA shall publicly disclose the prices and fees associated with the data reporting services provided under this Regulation. It shall disclose separately the prices and fees of each service provided, including discounts and rebates and the conditions to benefit from those reductions. It shall allow reporting entities to access specific services separately.***

***4b. APAs shall keep and preserve records relating to their business for at least five years. The information concerning the first two years shall be kept in an easily accessible place, and the APA shall provide such records to ESMA without delay upon request.';***

(16) Article 27h is replaced by the following:

'*Article 27h*

**Organisational requirements for *CTPs***

1. CTPs shall, in accordance with the conditions for authorisation referred to in Article 27da:

(a) collect all market data provided through contributions in relation to the asset class for which they are authorised;

(b) collect monthly subscription fees from users***, while providing free access to retail investors, academics and civil society organisations using the data for research purposes as well as public authorities for the execution of regulatory and supervisory competences***;

(c) in the case of market data concerning shares ***and ETFs***, redistribute part of their revenues for the purposes of covering the cost related to mandatory contribution and***, when applicable,*** of ensuring a ***reasonable*** level of participation for regulated markets and ***SME Growth Markets,*** in particular smaller regulated markets, in the revenue generated by the consolidated tape, in accordance with Article 27da***(3)***;

(d) make consolidated core market data, for the provision of which the CTP is selected in accordance with Article 27da, available in accordance with the data quality requirements set out in Article 22b to users into a continuous electronic data stream on non-discriminatory terms as close to real time as technically possible;

(f) ensure that the consolidated core market data is easily accessible, machine readable and utilisable for all users, including retail investors.

***(fa) ensure that the use of core market data is strictly limited to the collection, consolidation, and redistribution of such data; any additional value-added services shall be subject to additional licensing terms set out by each market data contributor;***

***(fb) have systems in place that can effectively check trade reports for completeness, identify omissions and obvious errors, and request the re-transmission of erroneous reports.***

***For the purposes of point (c), the level of revenue redistributed to each market data contributor shall take into account the contribution to the price formation process of the data provided to the CTP by that market data contributor in accordance with Article 22a.***

***Smaller regulated markets and SME Growth Markets, independent and not part of any bigger exchange group, shall benefit from a more important remuneration in order to incentivize their contribution to the CTP.***

***Revenue generated from pre-trade and post-trade consolidated data streams shall be redistributed exclusively to the contributors to a given data stream.***

***1a. ESMA shall develop draft regulatory technical standards to specify the features of the revenue redistribution scheme aimed at remunerating market data providers, such as the maximum amount per user of the consolidated tape that would contribute to the revenue redistribution scheme put in place by the CTP, and the arrangements regarding the allocation of revenues. In particular, when specifying the allocation of revenues, ESMA shall take into account the following aspects, in the following order of priority:***

***(i) a fixed reward per contributor, reflecting fixed costs linked to their contribution;***

***(ii) revenue sharing towards smaller exchanges contributing to the CT;***

***(iii) revenue sharing based on an allocation key based on the contribution to price formation that each contributor's data represents, giving consideration to the value and number of trades and quotes, the transparency of the underlying trading mechanism, and the extent to which a contributor's pre-trade and post-trade data is disseminated by the CTP.***

***ESMA shall submit those draft regulatory technical standards to the Commission by ... [six months after the date of entry into force of this amending Regulation].***

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

2. CTPs shall adopt and publish on their website ***on a quartely basis*** service level standards covering all of the following:

(a) an inventory of market data contributors from whom market data are received;

***(aa) an assessment of the quality of data received per contributor;***

***(ab) the number of data quality incidents and the measures adopted to address them;***

(b) modes and speed of delivery of consolidated market data to users;

(c) measures taken to ensure operational continuity in the provision of consolidated market data.

3. CTPs shall have sound security mechanisms in place designed to guarantee the security of the means of transfer of market data between the market data contributors and the CTP and between the CTP and the users and to minimise the risk of data corruption and unauthorised access. CTPs shall maintain adequate resources and have back-up facilities in place to offer and maintain its services at all times.

***3a. CTPs shall publish a list of EEA International Securities Identification Number (ISIN) for all financial instruments that are covered by each CTP's mandate in accordance with this Regulation.***

***Each CTP shall offer free access to this list, and shall ensure that it is regularly reviewed and updated, to offer a comprehensive view of all the financial instruments covered by the consolidated tape***

4. After ***18*** months of full operation of the CTP for shares, ESMA shall provide the Commission with ***an evidence-based*** motivated opinion on the effectiveness and fairness of the level of participation of ***market data contributors*** in the revenues generated by the CTP as set out in accordance with the second subparagraph of paragraph 1. The Commission may request ESMA to provide further opinions, where necessary or appropriate. The Commission shall be empowered to adopt a delegated act in accordance with Article 50 to revise the allocation key for the revenue redistribution, where appropriate.';

(17) the following Article 27ha is inserted:

'*Article 27ha*

**Reporting obligations for consolidated tape providers**

1. CTPs shall, at the end of each quarter, publish on their website, which shall be accessible for free, performance statistics and incident reports relating to data quality and systems.

2. 2. ESMA shall develop draft regulatory technical standards to specify the content, timing, format and terminology of the reporting obligation.

ESMA shall submit those draft regulatory technical standards to the Commission by [*OP please insert nine months after entry into force*].

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.';

3. CTPs shall keep and preserve records relating to their business for a period of no less than five years. Information concerning the first two years shall be kept in an easily accessible place, and the CTP shall promptly provide ESMA with such records upon request.';

***(17a) in Article 27i, the following paragraphs are inserted:***

***'4a. An ARM shall have objective, non-discriminatory and publicly disclosed requirements for access to its services by undertakings that are subject to the reporting obligation set out in Article 26.***

***An ARM shall publicly disclose the prices and fees associated with the data reporting services provided under this Regulation. It shall disclose separately the prices and fees of each service provided, including discounts and rebates and the conditions to benefit from those reductions. It shall allow reporting entities to access specific services separately. The prices and fees charged by an ARM shall be cost-related.***

***4b. ARMs shall keep and preserve records relating to their business for at least five years. The information concerning the first two years shall be kept in an easily accessible place and ARM shall provide such records to ESMA without delay upon request.';***

(18) in Article 28(1), paragraph 1, the introductory wording is replaced by the following:

***(a) in paragraph 1, the introductory part is replaced by the following:***

***Transactions*** in ***OTC*** derivatives pertaining to a class of derivatives that has been declared subject to the trading obligation in accordance with the procedure set out in Article 32 of this Regulation and listed in the register referred to in Article 34 of this Regulation ***between counterparties as referred to in Article 4(1)(a) of Regulation (EU) No 648/2012 shall be concluded*** only on:';

***(b) the following paragraph 2a is inserted:***

***'2a. Derivative transactions that are exempt from or otherwise not subject to the clearing obligation under Article 4 of Regulation (EU) No 648/2012 shall not be subject to the trading obligation.';***

(19) in Article 32, the following paragraphs 7, ***7a,*** 8 and 9 are added:

‘7. Where ESMA considers that the suspension of the clearing obligation as referred to in Article 6a of Regulation (EU) No 648/2012 is a material change in the criteria for the trading obligation to take effect, as referred to in paragraph 5 of this Article, ESMA may request the Commission to suspend the trading obligation laid down in Article 28(1) and (2) of this Regulation for the same classes of OTC derivatives that are subject to the request to suspend the clearing obligation.

***7a. Where ESMA considers that certain events or developments which could adversely affect the liquidity available in the Union in certain or all derivatives that have been declared subject to the trading obligation, ESMA may request that the Commission temporarily suspend the application of the trading obligation laid down in Article 28(1) and (2) for those financial instruments.***

***The temporary suspension referred to in the first subparagraph shall be valid for an initial period not exceeding three months from the date of publication of the implementing act referred to in paragraph 9. Such a suspensionmay be renewed for further periods not exceeding three months at a time if the grounds for the temporary suspension continue to be applicable.***

8. The request referred to in ***paragraphs*** 7 ***and 7a*** shall not be made public.

9. After having received the request referred to in paragraph 7 ***and 7a***, the Commission shall, without undue delay and, on the basis of the reasons and evidence provided by ESMA, do either of the following:

(a) in an implementing act suspend the trading obligation for the classes of OTC derivatives that are subject to the request to suspend the clearing obligation;

(b) reject the requested suspension.

For the purposes of point (b), the Commission shall inform ESMA of the reasons why it rejected the requested suspension. The Commission shall immediately inform the European Parliament and the Council of that rejection and forward them the reasons provided to ESMA. The information provided to the European Parliament and the Council regarding the rejection and the reasons for that rejection shall not be made public.’;

(20) the following Article 32a is inserted:

‘Article 32a

**Stand-alone suspension of the trading obligation**

1. At the request of the competent authority of a Member State, the Commission may ***adopt an implementing act to*** suspend the derivatives trading obligation with respect to certain investment firms in accordance with the procedure referred to in Article 51 and after having consulted ESMA. The competent authority shall indicate why it considers that the conditions for a suspension are met. In particular, the competent authority shall demonstrate that an investment firm within its jurisdiction:

(a) regularly receives requests for a quote for the derivatives subject to the derivatives trading obligation;

(b) from a non-EEA counterpart which has no active membership on a EU trading venue that offers trading in the derivative subject to the trading obligation; and

(c) regularly acts as a market maker in the derivative subject to the derivatives trading obligation.

***1a. At the request of the competent authority of a Member State, the Commission may adopt an implementing act to suspend the derivatives trading obligation with respect to certain financial counterparties in accordance with the procedure referred to in Article 51 and after having consulted ESMA. The competent authority shall indicate why it considers that the conditions for a suspension are met. In particular, the competent authority shall demonstrate that the financial counterparty within its jurisdiction:***

***(a) regularly trades derivatives subject to the derivatives trading obligation on a specific market segment;***

***(b) regularly trades derivatives with a non-EEA market maker which has no active membership on an EU trading venue that offers trading in the derivative subject to the trading obligation;***

***(c) clears those derivatives in a CCP authorised in accordance with Regulation (EU) No 648/2012.***

***The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 51.***

2. When assessing whether to suspend the trading obligation in accordance with ***paragraphs*** 1 ***and 1a***, the Commission shall ***consider whether to suspend it for specific markets only, and shall*** take into account whether such suspension of the trading obligation would have a distortive effect on the clearing obligation laid down in Article 4(1) of Regulation (EU) No 648/2012.

***The Commission shall also contact the competent authorities of other Member States to assess whether investment firms in Member States other than that making the request in accordance with paragraph 1 are in a situation similar to those in the requesting Member State. The competent authorities of Member States that did not file a request pursuant to paragraph 1 and 1a may, after adoption of the implementing act mentioned in paragraph 1, request that investment firms that are in a situation similar to those in the requesting Member State are added to the implementing act. The competent authority of the Member State making that request shall indicate and demonstrate why it considers that the conditions for a suspension are also met.***

***2a. The implementing acts referred to in paragraphs 1 and 1a shall be adopted in accordance with the examination procedure referred to in Article 51.***

3. The implementing act referred to in ***paragraphs*** 1 ***and 1a*** shall be accompanied by the evidence presented by the competent authority requesting the suspension.

4. The implementing act referred to in ***paragraphs*** 1 ***and 1a*** shall be communicated to ESMA and shall be published in the ESMA register referred to in Article 34 of this Regulation.

5. The Commission shall regularly review whether the grounds for the suspension of the ***derivatives*** trading obligation continue to apply.';

(21) Article 35 is amended as follows:

(a) in paragraph 1, first subparagraph, the introductory wording is replaced by the following:

'1. Without prejudice to Article 7 of Regulation (EU) No 648/2012, a CCP shall accept to clear financial instruments on a non-discriminatory and transparent basis, including as regards collateral requirements and fees relating to access, regardless of the trading venue on which a transaction is executed.

The requirement in the first subparagraph shall not apply to exchange-traded derivatives.

The CCP shall in particular ensure that a trading venue has the right to non-discriminatory treatment of contracts traded on that trading venue in terms of:';

(b) paragraph 3 is replaced by the following:

'3. The CCP shall provide a written response to the trading venue either within three months of permitting access, on condition that a relevant competent authority has granted access pursuant to paragraph 4, or within three months of denying access. The CCP may deny a request for access only under the conditions specified in paragraph 6(a). Where a CCP denies access, it shall provide full reasons in its response and inform its competent authority in writing of the decision. Where the trading venue is established in a Member State other than the one of the CCP, the CCP shall also provide such notification and reasoning to the competent authority of that trading venue. The CCP shall provide access within three months of providing a positive response to the access request.';

***(ba) paragraph 4 is replaced by the following:***

***'4. The competent authority of the CCP or that of the trading venue shall grant a trading venue access to a CCP only where such access would not threaten the smooth and orderly functioning of the markets, in particular due to liquidity fragmentation, or would not adversely affect systemic risk.***

***If a competent authority refuses access, it shall issue its decision within two months following receipt of the request referred to in paragraph 2 and provide full reasons to the other competent authority, the CCP and the trading venue including the evidence on which the decision is based.';***

(22) Article 36 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

'Without prejudice to Article 8 of Regulation (EU) No 648/2012, a trading venue shall, upon request, provide trade feeds on a non-discriminatory and transparent basis, including as regards fees related to access, to any CCP authorised or recognised by that Regulation that wishes to clear transactions in financial instruments that are concluded on that trading venue. That requirement shall not apply to:

(a) any derivative contract that is already subject to the access obligations under Article 8 of Regulation (EU) No 648/2012;

(b) exchange-traded derivatives.';

(b) paragraph 3 is replaced by the following:

'3. The trading venue shall provide a written response to the CCP within three months either permitting access, under the condition that the relevant competent authority has granted access pursuant to paragraph 4, or denying access. The trading venue may deny access only under the conditions specified pursuant to paragraph 6, point (a). When access is denied, the trading venue shall provide full reasons in its written response and forward that written response to its competent authority. Where the CCP is established in a different Member State than the trading venue, the trading venue shall also forward that written response to the competent authority of the CCP. The trading venue shall provide access within three months of providing a positive response to the access request.';

***(ba) paragraph 4 is replaced by the following:***

***'4. The competent authority of the trading venue or that of the CCP shall grant a CCP access to a trading venue only where such access would not threaten the smooth and orderly functioning of the markets, in particular due to liquidity fragmentation, and where the trading venue has put in place adequate mechanisms to prevent such fragmentation, or would not adversely affect systemic risk.***

***If a competent authority denies access it shall issue its decision within two months following receipt of the request referred to in paragraph 2 and provide full reasons to the other competent authority, the trading venue and the CCP including the evidence on which its decision is based.';***

(c) paragraph 5 is deleted;

(23) in Article 38, paragraph 1 is replaced by the following:

'1. A trading venue established in a third country may request access to a CCP established in the Union only if the Commission has adopted a decision in accordance with Article 28(4) relating to that third country.

A CCP established in a third country may request access to a trading venue in the Union subject to that CCP being recognised under Article 25 of Regulation (EU) No 648/2012.

CCPs and trading venues established in third countries shall only be permitted to make use of the access rights referred to in Articles 35 and 36 with regard to financial instruments covered by those Articles and provided that the Commission has adopted a decision in accordance with paragraph 3 of this Article, determining that the legal and supervisory framework of the third country is considered to provide for an effective equivalent system for permitting CCPs and trading venues authorised under foreign regimes access to CCPs and trading venues established in that third country.';

(24) in Article 38g(1), the introductory wording is replaced by the following:

'Where ESMA finds that a person listed in Article 38b(1), point (a), has not complied with any of the requirements laid down in Article ***20, 21, 22,*** 22a, Article 22b ***or 26***, or Title IVa, it shall take one or more of the following actions:';

(25) in Article 38h(1), the first subparagraph is replaced by the following:

'Where ESMA, in accordance with Article 38k(5), finds that a person listed in Article 38b(1), point (a), has intentionally or negligently not complied with any of the requirements provided for in Article ***22,*** 22a, Article 22b ***or 26***, or in Title IVa, it shall adopt a decision imposing a fine in accordance with paragraph 2 of this Article.';

(26) the following Article 39a is inserted:

'*Article 39a*

**Ban on payment for forwarding client orders for execution**

Investment firms acting on behalf of clients shall not receive any fee or commission or non-monetary benefits from any third party for forwarding client orders to ***any*** third party for their execution.

***The first subparagraph shall not apply to fees, commissions or non-monetary benefits related to the forwarding of professional clients' orders for execution, where permitted under the approved and public tariff structure of a regulated market or MTF.***';

(27) Article 50 is amended as follows:

(a) paragraph 2 is replaced by the following:

'2. The power to adopt delegated acts as referred to in the following provisions shall be conferred for an indeterminate period from 2 July 2014: Article 1(9), Article 2(2) and (3), ***5(9a),*** 13(2), 15(5), 17(3), Article 19(2) and (3), and Articles ***26(1a)***, 27(4), ▌27g(7), 27h(4), 31(4), 38k(10), 38n(3), 40(8), 41(8), 42(7), 45(10) and 52(10).';

(b) in paragraph 3, the first sentence is replaced by the following:

'The delegation of power referred to in the following provisions may be revoked at any time by the European Parliament or by the Council: Article 1(9), Article 2(2) and (3), ***5(9a),*** Articles 13(2), 15(5), 17(3), Article 19(2) and (3),

and Articles ***26(1a)***, 27(4), ▌27g(7), 27h(4), 31(4), 38k(10), 38n(3), 40(8), 41(8), 42(7), 45(10) and 52(10).";

(c) in paragraph 5, the first sentence is replaced by the following:

'A delegated act adopted pursuant to Article 1(9), Article 2(2) and (3), ***5(9a),*** Articles 13(2), 15(5), 17(3), Article 19(2) and (3), and Articles ***26(1a),*** 27(4), ▌27g(7), 27h(4), 31(4), 38k(10), 38n(3), 40(8), 41(8), 42(7), 45(10) and 52(10) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object.";

(28) Article 52 is amended as follows:

(a) paragraphs 11 and 12 are replaced by the following:

'11. Three years after the first authorisation of a consolidated tape, the Commission shall, after having consulted ESMA, submit a report to the European Parliament and to the Council on the following:

(a) the asset classes covered by a consolidated tape;

(b) the timeliness and delivery quality of market data consolidation;

(c) the role of market data consolidation in reducing implementation shortfall;

(d) the number of subscribers to consolidated market data per asset class;

(e) the effect of market data consolidation on remedying information asymmetries between various capital market participants;

(f) the appropriateness and functioning of the participation scheme for market data contributions;

(g) the effects of the consolidated market data on investments in SMEs.

(h) the possibility that the tape facilitates the identification of financial instruments which display features aligned with Regulation [PO please insert reference to the Regulation on European green bonds]

12. If by [*OP insert date* ***…***▌ *as of entry into force*], no consolidated ***tapes have*** emerged through the selection ***procedures*** organised by ESMA as referred to in Article 27da, the Commission shall review the framework and ***shall*** accompany that review, where appropriate and after having consulted ESMA, with a legislative proposal▌ ';

(b) ***paragraphs 13,*** 14 ***and 15 are*** deleted;

***(c) the following paragraph is added:***

***'15a. By 30 June 2025, ESMA shall assess whether setting minimum holding periods of options, futures, swaps, forwards and any other derivative contracts and instruments relating at least to wholesale energy products, agricultural products, or emission allowances would effectively limit the volatility on these markets and ensure convergence between prices of***

***derivatives in the delivery month and spot prices for the underlying commodity, without prejudice to price discovery on the market for the underlying commodity.***

***By 31 December 2025, on the basis of that report and taking into due account the goals of the capital markets union, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal to amend this Regulation by setting minimum holding periods as referred to in the first subparagraph.'***

(29) in Article 54, paragraph 2 is deleted.

*Article 2*
*Entry into force and application*

This Regulation shall enter into force and apply 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.

Done at Brussels,

| | |
|---|---|
| *For the European Parliament* | *For the Council* |
| *The President* | *The President* |

## PROCEDURE – COMMITTEE RESPONSIBLE

| | |
|---|---|
| **Title** | Amending Regulation (EU) No 600/2014 as regards enhancing market data transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and prohibiting receiving payments for forwarding client orders |
| **References** | COM(2021)0727 – C9-0440/2021 – 2021/0385(COD) |
| **Date submitted to Parliament** | 25.11.2021 |
| **Committee responsible**<br>Date announced in plenary | ECON<br>27.1.2022 |
| **Committees asked for opinions**<br>Date announced in plenary | ITRE JURI<br>27.1.2022 27.1.2022 |
| **Not delivering opinions**<br>Date of decision | ITRE JURI<br>9.12.2021 10.2.2022 |
| **Rapporteurs**<br>Date appointed | Danuta Maria Hübner<br>2.12.2021 |
| **Discussed in committee** | 10.10.2022 17.11.2022 |
| **Date adopted** | 1.3.2023 |
| **Result of final vote** | +: 45<br>–: 5<br>0: 9 |
| **Members present for the final vote** | Rasmus Andresen, Anna-Michelle Asimakopoulou, Manon Aubry, Gunnar Beck, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Markus Ferber, Jonás Fernández, Giuseppe Ferrandino, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Valentino Grant, Claude Gruffat, José Gusmão, Enikő Győri, Eero Heinäluoma, Michiel Hoogeveen, Danuta Maria Hübner, France Jamet, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtsos, Aurore Lalucq, Aušra Maldeikienė, Siegfried Mureşan, Denis Nesci, Luděk Niedermayer, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Eva Maria Poptcheva, Evelyn Regner, Dorien Rookmaker, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Ernest Urtasun, Johan Van Overtveldt, Stéphanie Yon-Courtin |
| **Substitutes present for the final vote** | Marc Angel, Nicola Beer, Karima Delli, Herbert Dorfmann, Gianna Gancia, Eider Gardiazabal Rubial, Elisabetta Gualmini, Valérie Hayer, Chris MacManus, Fulvio Martusciello, Jessica Polfjärd, Clara Ponsatí Obiols, René Repasi |
| **Substitutes under Rule 209(7) present for the final vote** | Joachim Kuhs, Alessandro Panza, Roberts Zīle |
| **Date tabled** | 2.3.2023 |

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

| 45 | + |
|---|---|
| ECR | Michiel Hoogeveen, Denis Nesci, Johan Van Overtveldt, Roberts Zīle |
| ID | Gianna Gancia, Valentino Grant, Alessandro Panza |
| NI | Enikő Győri, Clara Ponsatí Obiols |
| PPE | Anna-Michelle Asimakopoulou, Isabel Benjumea Benjumea, Stefan Berger, Herbert Dorfmann, Markus Ferber, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Danuta Maria Hübner, Aušra Maldeikienė, Fulvio Martusciello, Siegfried Mureşan, Luděk Niedermayer, Lídia Pereira, Jessica Polfjärd, Ralf Seekatz |
| Renew | Gilles Boyer, Valérie Hayer |
| S&D | Marc Angel, Jonás Fernández, Eider Gardiazabal Rubial, Elisabetta Gualmini, Eero Heinäluoma, Aurore Lalucq, Evelyn Regner, René Repasi, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli |
| Verts/ALE | Rasmus Andresen, Karima Delli, Claude Gruffat, Piernicola Pedicini, Kira Marie Peter-Hansen, Ernest Urtasun |

| 5 | - |
|---|---|
| ECR | Dorien Rookmaker |
| ID | Gunnar Beck, France Jamet, Joachim Kuhs |
| Renew | Billy Kelleher |

| 9 | 0 |
|---|---|
| Renew | Nicola Beer, Giuseppe Ferrandino, Ondřej Kovařík, Georgios Kyrtsos, Eva Maria Poptcheva, Stéphanie Yon-Courtin |
| The Left | Manon Aubry, José Gusmão, Chris MacManus |

Key to symbols:
+ : in favour
- : against
0 : abstention