European Parliament
2019-2024

Committee on Economic and Monetary Affairs

2021/0385(COD)

26.7.2022

***I
DRAFT 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)727 – 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.

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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)727 – 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)727),

– 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 Rule 59 of its Rules of Procedure,

– having regard to the report of the Committee on Economic and Monetary Affairs (A9-0000/2022),

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.

Amendment 1

Proposal for a regulation
Title 1

Text proposed by the Commission	*Amendment*
Proposal for a	Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 600/2014 as regards enhancing market data	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)

transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and ***regulating the*** forwarding ***and execution of*** client orders

(Text with EEA relevance)

Or. en

Amendment 2

Proposal for a regulation
Recital 6

Text proposed by the Commission	*Amendment*
(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. ***As there is no justification for excluding the smallest orders from a transparent order book and*** in order to increase pre-trade transparency and thereby reinforce the price formation process, that waiver should be applicable to orders with a size greater than or equal to twice the standard market size. 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.	(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, which should not exceed*** twice the standard market size***. When defining the possible threshold, ESMA should take into account the impact of that measure on i) market quality, ii)overall liquidity on Union trading venues, iii) end investors' outcomes and iv) 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.

Or. en

Amendment 3

Proposal for a regulation
Recital 7

Text proposed by the Commission	*Amendment*
(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, the new single volume cap ***should rely*** solely on the EU-wide threshold. That threshold should be lowered to 7 % to compensate for a potential increase of	(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. ***In order to reduce complexity and align the Union with international practices, the cap mechanism should be suspended for at least five years. ESMA, which would be empowered to monitor market conditions***

trading under those waivers as a consequence of abolishing the venue specific threshold.	***and, in particular, the price formation process and the liquidity available on lit venues, should review the suspension annually. If the suspension of the cap alters the balance between market participants and harms the price formation process, ESMA should propose that the Commission halt the suspension, and revert to a cap mechanism relying solely on a Union-wide threshold. If that were to be the case,*** to simplify the double volume cap while keeping its effectiveness, the ***proposal 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. ***At the end of the five-year suspension period, ESMA should publish a final report detailing the impact of the suspension on Union markets, and on the basis of that report the Commission should consider whether to renew the suspension or delete the provisions related to the cap mechanism.***

Or. en

Amendment 4

Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(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	(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 competent authorities.	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***.
	Or. en

Amendment 5

Proposal for a regulation
Recital 9

Text proposed by the Commission	*Amendment*
(9) To ensure an adequate level of transparency, the price of a non-equity transaction should be published as close to real time as possible and 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 ***volumes of*** transactions for a ***short*** period of time, which should not ***be longer than two*** weeks. The exact calibration of the various buckets corresponding to different	(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

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, the size of the transaction ***and, for bonds, the credit rating*** and ***it*** should no longer include the size specific to the instrument concerned.

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)***, the size of the transaction ***(trade size)*** and should no longer include the size specific to the instrument concerned ***nor the large in scale size***. ***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.***

Or. en

Amendment 6

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(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	(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 ***of*** twice the standard market size.	internalisers to publish firm quotes relating to a minimum ***size to be determined by ESMA. The minimum size should not exceed*** twice the standard market size***, and should be determined by considering the following objectives: i) increasing pre-trade transparency of equity instruments for the benefit of end-investors; ii) maintaining a level playing field between trading venues and systematic internalisers; iii) providing end investors with an adequate choice of trading options; and iv) ensuring that the trading landscape in the Union remains attractive and competitive both domestically and internationally***.

Or. en

Amendment 7

Proposal for a regulation
Recital 12

Text proposed by the Commission	*Amendment*
(12) In order to create a level playing field, in addition to the obligation to publish firm quotes ***relating to a minimum of twice the standard market size***, systematic internalisers should also ***no longer*** be allowed to match at midpoint below ***twice the standard market size***. It should furthermore be clarified that systematic internalisers should be allowed to match at midpoint ***in so far as they comply with the tick-size rules in accordance with Article 49 of Directive 2014/65/EU when they trade*** above ***twice the standard market size but below the large in-scale threshold. When systematic internalisers trade above a large in-scale threshold, they should continue to be allowed to match at midpoint*** without complying with the ***tick-size*** regime.	(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.***

Or. en

Amendment 8

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(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 (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 specified by ***the Commission in a Delegated Act*** and should take into account the advice of a dedicated consultative group, composed of experts from the industry and from public authorities.	(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 (EU) ***No*** 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***, composed of experts from the industry and from public authorities ***tasked with providing indications limited to the output of the consolidated tape***. ***ESMA will be closely involved in the work of that consultative group.***

Or. en

Amendment 9

Proposal for a regulation
Recital 17

Text proposed by the Commission	*Amendment*
(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. ***In order to provide market participants with certainty on which instruments fall under the share-trading obligation, ESMA should be empowered to publish and maintain a list containing all the shares subject to that obligation.***	(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.

Or. en

Amendment 10

Proposal for a regulation
Recital 19

Text proposed by the Commission	*Amendment*
(19) Reporting in financial markets – in particular transaction reporting – is already	(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.	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.***
	Or. en

Amendment 11

Proposal for a regulation
Recital 19 a (new)

Text proposed by the Commission	*Amendment*
	(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 SIs will act as liquidity providers, providing further clarity to the overall structure of the equity market.

Or. en

Amendment 12

Proposal for a regulation
Recital 20

Text proposed by the Commission	*Amendment*
(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.	(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. ***Taking into account the novelty of the proposed scheme,*** ESMA should ***only mandate the provision of post-trade transparency data for the first*** selection ***procedure that it runs in relation to*** shares***. At least 18 months before the launch of the second*** selection ***procedure***, ESMA should ***submit a report to the Commission assessing whether there is market demand for extending the data contributed to the tape to pre-trade data. On the basis of such a report, the Commission should be empowered, by way of a delegated act, to further specify the depth of*** pre-trade data to the ***tape***.

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 after 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 shares only, the CTP should comprise*** pre-trade data ***related*** to the ***best bid and offer***. ***ESMA should also require the CTP for shares to be capable or at least to have the technical capabilities to consolidate and display pre-trade data related to the first five layers of order books.***

Or. en

Amendment 13

Proposal for a regulation
Recital 21

Text proposed by the Commission	*Amendment*
(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	(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.	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 only 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.***
	Or. en

Amendment 14

Proposal for a regulation
Recital 22

Text proposed by the Commission	*Amendment*
(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. ***When the pre-trade transparent*** trading ***of a certain share takes place exclusively or predominantly on*** the venue of primary admission, ***such smaller venue plays a more important role*** in the ***price formation***	(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 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***

for that share. The core market data a smaller regulated market contributes to the consolidated tape ***therefore plays a more determining role in the price formation for the*** shares ***this venue admits to trading. A preferential treatment in the revenue participation scheme is*** therefore considered appropriate to allow ***these smaller exchanges*** to maintain their local admissions and safeguard a rich and vibrant ecosystem in line with the objectives of the Capital Markets Union.

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. Finally, smaller regulated 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 CT should be able to opt in into the mandatory contribution scheme by notifying ESMA of their intent.***

Or. en

Amendment 15

Proposal for a regulation
Recital 23

Text proposed by the Commission	*Amendment*
(23) Small regulated markets ***are*** regulated markets ***which admit shares of issuers for which trading in the secondary market tends to be less liquid than the trading of shares admitted to trading on larger regulated markets. In order to avoid that lower trading volumes (or nominal values) penalise smaller exchanges in the*** revenue participation scheme ***designed*** for the consolidated tape for ***shares***, data from trades in ***these*** 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.	(23) ***The desired outcome would be to provide end investors with a truly consolidated overview of the trading opportunities available in the Union and to increase the overall domestic and international attractiveness of the Union capital markets, in line with the objectives of the Capital Markets Union, and to include*** small regulated markets ***in the picture created by the consolidated tape. 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 ***equities 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 ***traded in smaller regulated markets*** 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.

Or. en

Amendment 16

Proposal for a regulation
Recital 24

Text proposed by the Commission	*Amendment*
(24) Given the novelty of the consolidated tape in the context of the EU financial markets, ESMA should be	(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 ***for*** regulated markets ***in*** the context of the consolidated tape for ***shares***. This report should be prepared on the basis of at least ***12*** 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 safeguarding the role that these markets play in their local financial ecosystem. The Commission should be empowered to revise the mechanism of allocation by way of a delegated act, where necessary or appropriate.	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 ***equities***. 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***. The assessment should also establish whether the inclusion of those smaller regulated markets in the consolidated tape resulted in i) an increase in the trading volumes of shares in those regulated markets, ii) a positive effect on professional and retail investors participation in the market, and iii) 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. nOr. en

Amendment 17

Proposal for a regulation
Recital 32

Text proposed by the Commission	*Amendment*
(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	(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 receives a payment from a trading counterpart in exchange for ensuring the execution of client trades. Investment firms should be therefore be prohibited from receiving such payment.	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 receives a payment from a trading counterpart in exchange for ensuring the execution of client trades. Investment firms should be therefore be prohibited from receiving such payment. ***That prohibition should apply to instruments traded on venues, specifically to shares, ETFs and derivatives, and should concern any type of intermediary, whether it is a trading venue, a systematic internaliser or an OTC firm.***

Or. en

Amendment 18

Proposal for a regulation
Recital 34

Text proposed by the Commission	*Amendment*
(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, 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	(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

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,	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,

Or. en

Amendment 19

Proposal for a regulation
Article 1 – paragraph 2 – point a a (new)
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 16 a (new)

Text proposed by the Commission	*Amendment*
	(aa) the following point is inserted:
	'(16a) 'designated reporting entity' means an investment firm responsible for making transactions public through an APA in accordance with Articles 20(1) and 21(1);';

Or. en

Justification

Inclusion of new 'designated reporting entities' (DREs) status in definitions of MiFIR. Feedback from market participants and ESMA showed that the existing SIs reporting regime creates uncertainty, leads to duplicative reporting, and leads to higher costs, particularly for smaller investment firms. The changes to SI regime (including the introduction of a register of DREs by ESMA) seek to decouple SIs regime and reporting obligations, providing clarity, more flexibility, and leading to a clearer, more reliable picture of market participants.

Amendment 20

Proposal for a regulation
Article 1 – paragraph 2 – point a b (new)
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 17

Present text	*Amendment*
	(ab) point (17) is replaced by the following:
(17) ‘liquid market’ means:	***‘***(17) ‘liquid market’ means:
(a) for the purposes of Articles 9, 11, and 18, a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, and where the market is assessed in accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instruments:	(a) for the purposes of Articles 9, 11, and 18, a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, and where the market is assessed in accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instruments:
(i) the average frequency and size of transactions over a range of market conditions, having regard to the nature and life cycle of products within the class of financial instrument;	(i) the average frequency and size of transactions over a range of market conditions, having regard to the nature and life cycle of products within the class of financial instrument;
(ii) the number and type of market participants, including the ratio of market participants to traded financial instruments in a particular product;	(ii) the number and type of market participants, including the ratio of market participants to traded financial instruments in a particular product;
(iii) the average size of spreads, where available;	(iii) the average size of spreads, where available;
	(iiia) the issuance size used to define a liquid market for bonds and may be used to define a liquid market for other non-equity instruments;
(b) for the purposes of Articles 4, 5 and 14, a market for a financial instrument that is ***traded daily where the market is*** assessed according to the following criteria:	(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 free float;	***(i) traded daily***;
	(ia) market capitalisation;
(ii) the average daily number of transactions in those financial instruments;	(ii) the average daily number of transactions in those financial instruments;
(iii) the average daily turnover for those financial instruments;	(iii) the average daily turnover for those financial instruments;***’;***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Amendment to clarify thati) the issuance size can be used to determine the liquidity of an instrument, where relevant - in line with the proposed provisions under Article 11;ii) as 'an instrument being traded daily' is a precondition for liquidity and treated as a fourth criterion, it is added to the list of criteria under point (17).iii) 'free float' is replace by 'market capitalisation' as:- market participants reportedly struggle to provide free-float information;- free-float does not seem to be the most relevant parameter to assess the liquidity of an instruments;- free-float is not a concept that exists in the ETFs and certificates markets;The number of outstanding shares to be used for the calculation of the market cap to be used for this assessment is also an important information in the context of the Short Selling Regulation.

Amendment 21

Proposal for a regulation
Article 1 – paragraph 2 – point b
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 34 a (new)

Text proposed by the Commission	*Amendment*
'(34a) 'market data contributor' means a trading venue, an investment firm***,*** ***including*** systematic ***internalisers, or an APA***;'	'(34a) 'market data contributor' means a trading venue, ***APA, and, for the purpose of pre-trade transparency for shares,*** an investment firm ***operating a*** systematic ***internaliser***;';

Or. en

Justification

The role of investment firms (SIs) contributing to the CTP should be limited to pre-trade data.APAs will submit post-trade data for investment firms to the CTP. Allowing investment firms also to submit such data might result in double-reporting and inconsistencies.

Amendment 22

Proposal for a regulation
Article 1 – paragraph 2 – point c a (new)
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 36a

Present text	*Amendment*
	(ca) point (36a) is replaced by the following:
(36a) 'data reporting services provider' means a person referred to in points (34) ***to*** (36) and a person referred to in Article 27b(2);	'(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);';

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Without amending this point, the drafting would include "market data contributors" (34a) in the DRSP definition.This would cause confusion as to whether the provision referring to DRSPs also applies to market data contributors (in particular trading venues and SIs), whereas they are only meant for ARMs, APAs and CTPs.

Amendment 23

Proposal for a regulation
Article 1 – paragraph 2 – point d
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 36b – point a – introductory part

Text proposed by the Commission	*Amendment*
all of the following data on ***equities***:	all of the following data on ***shares and ETFs***:

Or. en

Justification

Clarifying scope of consolidated tape by enhancing the legal clarity with regards to the fact that with equities what is intended is shares and ETFs.

Amendment 24

Proposal for a regulation
Article 1 – paragraph 2 – point d

Regulation (EU) No 600/2014
Article 2 - paragraph 1 - point 36b – point a - point i

Text proposed by the Commission	*Amendment*
(i) the best bids and offers with corresponding volumes;	(i) the best bids and offers with corresponding volumes ***and timestamps, limited to pre-trade transparency data for shares. For auction systems, that also means the price at which the auction trading system would best satisfy its trading algorithm and the volume that participants in that system would potentially execute at that price***;

Or. en

Justification

Core market" data should be limited only to the instruments that are in scope of the CTP in the proposal. As the pre-trade CTP would be only for shares and not for all equities, the amendment clarifies that pre-trade data only relates to share. Please note that this does not exclude the possibility of a single CTP provider for shares and ETFs, as the appointed CTP could simply consolidate the different data streams separately.

Amendment 25

Proposal for a regulation
Article 1 – paragraph 2 – point d
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 36b – point b – introductory part

Text proposed by the Commission	*Amendment*
all of the following data on ***non-equities***:	all of the following data on ***bonds and derivatives***:

Or. en

Justification

In line with previous amendments and comments.

Amendment 26

Proposal for a regulation
Article 1 – paragraph 2 – point d
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 36b – point b – point iii

Text proposed by the Commission	*Amendment*
(iii) standardised instrument identifier that applies across venues;	(iii) ***for bonds, the*** standardised instrument identifier that applies across venues;

Or. en

Amendment 27

Proposal for a regulation
Article 1 – paragraph 2 – point d
Regulation (EU) No 600/2014
Article 2 – paragraph 1 – point 36b – point b – point iv – indent 4

Text proposed by the Commission	*Amendment*
— the receipt of market data ***at the consolidator's aggregation/consolidation mechanism***;	— the receipt of market data ***by the consolidated tape provider***;

Or. en

Justification

Aligning language with Article 2(1)(36b)(a).

Amendment 28

Proposal for a regulation
Article 1 – paragraph 3 – point a
Regulation (EU) No 600/2014
Article 4 – paragraph 1

Text proposed by the Commission	*Amendment*
(a) paragraph 1 is amended as follows:	***deleted***

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

'(a) systems matching orders that are larger than twice the standard market size and that are based on a trading methodology by which the price of the financial instruments referred to in Article 3(1) is derived from either of the following:

(i) the price of those financial instruments at the trading venues where those financial instruments were first admitted to trading;

(ii) the price of those financial instruments at the most relevant market in terms of liquidity where that price is widely published and is regarded by market participants as a reliable reference price;

(iii) the consolidated tape for shares or ETFs.';

(ii) the following subparagraph is added:

'For the purposes of point (a), the continued use of that waiver shall be subject to the conditions set out in Article 5.';

Or. en

Justification

See justification related to introduction of Article 4(6)(f). Text proposed by the COM for paragraph 1 is deleted as ESMA will be mandated to identify the threshold for the use of the RPW.

Amendment 29

Proposal for a regulation
Article 1 – paragraph 3 – point b
Regulation (EU) No 600/2014
Article 4 – paragraph 2 – subparagraph 1 – point a – point iii

Text proposed by the Commission	*Amendment*
(iii) the consolidated tape for shares ***or*** ETFs;	(iii) the consolidated tape for shares ***and*** ETFs;

Or. en

Justification

Reflecting the possibility of a single CTP for shares and equities.

Amendment 30

Proposal for a regulation
Article 1 – paragraph 3 – point b a (new)
Regulation (EU) No 600/2014
Article 4 – paragraph 6 – point a

Present text	*Amendment*
	(ba) in paragraph 6, 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);	‘(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***;***’;***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Amendment provides ESMA with a clear mandate to determine the information to be made public for the different equity and equity-like financial instruments, especially in consideration of the proposal of a pre-trade CTP for shares. Different market practices have been observed in this respect, which make it challenging for market participants to compare pre-trade data.

Amendment 31

Proposal for a regulation
Article 1 – paragraph 3 – point b b (new)
Regulation (EU) No 600/2014
Article 4 – paragraph 6 – point e a (new)

Text proposed by the Commission	*Amendment*
	(bb) in paragraph 6, 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(a), which shall be determined taking into account international practices and the competitiveness of Union firms, and shall not be higher than twice the standard market size.';

Or. en

Justification

Empowering ESMA to define the threshold for the use of the RPW. This would provide more flexibility than the COM's proposed rigid threshold at 2x SMS, while achieving the core objectives of the provision, i.e. to increase pre-trade transparency and reinforce the price formation process. ESMA should take into account, and possibly experiment, the potential impact of this measure on elements such as i) market quality, ii) overall liquidity on EU venues, iii) end investors' outcomes and iv) domestic and international attractiveness and competitiveness of EU capital markets and firms.

Amendment 32

Proposal for a regulation
Article 1 – paragraph 4 – point d
Regulation (EU) No 600/2014
Article 5 – paragraph 4 – introductory part

Text proposed by the Commission	*Amendment*
ESMA shall publish within ***five*** working days of the end of each calendar month all of the following data:	ESMA shall publish within ***seven*** working days of the end of each calendar month all of the following data:

Or. en

Justification

Amendment grants ESMA more time for the publication under this article, as this would provide the necessary time for the supervisor to check records and prepare the publication and avoid possible frequent late publications or publication that need amendments.

Amendment 33

Proposal for a regulation
Article 1 – paragraph 4 – point e a (new)
Regulation (EU) No 600/2014
Article 5 – paragraph 6

Text proposed by the Commission	*Amendment*
	(ea) paragraph 6 is deleted;

Or. en

Justification

Removing the publication of the mid-month reports by ESMA. The supervisor provided supporting evidence that being close to the 3.75% and 7.75% thresholds does not discourage trading in dark in the following period. Therefore, considering that (i) the mid-month publication does not require the suspension of dark trading (ii) they seem not to fulfil their goal to alert and deter possible future breaches and (iii) this additional publication per month means additional resources are being used for insignificant benefits, paragraph 6 is deleted.

Amendment 34

Proposal for a regulation
Article 1 – paragraph 4 – point f a (new)
Regulation (EU) No 600/2014
Article 5 – paragraph 9 a (new)

Text proposed by the Commission	*Amendment*
	(fa) the following paragraph is inserted:
	'9a. The restrictions of trading under the waivers provided for in Article 4(1)(a) and Article 4(1)(b)(i) in accordance with Article 5, paragraphs (1) to (6), shall be suspended until ... [five years after the

date of entry into force of this amending Regulation].

ESMA shall be empowered to supervise changes to market practices as a result of this suspension, and establish whether the measure unduly harms price formation. To this end, ESMA shall

(a) issue a annual report identifying the percentage of trading in a financial instrument on a trading venue under those waivers;

(b) on the basis of that report, issue an opinion to the Commission assessing the compatibility of the suspension of the trade restrictions under those waivers with price formation and market equilibrium.

Should ESMA indicate that the effect of the suspension is detrimental to both elements, power is delegated to the Commission to reinstate the trade restrictions under the waivers provided for in Article 4(1)(a) and Article 4(1)(b)(i) in accordance with Article 5, paragraphs (1) to (6).';

Or. en

Justification

Current limits on the amount of trading that can take place without pre-trade transparency are arbitrary, the evidence on their effectiveness in either reinforcing the price formation and redirecting trading flows to lit venues is lacking. Given their ineffectiveness, they place an unnecessary burden on ESMA and market participants, and risk hindering the international competitiveness of EU firms and diminish investors' return. Other measures are better placed to strengthen lit venues (e.g. increased thresholds for the use of the RPW, higher SIs quoting obligation, ban of PFOF). The cap mechanism should thus be suspended, while ESMA continues to monitor the level of dark trading and be empowered to limit it – by restricting the use of the reference price and negotiated trade waivers – if there is evidence that the volume of such trading is undermining the efficiency of the price formation process.

Amendment 35

Proposal for a regulation
Article 1 – paragraph 4 a (new)

Regulation (EU) No 600/2014
Article 8

Present text	*Amendment*
	(4a) Article 8 is 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, ***and*** structured finance products, emission allowances, derivatives traded on a trading venue and package orders. ***That requirement shall also apply to actionable indication of interests.*** Market operators and investment firms ***operating a trading venue*** 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.	***'***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 ***derivatives*** 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 ***different types of trading systems, including order-book, quote-driven, hybrid,*** periodic auction ***trading and voice trading*** systems.	2. The transparency requirements referred to in paragraph 1 shall be calibrated for ***central limit order book and*** periodic auction systems ***only***.
3. Market operators and investment firms operating a trading venue shall give access, on reasonable commercial terms and on a non-discriminatory basis, to the arrangements they employ for making public the information referred to in paragraph 1 to investment firms which are obliged to publish their quotes in bonds, structured finance products, emission allowances and derivatives pursuant to Article 18.	3. Market operators and investment firms operating a trading venue shall give access, on reasonable commercial terms and on a non-discriminatory basis, to the arrangements they employ for making public the information referred to in paragraph 1 to investment firms which are obliged to publish their quotes in bonds, structured finance products, emission allowances and derivatives pursuant to Article 18.***';***
4. Market operators and investment firms operating a trading venue shall,	

where a waiver is granted in accordance with Article 9(1)(b), make public at least indicative pre-trade bid and offer prices which are close to the price of the trading interests advertised through their systems in bonds, structured finance products, emission allowances and derivatives traded on a trading venue. Market operators and investment firms operating a trading venue shall make that information available to the public through appropriate electronic means on a continuous basis during normal trading hours. Those arrangements shall ensure that information is provided on reasonable commercial terms and on a non-discriminatory basis.

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Market participants across the buy- and sell-side have consistently reported that the pre-trade transparency regime for RFQ and voice systems is of negligible added value to end users in fixed income markets. This has also been informally recognised by supervisors. The removal of these requirements, together with the introduction of the CT, will remove an undue burden on market participants without affecting the levels of transparency in the market. Same principle apply for changes to Article 18. Amedments also deletes paragraph 4, in line with COM deletion of SSTI.

Amendment 36

Proposal for a regulation
Article 1 – paragraph 5 – point a
Regulation (EU) No 600/2014
Article 9 – paragraph 1

Text proposed by the Commission	*Amendment*
(a) in paragraph 1, ***point (b) is*** deleted;	(a) in paragraph 1, ***points (b) and (e)(iii) are*** deleted;

Or. en

Justification

To be removed consistently with the COM proposed removal of the pre-trade SSTI waiver.

Amendment 37

Proposal for a regulation
Article 1 – paragraph 6
Regulation (EU) No 600/2014
Article 11

Text proposed by the Commission	*Amendment*
(6) Article 11 is amended as follows:	***deleted***
(a) paragraph 1 is amended as follows:	
(i) the first subparagraph is replaced by the following:	
‘	
‘Based on the deferral regime as set out in paragraph 4, competent authorities shall authorise market operators and investment firms operating a trading venue to defer the publication of the price of transactions until the end of the trading day, or the volume of transactions for a maximum of two weeks.’;	
(ii) in the second subparagraph, point (c) is deleted;	
(b) paragraph 3 is replaced by the following:	
‘3. Competent authorities may, when authorising a deferred publication as referred to in paragraph 1 with regard to transactions in sovereign debt, allow market operators and investment firms operating a trading venue:	
(a) to allow the omission of the publication of the volume of an individual transaction during an extended time period of deferral; or	
(b) to publish in an aggregated form several transactions in sovereign debt for	

an indefinite period of time.';

(c) paragraph 4 is amended as follows:

(i) the first subparagraph is amended as follows:

point (c) is replaced by the following:

'(c) the transactions eligible for price or volume deferral, and the transactions for which competent authorities shall authorise market operators and investment firms operating a trading venue to provide for deferred publication of the volume or price for one of the following durations:

(i) 15 minutes;

(ii) end of trading day;

(iii) two weeks.';

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

'For the purposes of the first subparagraph, point (c), ESMA shall specify the buckets for which the deferral period shall apply across the Union by using the following criteria:

(a) the liquidity determination;

(b) the size of the transaction, in particular transactions in illiquid markets or transactions that are large in scale;

(c) for bonds, the classification of the bond as investment grade or high yield.';

Or. en

Amendment 38

Proposal for a regulation
Article 1 – paragraph 6 a (new)
Regulation (EU) No 600/2014
Article 11

Present text	*Amendment*
	(6a) Article 11 is replaced by the following:
Article 11 Authorisation of deferred publication	**‘**Article 11 Authorisation of deferred publication
1. ***Competent authorities shall be able to authorise market*** operators and investment firms operating a trading venue ***to provide for deferred*** publication of the details of transactions ***based on the size or type*** of the ***transaction. In particular, the competent authorities may authorise the deferred*** publication ***in respect of*** transactions ***that:***	1. ***Market*** operators and investment firms operating a trading venue ***may defer the*** publication of the details of transactions***, including the price and the volume, until the end*** of the ***trading day. The*** publication ***of the volume of very large*** transactions ***may be deferred for an extended period not exceeding four weeks.***
(a) are large in scale compared with the normal market size for that bond, structured finance product, emission allowance or derivative traded on a trading venue, or for that class of bond, structured finance product, emission allowance or derivative traded on a trading venue; or	
(b) are related to a bond, structured finance product, emission allowance or derivative traded on a trading venue, or a class of bond, structured finance product, emission allowance or derivative traded on a trading venue for which there is not a liquid market;	
(c) are above a size specific to that bond, structured finance product, emission allowance or derivative traded on a trading venue, or that class of bond, structured finance product, emission allowance or derivative traded on a trading venue, which would expose liquidity providers to undue risk and takes into account whether the relevant market participants are retail or wholesale investors.	
Market operators and investment firms operating a trading venue shall ***obtain the competent authority's prior approval of proposed arrangements for deferred***	Market operators and investment firms operating a trading venue shall clearly disclose ***proposed arrangements for deferred trade-publication*** to market

trade-publication, and shall clearly disclose ***those arrangements*** 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.

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 trade-publication shall be organised using the following five categories of transactions related to a bond, structured finance product, emission allowance or derivative traded on a trading venue, or a class of bond, structured finance product, emission allowance or derivative 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 status 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

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.	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.	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.	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.
3. Competent authorities may***, in conjunction with an authorisation of deferred publication:***	3. ***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) request the publication of limited details of a transaction or details of several transactions in ***an aggregated form, or a combination thereof, during the time period of deferral;***	
(b) allow the omission of the publication of the volume of an individual transaction during an extended time period of deferral;	***(a)*** the omission of the publication of the volume of an individual transaction during an extended time period of deferral;
(c) regarding non-equity instruments that are not sovereign debt, allow the publication of ***several transactions in an aggregated form during an extended time period of deferral;***	
(d) regarding sovereign debt instruments, allow the publication of	***(b)*** the publication of ***the details*** of several transactions in an aggregated form

several transactions in an aggregated form for an indefinite period of time**.**	for an indefinite period of time.
In relation to sovereign debt instruments, points (b) and (d) may be used either separately or consecutively whereby once the volume omission extended period lapses, the volumes could then be published in aggregated form.	
In relation to all other financial instruments, when the deferral time period lapses, the outstanding details of the transaction and all the details of the transactions 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 Article ***64 of Directive 2014/65/EU:***	4. ESMA shall develop draft regulatory technical standards to specify the following in such a way as to enable the publication of information required under ***this*** Article ***as well as under Article 27g:***
(a) the details of transactions that investment firms, including systematic internalisers, and market operators and investment firms operating a trading venue shall make available to the public for each class of financial instrument concerned in accordance with Article 10(1), including identifiers for the different types of transactions published under Article 10(1) and Article 21(1), distinguishing between those determined by factors linked primarily to the valuation of the financial instruments and those determined by other factors;	(a) the details of transactions that investment firms, including systematic internalisers, and market operators and investment firms operating a trading venue shall make available to the public for each class of financial instrument concerned in accordance with Article 10(1), including identifiers for the different types of transactions published under Article 10(1) and Article 21(1), distinguishing between those determined by factors linked primarily to the valuation of the financial instruments and those determined by other factors;
(b) the time limit that would be deemed in compliance with the obligation to publish as close to real time as possible including when trades are executed outside ordinary trading hours***;***	(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***. ESMA shall regularly review that time limit and adjust it in line with technological developments;***
(c) ***the conditions for authorising investment firms, including systematic internalisers, and market operators and investment firms operating a trading venue, to provide for deferred publication***	(c) ***for the purposes of determining the categories referred to in the third subparagraph of paragraph 1, what constitutes a transaction of a medium and large size in the*** financial instrument

of the details of transactions for each class of financial instrument ***concerned in accordance with*** paragraph 1 of this Article ***and with*** Article ***21(4);***

referred to in paragraph 1 of this Article ***and*** Article ***21(1);***

(ca) for the purposes of determining the categories referred to in the third subparagraph of paragraph 1, the issuance sizes that qualify a financial instrument as belonging to a liquid or an illiquid market;

(cb) the price and volume deferrals applicable to each of the five categories set out in the third subparagraph of paragraph 1 of this Article for transactions in instruments referred to in paragraph 1 of this Article and Article ***21(1).***

For establishing the price and volume deferrals in paragraph 4(e), ESMA shall apply 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 above categories, 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 research 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 window back to previous level;
(d) the criteria to be applied when determining the size or type of a transaction for which deferred publication and publication of limited details of a transaction, or publication of details of several transactions in an aggregated form, or omission of the publication of the volume of a transaction with particular reference to allowing an extended length of time of deferral for certain financial instruments depending on their liquidity, is allowed under paragraph 3.	(d) the criteria to be applied when determining the size or type of a transaction for which deferred publication and publication of limited details of a transaction, or publication of details of several transactions in an aggregated form, or omission of the publication of the volume of a transaction with particular reference to allowing an extended length of time of deferral for certain financial instruments depending on their liquidity, is allowed under paragraph 3.
ESMA shall submit those draft regulatory technical standards to the Commission by ***3 July 2015***.	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 adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	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.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Overhaul of Article 11, harmonizing the deferral periods for non-equities across the Union, in light of the fact that the current regime has resulted in limited post-trade transparency. Including different categories of deferrals based on the transaction size and the liquidity of the instruments. In the proposal, price can be deferred maximum until the end of the day for all transactions until very large ones - this should increase transparency and be beneficial for the CT. Longer deferrals (4 weeks) for very large transactions are introduced, to allow market makers enough time to manage their risks. It should be noted that the only evidence available from the implementation of well calibrated, yet ambitious deferrals regime in other jurisdictions points towards the fact that shorter deferrals have a positive impact on the

spreads and are generally beneficial for market participants - while the impact on liquidity providers has been limited. Nonetheless, recognising the time it takes to unwind very large positions on certain instruments, longer deferrals for volumes, as well as a specific category for very large transaction may be warranted. Finally, paragraph 3 is also modified to avoid heterogeneous deferral regimes across MS in a given sovereign debt instrument. Given that proposed Art. 11 seeks to harmonise the regime for corporate bonds the current approach for sovereign bonds, where the NCAs allow (but do not mandate) the extended deferrals for sovereigns trading on venues within their jurisdiction is neither achieving the original objectives of the member states nor creating a harmonised approach. The better approach is to have each member state issuers determine the deferral regime for their own bonds which should be applied across the union.

Amendment 39

Proposal for a regulation
Article 1 – paragraph 6 b (new)
Regulation (EU) No 600/2014
Article 13 – paragraphs 1 and 2

Present text	*Amendment*
	(6b) Article 13 is replaced by the following:
Article 13 Obligation to make pre-trade and post-trade data available on a reasonable commercial basis	***'***Article 13 Obligation to make pre-trade and post-trade data available on a reasonable commercial basis
1. Market operators and investment firms operating a trading venue shall make the information published in accordance with Article***s*** 3, 4 and 6 to 11 available to the public on a reasonable commercial basis and ensure non-discriminatory access to the information. Such information ***shall be made*** available free of charge 15 minutes after publication.	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. ***The Commission shall adopt delegated acts in accordance with Article 50 clarifying what constitutes a reasonable commercial basis to make information public as referred to in***	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***

paragraph 1.	***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.';

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Introducing a single RCB provision which applies to all data contributors, including the CTPs (to put all the data providers on a level playing field and to avoid that we create a new source of high data cost). It also specifies at level 1 that RCB means 'on a cost basis', and empowers ESMA to draft RTS further specifying the related obligations. Empowering NCAs and ESMA to request information to data provider on the actual cost of market data is not intended to introduce price controls, but to better understand the pricing of market data and to assess whether market data is provided on an RCB.

Amendment 40

Proposal for a regulation
Article 1 – paragraph 7
Regulation (EU) No 600/2014
Article 13 – paragraph 3

Text proposed by the Commission	*Amendment*
3. ESMA shall develop draft regulatory technical standards to ***specify 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.***	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; and
	(b) specify the frequency, contact details and format of the information to be provided to the competent authorities and ESMA in accordance with paragraph 3.
ESMA shall submit those draft regulatory technical standards to the Commission by [***OP please insert*** *nine months after entry into force*].	ESMA shall submit those draft regulatory technical standards to the Commission by ***...*** [nine months after ***the date of*** entry into force ***of this amending Regulation***].
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.’;	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.’;

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Introducing a single RCB provision which applies to all data contributors, including the CTPs (to put all the data providers on a level playing field and to avoid that we create a new source of high data cost). It also specifies at level 1 that RCB means ‘on a cost basis’, and empowers ESMA to draft RTS further specifying the related obligations. Empowering NCAs and ESMA to request information to data provider on the actual cost of market data is not intended to introduce price controls, but to better understand the pricing of market data and to assess whether market data is provided on an RCB.

Amendment 41

Proposal for a regulation
Article 1 – paragraph 8 – point a
Regulation (EU) No 600/2014
Article 14 – paragraph 2

Text proposed by the Commission	*Amendment*
2. This Article and Articles 15, 16 and 17 shall apply to systematic internalisers when they deal in sizes up to ***twice the standard market size***. Systematic internalisers shall not be subject to this Article and Articles 15, 16 and 17 when	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

they deal in sizes above ***twice the standard market size***.	Articles 15, 16 and 17 when they deal in sizes above ***that threshold***.

Or. en

Justification

Empowering ESMA to define the threshold above which the SI requirements no longer apply. This would provide more flexibility than the Commission proposal which sets the threshold at twice the standard market size. A maximum threshold of 2xSMS is also defined at Level 1.

Amendment 42

Proposal for a regulation
Article 1 – paragraph 8 – point a
Regulation (EU) No 600/2014
Article 14 – paragraph 3

Text proposed by the Commission	*Amendment*
3. Systematic internalisers ***are allowed to quote any size. The*** minimum quoting size shall be ***at least the equivalent of twice the standard market size of a share, depositary receipt, ETF, certificate, or other financial instrument that is similar to those financial instruments and that is traded on a trading venue***. 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 ***twice the standard market size for the class of shares, depositary receipts, ETFs, certificates or financial instruments that are similar to those financial instruments, to which the financial instrument belongs***. 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.	3. Systematic internalisers' minimum quoting size shall be ***determined by ESMA and shall be lower than the threshold determined in accordance with Article 4(6)(ea)***. 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 Article 4(6)(ea)***. 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.;

Or. en

Justification

Same as above. First sentence is removed to enhance legal clarity, as in contrast with the proposed setting of a minimum quoting size.

Amendment 43

Proposal for a regulation
Article 1 – paragraph 8 – point b
Regulation (EU) No 600/2014
Article 14 - paragraph 6 a (new)

Text proposed by the Commission	*Amendment*
(b) the following paragraph 6a is inserted:	***deleted***
'6a. Systematic internalisers shall not match orders at the mid-point within the current bid and offer prices.';	

Or. en

Justification

With the changes above and to Article 17a, this paragraph is no longer relevant.

Amendment 44

Proposal for a regulation
Article 1 – paragraph 8 – point b a (new)
Regulation (EU) No 600/2014
Article 14 – paragraph 7 – subparagraph 1

Present text	*Amendment*
	(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	**'**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 ***whether prices reflect prevailing market conditions*** as referred to in paragraph 3, and of the standard market size as referred to in ***paragraphs 2 and 4.***	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.';***

Or. en

(02014R0600-20220101)

Amendment 45

Proposal for a regulation
Article 1 – paragraph 9
Regulation (EU) No 600/2014
Article 17a - paragraph 2

Text proposed by the Commission	*Amendment*
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 ***large in scale*** at mid-point within the current bid and offer prices***. Matching orders at mid-point within the current bid and offer prices below large in scale but*** above ***twice the standard market size shall be allowed in so far as those tick sizes are complied with***.';	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)***.';

Or. en

Justification

The amendments introduces a certain size to be defined by ESMA below which midpoint matching will be prohibited for both systematic internalisers and trading venues. The changes will allow midpoint matching to happen above this size ('a certain size to be defined by ESMA') for both on- and off-venue trading. This should ensure that EU SIs maintain their competitiveness, and brings the EU closer to alignment with third-countries' provisions in this respect.

Amendment 46

Proposal for a regulation
Article 1 – paragraph 9 a (new)
Regulation (EU) No 600/2014
Article 18

Present text	*Amendment*
	(9a) Article 18 is replaced by the following:
Article 18 Obligation for systematic internalisers to make public firm quotes in respect of bonds, structured finance products, emission allowances and derivatives	***'***Article 18 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 ***and derivatives*** traded on a trading venue for which they are systematic internalisers and for which there is a liquid market when the following conditions are fulfilled:	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;	(a) they are prompted for a quote by a client of the systematic internaliser;
(b) they agree to provide a quote***.***	(b) they agree to provide a quote.
2. In relation to bonds, structured finance products, emission allowances and derivatives traded on a trading venue for which there is not a liquid market, systematic internalisers shall disclose quotes to their clients on request if they agree to provide a quote. That obligation may be waived where the conditions specified in Article 9(1) are met.	
3. Systematic internalisers may update their quotes at any time***. They may withdraw their quotes under exceptional market conditions***.	3. Systematic internalisers may update their quotes at any time.
4. Member States shall require that firms that meet the definition of systematic ***internaliser*** notify their competent authority. Such notification shall be	4. Member States shall require that firms that meet the definition of systematic ***internalisers*** notify their competent authority***, specifying the financial***

transmitted to ESMA. ESMA shall establish a ***list*** of all systematic internalisers in the Union.

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***.

5. Systematic internalisers ***shall make the firm quotes published in accordance with paragraph 1 available to their other clients. Notwithstanding, they shall be allowed to decide, on the basis of their commercial policy and in an objective non-discriminatory way, the clients to whom they give access to their quotes. To that end, systematic internalisers shall have in place clear standards for governing access to their quotes. Systematic internalisers may refuse to enter into or discontinue business relationships with clients on the basis of commercial considerations such as the client credit status, the counterparty risk and the final settlement*** of the ***transaction.***

6. Systematic internalisers shall undertake to enter into transactions under the published conditions with any other client to whom the quote is made available in accordance with paragraph 5 when the quoted size is at or below the size specific to the financial instrument ***determined in accordance with Article 9(5)(d).***

Systematic internalisers shall ***not be subject to the obligation to publish a firm quote pursuant to paragraph 1 for financial instruments that fall below the threshold of liquidity determined*** in accordance with ***Article 9(4).***

7. Systematic internalisers shall not be subject to this Article when they deal in

7. Systematic internalisers shall not be subject to this Article when they deal in

sizes ***above the size specific to the financial instrument*** determined in accordance with Article ***9(5)(d)***.	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.	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.
8. The quotes published pursuant to paragraph 1 ***and 5 and those at or below the size referred to in paragraph 6*** shall be made public in a manner which is easily accessible to other market participants on a reasonable commercial basis.	8**.** 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.
9. The quoted price or prices shall be such as to ensure that the systematic internaliser complies with its obligations under Article 27 of Directive 2014/65/EU, where applicable, and shall reflect prevailing market conditions in relation to prices at which transactions are concluded for the same or similar financial instruments on a trading venue.	9**.** The quoted price or prices shall be such as to ensure that the systematic internaliser complies with its obligations under Article 27 of Directive 2014/65/EU, where applicable, and shall reflect prevailing market conditions in 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.	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.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

The transparency regime for non-equity SIs under the current Article 18 has revealed to be complex to implement and without clear impact on the transparency of SIs. This was reported by both market participants and supervisors.The amendment put forward the following modifications: :- paragraph 2: The obligation to provide quotes in illiquid on demand has revealed of limited value (not used in practice) and the proposed deletion would allow streamlining the regime;- paragraph 3: delete the reference to exceptional circumstances and allow SIs to withdraw their quotes at any point in time.- paragraphs 5-7: In practice, the regime includes too many safeguards which allows SIs to make these provisions redundant. If market participants might be interested to be made aware about the quotes provided by SIs (paragraph 1), they are less interested in trading directly at this price (OTC trading in non-equity instruments should reflect "the specific characteristics of the transaction contemplated, including in illiquid instruments and complex transactions, and of the requesting client"). The general practice is, in case a client also wants to trade in a quoted

instrument, to prompt a new request to the SI.- paragraph 8 would have to be amended accordingly if the previous paragraphs are deleted/amended as suggested.In line with the principles underlying changes to Article 8 and 9 (removal of RFQ and voice-trading protocol), MEPs may want to consider whether Article 18 should be removed entirely (with the exception of paragraph 3 and possibly 5).

Amendment 47

Proposal for a regulation
Article 1 – paragraph 9 b (new)
Regulation (EU) No 600/2014
Article 19 - paragraph 2

Present text	*Amendment*
	(9b) in Article 19, paragraph 2 is deleted.
2. The Commission shall adopt delegated acts in accordance with Article ***50 specifying the sizes referred to in Article 18(6) at which a firm shall enter into transactions with any other client to whom the quote is made available***. ***The size specific to the financial instrument shall be determined in accordance with the criteria set in Article 9(5)(d).***	

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Deleted in line with changes to Article 18.

Amendment 48

Proposal for a regulation
Article 1 – paragraph 9 c (new)
Regulation (EU) No 600/2014
Article 20 – paragraph 2 a (new) and paragraph 3 point c

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

Or. en

Justification

(a) a transaction should be made public only through a single APA also for equity instruments. Today, despite a complex system on Level 2 to avoid potential double-reporting, there remain problems in the application, and clarifying this on Level 1 seems to be the clearer solution. This additional paragraph would ensure the post-trade information is only made once through a single APA also in the case of equity/equity-like financial instruments.

(b) Removes ESMAs powers to specify reporting hierarchy since it is now included in the Designated Reporting Entity Article

Amendment 49

Proposal for a regulation
Article 1 – paragraph 9 e (new)
Regulation (EU) No 600/2014
Article 21

Text proposed by the Commission	*Amendment*
	(9e) 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, emission allowances ***and derivatives*** traded on a trading venue shall make public the volume and price of those transactions and the time at which they	***'***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***

were concluded. That information shall be made public through an APA.

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***, or may request the publication of limited details of a transaction or details of several transactions in an aggregated form, or a combination thereof, during the time period of the deferral or may allow the omission of the publication of the volume for individual transactions during an extended time period of deferral, or in the case of non-equity financial instruments that are not sovereign debt, may allow the publication of several transactions in an aggregated form during an extended time period of deferral, or in the case of sovereign debt instruments may allow the publication of several transactions in an aggregated form for an indefinite period of time,*** and may temporarily suspend the obligations referred to in paragraph 1 on the same conditions as laid down in Article 11.

'4. ***Investment*** firms may provide for deferred publication ***of transactions referred to in paragraph 1 of this Article*** and may temporarily suspend the obligations referred to in that paragraph on the same conditions as laid down in Article 11***.';***

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

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

'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:';***

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

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

Or. en

Justification

Introduces derivatives subject to the clearing obligations into scope of OTC transparency and removes ToTV for derivatives. Also shortens paragraph 4 to take into account new deferrals as well as the removal of ToTV for deferrals

Amendment 50

Proposal for a regulation
Article 1 – paragraph 9 f (new)
Regulation (EU) No 600/2014
Article 21 a (new)

Text proposed by the Commission	*Amendment*
	(9f) 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 specified financial instruments or classes of financial instruments. All systematic internalisers are automatically 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.';

Or. en

Justification

Introduces a designated reporting entity regime, as part of the decoupling of the SI status from the reporting obligation. This change is strongly supported by most market participants, and is expected to reduce the burden on smaller investment firms, provide additional clarity for market participants on who will be reporting trades, improve transaction reporting and reduce the number of SIs in the Union (leading to a more realistic picture of the markets).

Amendment 51

Proposal for a regulation
Article 1 – paragraph 9 g (new)
Regulation (EU) No 600/2014
Article 22 – paragraph 1 – introductory part

Present text	*Amendment*
	(9g) in Article 22, paragraph 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, ESMA and competent authorities may require information from:	***'***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 European 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:***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

This addition would allow ESMA to collect data on a per waiver and per deferral basis for both equity and non-equity. At the moment ESMA is in a position only to collect information on the equity waivers excluding OMF on the basis of the calculations for the tick-size parameter and on the request to perform this calculations.The collection of data in a more granular fashion would allow ESMA to provide more accurate reports, better monitor the application of waivers and deferrals, to better inform policy decisions

Amendment 52

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22a – paragraph 1

Text proposed by the Commission	*Amendment*
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 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.	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 ***and regulatory data*** as set out 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.

Or. en

Amendment 53

Proposal for a regulation
Article 1 – paragraph 10
Reguation (EU) No 600/2014
Article 22a – paragraph 1 a (new)

Text proposed by the Commission	*Amendment*
	1a. Regulated markets whose average daily trading volume of shares represents

less than 1 % of the average daily trading volume of the Union shall not be required to provide market data to the CTP;

Or. en

Justification

Introduces exclusion mechanism for smaller regulated markets. Paragraph 2 introduces a first-level threshold related to the market share.

Amendment 54

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22a – paragraph 2 a (new)

Text proposed by the Commission	*Amendment*
	2a. Regulated markets whose average daily trading volume of shares exceeds 1 % of the average trading volume of the Union shall not be required to provide market data to the CTP if:
	(i) the regulated market accounts for more than 70 % of the average daily trading volume of shares that were first admitted to trading on that regulated market; or
	(ii) the average daily trading volume of shares first admitted on a regulated market on MTFs and systematic internalisers 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 market data to the CTP and shall update that list regularly.

Or. en

Justification

Introduces exclusion mechanism for smaller regulated markets. Should market share exceeds 1% (paragraph 2 first threshold) but the exchange continues to present low levels of

fragmentation as the shares admitted to the venue are also mostly traded in that venue, then a second-level threshold is inserted. Please note that the two fragmentation criteria apply alternatively, not cumulatively (thereby maximising options for exemption). Please refer to the explanatory note for further details on the rationale and the goals of this exemption.

Amendment 55

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) 600/2014
Article 22a – paragraph 2 b (new)

Text proposed by the Commission	*Amendment*
	2b. Notwithstanding paragraphs 2 and 2a, smaller regulated markets may decide to provide market data to the CTP, subject to the provisions of paragraph 1, by notifying ESMA. Those regulated markets that decide to subject themselves to the requirement to provide market data in accordance with paragraph 1 should start providing market data to the CTP within 30 working days of the date of the notification to ESMA.

Or. en

Justification

Despite the possibility for exemption, the consolidated tape may represent a viable way for smaller regulated markets to enhance their visibility to 'outside' investors - both within the Union and outside - and increase their market share. This will be coherent with the goals of the CMU, and will increase the size and the attractiveness of the EU capital markets as a whole. For this reason, an opt-in provision is inserted, should smaller regulated markets voluntarily decide to participate to the mandatory contribution scheme.

Amendment 56

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22a – paragraph 3

Text proposed by the Commission	*Amendment*
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 either directly or through an APA.	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 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.

Or. en

Justification

Transactions to the CTP should only be reported by an APA to avoid double reporting. Pre-trade data, however, can also be communicated by investment firms directly.

Amendment 57

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22a – paragraph 4

Text proposed by the Commission	*Amendment*
4. Market data contributors shall not receive any remuneration for the market data provided other than the revenue sharing as referred to in Article ***27da(2), point (c)***.	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)***.

Or. en

Amendment 58

Proposal for a regulation
Article 1 – paragraph 10

Regulation (EU) No 600/2014
Article 22a – paragraph 5

Text proposed by the Commission	*Amendment*
5. Market data contributors shall provide the information ***with regard to waivers and*** deferrals as laid down in Articles ***4, 7, 11, 14***, 20 and 21.	5. Market data contributors shall provide the information ***respecting the*** deferrals as laid down in Articles ***7, 11***, 20 and 21.

Or. en

Amendment 59

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22b - paragraph 1

Text proposed by the Commission	*Amendment*
1. The Commission shall set up an expert stakeholder group by [OP add 3 months as of entry into force] to provide advice on the quality and the substance of ***market data, the common interpretation of*** market data and the quality of the transmission protocol referred to in Article 22a(1). The expert stakeholder group shall provide advice on a yearly basis. That advice shall be made public.	1. The Commission shall set up an expert stakeholder group by [OP add 3 months as of entry into force] 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). The expert stakeholder group shall provide advice on a yearly basis ***through a dedicated report***. That advice shall be made public.

Or. en

Justification

Limit the scope of the Commission's market data expert group, which should only provide advice on the consolidated tape output as to ensure that the CT is effective and its value for EU market participants is maximised. The expert group should not be providing advice on market data interpretation or market data standards beyond the scope of the CT output, which should be left to ESMA.

Amendment 60

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22b (new) – paragraph 2 – subparagraph 1

Text proposed by the Commission	*Amendment*
2. ***The Commission*** shall ***be empowered to adopt delegated acts in accordance with Article 50*** to specify the quality and the substance of the market data and the quality of the transmission protocol.	2. ***ESMA*** shall ***develop draft regulatory technical standards*** to specify the quality and the substance of the ***core*** market data and the quality of the transmission protocol.

Or. en

Justification

Empowers ESMA to adopt RTS with respect to the CT input and output. ESMA should remain in charge of setting data standards, in order to avoid contradicting indications and practices and to ensure that indications to market participants are clear and coherent. As the CT is prevalently a tool for market participants, the objective of the RTS should be to minimise disruptions in the market, and to ensure that the substance and the format of market data for the CTP is readily usable, and that the CT output is intelligible for all market participants.

Amendment 61

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22b (new) – paragraph 2 – subparagraph 2 – introductory part

Text proposed by the Commission	*Amendment*
Those ***delegated acts*** shall in particular specify all of the following:	Those ***draft regulatory technical standards*** shall in particular specify all of the following:

Or. en

Justification

See justification of previous amendment.

Amendment 62

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22b (new) – paragraph 2 – subparagraph 2 – point a

Text proposed by the Commission	*Amendment*
(a) the market data**,** contributors need to provide to the CTP in order to produce the core market data needed for the CTP to be operational, including the substance and the format of those market data***;***	(a) the market data contributors need to provide to the CTP in order to produce the core market data needed for the CTP to be operational, including the substance and the format of those market data***, in accordance with prevailing industry standards and practices***

Or. en

Justification

See justification of previous amendment.

Amendment 63

Proposal for a regulation
Article 1 – paragraph 10
Regulation (EU) No 600/2014
Article 22b (new) – paragraph 2 – subparagraph 3

Text proposed by the Commission	*Amendment*
For the purposes of the first subparagraph, ***the Commission*** shall take into account the advice ***from ESMA and*** from the technical expert group established in accordance with paragraph ***2***, international developments**,** and standards agreed at Union or international level. ***The Commission*** shall ensure that the ***delegated acts*** adopted take into account the reporting requirements laid down in Articles 3, 6, ***8, 10, 14, 18,*** 20, 21 and 27g.	For the purposes of the first subparagraph, ***ESMA*** shall take into account the advice from the technical expert group established in accordance with paragraph ***1***, ***and shall take into account*** international developments and standards agreed at Union or international level. ***ESMA*** shall ensure that the ***draft regulatory technical standards*** adopted take into account the reporting requirements laid down in Articles 3, 6, ***10, 14,*** 20, 21**,** ***22, 26, 27*** and 27g. ***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.

Or. en

Justification

See justification of previous amendment.

Amendment 64

Proposal for a regulation
Article 1 – paragraph 11
Regulation (EU) No 600/2014
Article 23 – paragraph 1– subparagraph 2

Text proposed by the Commission	*Amendment*
ESMA shall publish a list on its website containing the shares with an EEA ISIN subject to the share trading obligation and shall update that list regularly.;	***deleted***

Or. en

Justification

The use of ISIN to define the scope of the STO is self-explanatory, since the first letters of the ISIN are enough to identify EEA ISINs. It thus does not need to be further specified in a list which would mainly create administrative work and additional efforts for ESMA and for market participants that will have to check the list and integrate it in their trading system before trading.

Amendment 65

Proposal for a regulation
Article 1 – paragraph 11 a (new)
Regulation (EU) No 600/2014
Article 25 – paragraph 2

Present text	*Amendment*
	(11a) in Article 25, paragraph 2 is replaced by the following:
2. The operator of a trading venue	***'***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. 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.	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.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Standardisation of order data would be beneficial for NCAs, that could (a) more easily analyse order data requested to any trading venue in the EU, thereby contributing to a more effective markets surveillance ; (b) allow trading venues to use the same recording and reporting system with any NCA in the EU, avoiding costs linked to compliance with diverging national standards, and (c) align the standardisation of order book data to that of transaction data, thereby ensuring a more consistent treatment of the two categories.

Amendment 66

Proposal for a regulation
Article 1 – paragraph 11 b (new)
Regulation (EU) No 600/2014
Article 25 – paragraph 3 – subparagraph 1

Present text	*Amendment*
	(11b) in Article 25, paragraph 3, the first subparagraph is replaced by the following:
3. ESMA shall develop draft regulatory technical standards to specify the details of the relevant order data	***'***3. ESMA shall develop draft regulatory technical standards to specify the details ***and formats*** of the relevant

required to be maintained under paragraph 2 of this Article that is not referred to in Article 26.	order data required to be maintained under paragraph 2 of this Article that is not referred to in Article 26.**'**

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Same as previous amendment.

Amendment 67

Proposal for a regulation
Article 1 – paragraph 11 c (new)
Regulation (EU) No 600/2014
Article 26 – paragraph 1

Present text	*Amendment*
	(11c) 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.	**'**1. Investment firms***, AIFMs as defined in Article 4b of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, and UCITS managers, as defined in Article 2.1b of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), providing services defined under Article 4(2) of Directive 2014/65/EU on markets in financial instruments,*** 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	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 ***the most*** relevant ***market in terms of liquidity for those financial instruments*** also receives that information.	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 receives that information.
The competent authorities shall ***without undue delay make available to ESMA any*** information ***reported in accordance with this Article***.	The competent authorities shall ***establish the necessary arrangements in order to ensure that the*** information ***can be shared with other competent authorities upon request.'***;

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Ensuring a level playing field between the AIFM/UCITS firms based in jurisdictions with local requirements to obtain the relevant information for market abuse purposes and those based in the jurisdictions where such requirements are not in place. It will also ensure a level playing field among the MiFID Investment Firms and AIFM/UCITS management companies providing one or more MiFID services to third parties; especially since a move from operating under a MiFID Investment Firm license to being licensed under AIFMD or UCITS Directive has been observed by some NCAs. Also addresses the fact that the current MiFIR provisions do not allow for a broad exchange of MiFIR transaction data among NCAs because data can only be exchanged with the competent authority "of the most relevant market in terms of liquidity". Such a narrow reference does not allow for an exchange that adequately reflect NCAs' evolving supervisory needs to monitor the most recent market developments. In line with the principles outlined in the Commission data strategy to maximise the potential usage of transaction reporting for all suitable purposes and avoid duplication of reporting flows. Amendment permits NCAs to share transaction reports for wider purposes.

Amendment 68

Proposal for a regulation
Article 1 – paragraph 11 d (new)
Regulation (EU) No 600/2014
Article 26 – paragraph 2

Present text	*Amendment*
	(11d) in Article 26, paragraph 2 is replaced by the following:

2. The obligation laid down in paragraph 1 shall apply to:	***'***2. 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;	(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; ***and***	(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.	(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.
The obligation shall apply to transactions in financial instruments referred to in points (a) to (c) irrespective of whether or not such transactions are carried out on the trading venue.	The obligation shall apply to transactions in financial instruments referred to in points (a) to (c) irrespective of whether or not such transactions are carried out on the trading venue.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Transaction reporting amendments to accommodate new scope OTC reporting of derivatives. The ToTV criterion is kept here in addition to the new scope for OTC transactions because there is a Market Abuse element to transaction reporting which requires full information of everything related to trading venues.

Amendment 69

Proposal for a regulation
Article 1 – paragraph 11 e (new)
Regulation (EU) No 600/2014
Article 26 – paragraph 3

Present text	*Amendment*
	(11e) 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 ***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, means of identifying the investment firms concerned, ***and a designation to identify a short sale as defined in Article 2(1)(b) of Regulation (EU) No 236/2012 in respect of any shares and sovereign debt within the scope of Articles 12, 13 and 17 of that Regulation***. 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.	‘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, 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.***’;***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Proposal aims to ensure consistency with revised EMIR TS

Amendment 70

Proposal for a regulation
Article 1 – paragraph 11 f (new)

Regulation (EU) No 600/2014
Article 26 – paragraph 5

Present text	*Amendment*
	(11f) 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 ***a firm which is*** not subject to this Regulation in accordance with paragraphs 1 and 3.	***'***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.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

The term 'any member, participant or user' is more precise than the term 'firm' and would clearly encompass any entity that executes transaction on trading venues. This approach: (i) ensures that the information on the trading activity on a given trading venue is complete and consistent with the information provided by other trading venues (ii) ensures a better alignment with the order record keeping requirements under Article 25 of MiFIR (iii) will have a positive impact on the application of reporting rules under the DLT Pilot regime

Amendment 71

Proposal for a regulation
Article 1 – paragraph 11 g (new)
Regulation (EU) No 600/2014
Article 26 – paragraph 6 – subparagraph 1

Present text	*Amendment*
	(11g) in Article 26, paragraph 6, the first subparagraph is replaced by the following:
6. In reporting the designation to identify the clients as required under paragraphs 3 and 4, investment firms shall use a legal entity identifier established to identify ***clients*** that are legal ***persons***.	***'***6. 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****.';*

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Explicits that the obligation to use the LEI applies to all entities that are eligible for the LEI regardless of their legal status and the way in which they are financed, and is in line with ESMA MiFIR review report on transaction reporting and the commission's FAQ on EMIR. Market participants would incur an initial cost for collecting from their systems the information on client category and adapting the reporting scheme, but this cost would be lower than the set-up of a specific new reporting system to provide this information to their NCA.

Amendment 72

Proposal for a regulation
Article 1 – paragraph 12
Regulation (EU) No 600/2014
Article 26 – paragraph 9

Text proposed by the Commission	*Amendment*
(12) Article 26(9) is amended as follows:	***deleted***
(a) the following point (j) is added:	
'(j) the date by which transactions are to be reported.';	
(b) the following subparagraph is inserted after the first subparagraph:	
'When drafting those regulatory technical standards, ESMA shall take into account international developments and standards agreed upon at Union or global level, and their consistency with the reporting requirements laid down in Regulation (EU) 2019/834 and Regulation (EU) 2015/2365.';	

Or. en

Amendment 73

Proposal for a regulation
Article 1 – paragraph 12 a (new)
Regulation (EU) No 600/2014
Article 26 – paragraph 9

Present text	*Amendment*
	(12a) in Article 26, paragraph 9 is replaced by the following:
9. ESMA shall develop draft regulatory technical standards to specify:	***'***9. ESMA shall develop draft regulatory technical standards to specify:
(a) data standards and formats for the information to be reported in accordance with paragraphs 1 and 3, including the methods and arrangements for reporting financial transactions and the form and content of such reports;	(a) data standards and formats for the information to be reported in accordance with paragraphs 1 and 3, including the methods and arrangements for reporting financial transactions and the form and content of such reports;
(b) the criteria for defining a relevant market in accordance with paragraph 1;	(b) the criteria for defining a relevant market in accordance with paragraph 1;
(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; ***and***	(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;
(d) the designation to identify short sales of shares and sovereign debt as	

referred to in paragraph 3;

(e) the relevant categories of ***financial instrument*** to be reported in accordance with paragraph 2;	(e) the relevant categories of ***indices*** to be reported in accordance with paragraph 2;
(f) the conditions upon which legal entity identifiers are developed, attributed and maintained, by Member States in accordance with paragraph 6, and the conditions under which those legal entity identifiers are used by investment firms so as to provide, pursuant to paragraphs 3, 4 and 5, for the designation to identify the clients in the transaction reports they are required to establish pursuant to paragraph 1;	(f) the conditions upon which legal entity identifiers are developed, attributed and maintained, by Member States in accordance with paragraph 6, and the conditions under which those legal entity identifiers are used by investment firms so as to provide, pursuant to paragraphs 3, 4 and 5, for the designation to identify the clients in the transaction reports they are required to establish pursuant to paragraph 1;
(g) the application of transaction reporting obligations to branches of investment firms;	(g) the application of transaction reporting obligations to branches of investment firms;
(h) what constitutes a transaction and execution of a transaction for the purposes of this Article***.***	(h) what constitutes a transaction and execution of a transaction for the purposes of this Article***;***
(i) when an investment firm is deemed to have transmitted an order for the purposes of paragraph 4.	(i) when an investment firm is deemed to have transmitted an order for the purposes of paragraph 4***;***
	(ia) the conditions for linking specific transactions and the means of the identification of aggregated orders resulting in the execution of a transaction;
	(ib) the date by which transactions are to be reported.
ESMA shall submit those draft regulatory technical standards to the Commission by ***3 July 2015***.	ESMA shall submit those draft regulatory technical standards to the Commission by ***... [three months after the date of entry into force of this amending Regulation]***.
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.	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.***';***

Or. en

(02014R0600-20220101)

Amendment 74

Proposal for a regulation
Article 1 – paragraph 14 a (new)
Regulation (EU) No 600/2014
Article 27d

Present text	*Amendment*
	(14a) Article 27d is amended as follows:
	(a) the title is replaced by the following:
Article 27d	***'***Article 27d
Procedures for granting and refusing applications for authorisation	Procedures for granting and refusing applications for authorisation ***for ARMs and APAs';***
	(b) paragraph 1 is replaced by the following:
1. The applicant ***data reporting services provider*** shall submit an application providing all information necessary to enable ESMA, or the national competent authority where relevant, to confirm that the ***data reporting services provider*** 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***.***	***'***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.***';***
	(c) paragraph 3 is replaced by the following:
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 ***data reporting services provider*** with this Title. It shall adopt a fully reasoned decision granting or refusing authorisation and shall notify the applicant ***data service provider*** accordingly within five working days.	***'***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***.';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

The scope of this Article should be limited to ARM and APAs, to align with the proposal to cover the authorisation procedure for CTPs in Article 27db.

Amendment 75

Proposal for a regulation
Article 1 – paragraph 15
Regulation (EU) No 600/2014
Article 27d a (new)

Text proposed by the Commission	*Amendment*
	(15) the following Article is inserted:
Article 27da	***'****Article 27da*
Selection process for the ***authorisation*** **of** ***a single*** consolidated tape ***provider for each asset class***	***Process for the selection of*** consolidated tape ***providers***
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 each ***of the following asset classes: shares, exchange traded funds, bonds and derivatives (or relevant subclasses of derivatives)***.	1. ***By ... [three months after the date of entry into force of the delegated act under Article22b(2)],*** 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 each asset ***class prioritising bonds and shares and ETFs over 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 ***assess the applications*** on the basis of the following criteria:	***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;	(a) the technical ability of the ***applicant*** 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;	(b) the capacity of the ***applicant*** 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, up to the first five layers of the orders book, and post-trade data for ETFs, bonds and derivatives;
(c) the governance structure of the ***applicants***;	(c) ***the adequacy of*** the governance structure of the ***applicant***;
(d) the speed at which the ***applicants*** can disseminate core market data;	(d) ***the adequacy of*** the speed at which the ***applicant*** can disseminate core market data;
(e) ***the capacity of the applicants to disseminate good quality*** data;	(e) ***the appropriateness of the applicant's methods and arrangements to ensure*** data ***quality***;
(f) ***the*** total expenditure needed by the ***applicants*** to develop the consolidated tape and the costs of operating the consolidated tape on an ongoing basis;	(f) ***the reasonable level of*** total expenditure needed by the ***applicant*** 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***;***	(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, as well as its fee and licensing models;***
(h) the possibility of the ***applicants*** to use modern interface technologies for the provision of the core market data and for connectivity;	(h) the possibility of the ***applicant*** to use modern interface technologies for the provision of the core market data and for connectivity;
(i) ***the storage medium the applicants will use for the storage of historic data;***	(i) ***the appropriateness of the arrangements in place to preserve records for the purposed of Article 27ha(3)***
(j) ***the protocols the applicants will use to prevent and address outages.***	(j) ***the ability to ensure regularity resilience and business continuity ;***
3. ***The first selection procedure organised for shares shall only invite bids for the provision of a consolidated tape containing post trade data. Prior to subsequent selection procedures, ESMA shall assess market demand and revenue impacts on regulated markets and based on that assessment, report to the Commission on the opportunity of adding best bids and offers and corresponding volumes to the tape. Based on that report and on the experience gained further to***	3. ***The selection of the CTP for shares and ETFs shall, in addition to the criteria in paragraph 2 of this Article, consider the revenue redistribution scheme, and in particular the formula, applicable to smaller regulated markets that decide to voluntarily opt in to the mandatory contribution of market data, in accordance with Article 22a(2b). This revenue shall be distributed in accordance with Article 27h(1)(c), and in a manner commensurate to the level of contribution***

the first selection procedure, the Commission is empowered to adopt a delegated act specifying the appropriate level of pre-trade data to be contributed to the CTP.	***to the price formation process of market data contributed in accordance with Article 22a.***
4. ***The selection of the CTP for shares shall, in addition to the criteria in paragraph 2, consider the revenue participation scheme, and in particular the formula, applicable to regulated markets that are market data contributors. ESMA shall, when considering the competing tenders, select the CTP for shares that offers the revenue participation scheme that provides regulated markets, in particular smaller regulated markets, with the highest amount of revenue that remains for distribution once deducted operating costs and a reasonable margin. This revenue shall be distributed in accordance with Article 27h(1)(c), and in a manner commensurate to the market data contributed according to Article 22a.***	4. ***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 within six months from the initiation of the selection procedure referred to in paragraph 1.***
	(Restructuring of Article compared to the Commission proposal - in light of inclusion of Article 27db.)

Or. en

Amendment 76

Proposal for a regulation
Article 1 – paragraph 15 a (new)
Regulation (EU) No 600/2014
Article 27d b (new)

Present text	*Amendment*
	(15a) the following Article is inserted:
	'Article 27db
	Authorisation process of consolidated tape providers
	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 data reporting services provider 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 CTP with this Title. It shall adopt a fully reasoned decision granting or refusing authorisation and shall notify the applicant CTP accordingly within five working days. 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) and, for shares, the level of the participation as referred to in paragraph 4 of that Article.';

Or. en

Justification

Include a new, specific article on CTP authorisation. The procedure is in line with the authorisations of any market infrastructure and it is necessary to distinguish the selection procedure from the authorisation one to avoid: 1) CTP to sustain all compliance costs without been selected; 2) ESMA to authorise a CTP without assessing its compliance.This includes provision moved from Article 27 da, and others in line from Article 27c, but adapted to CTPs.

Amendment 77

Proposal for a regulation
Article 1 – paragraph 15 b (new)

Regulation (EU) No 600/2014
Article 27e – paragraph 2 a (new)

Text proposed by the Commission	*Amendment*
	(15b) In Article 27e, the following paragraph is inserted:
	'2a. A DRSP from which registration has been withdrawn shall ensure orderly substitution, including the transfer of data to other DRSPs, the due notice to its clients and the redirection of reporting flows to other DRSP prior to the withdrawal.';

Or. en

Justification

EMIR provides that TRs for which authorisation is withdrawn shall orderly transfer their data to the other TRs, to avoid major data quality disruptions which may be caused by data loss or duplication.There is currently no equivalent provision for ARMs, and we would suggest introducing it.This would ensure alignment with EMIR and SFTR and preserve data quality in case of ARMs ceasing to provide the service.

Amendment 78

Proposal for a regulation
Article 1 – paragraph 15 c (new)
Regulation (EU) No 600/2014
Article 27f

Present text	*Amendment*
	(15c) Article 27f is replaced by the following:
1. The management body of a data reporting services provider shall at all times be of sufficiently good repute, possess sufficient knowledge, skills and experience and commit sufficient time to perform their duties.	**'**1. The management body of a data reporting services provider shall at all times be of sufficiently good repute, possess sufficient knowledge, skills and experience and commit sufficient time to perform their duties.
The management body shall possess adequate collective knowledge, skills and experience to be able to understand the activities of the data reporting services	The management body shall possess adequate collective knowledge, skills and experience to be able to understand the activities of the data reporting services

provider. Each member of the management body shall act with honesty, integrity and independence of mind to effectively challenge the decisions of the senior management where necessary and to effectively oversee and monitor management decision-making where necessary.

Where a market operator seeks authorisation to operate an APA***, a CTP*** or an ARM pursuant to Article ***27d*** and the members of the management body of the APA, ***the CTP*** 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.

2. A data reporting services provider shall notify to ESMA, or the national competent authority where relevant, the names of all members of its management body and any changes to its membership, along with all information needed to assess whether the entity complies with paragraph 1.

3. The management body of a data reporting services provider shall define and oversee the implementation of the governance arrangements that ensure effective and prudent management of an organisation, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interest of its clients.

4. ESMA, or the national competent authority where relevant, shall refuse 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

provider. Each member of the management body shall act with honesty, integrity and independence of mind to effectively challenge the decisions of the senior management where necessary and to effectively oversee and monitor management decision-making where necessary.

Where a market operator seeks authorisation to operate an APA or an ARM pursuant to Article ***27c if it fulfils the criteria for derogation of ESMA supervision*** and 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.

2. A data reporting services provider shall notify to ESMA, or the national competent authority where relevant, the names of all members of its management body and any changes to its membership, along with all information needed to assess whether the entity complies with paragraph 1.

3. The management body of a data reporting services provider shall define and oversee the implementation of the governance arrangements that ensure effective and prudent management of an organisation, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interest of its clients.

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

threat to its sound and prudent management and to the adequate consideration of the interest of its clients and the integrity of the market.	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.
	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 service 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 APA shall be cost-related.
	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.
5. ESMA shall develop draft regulatory technical standards by 1 January 2021 for the assessment of the suitability of the members of the management body described in paragraph 1, taking into account different roles and functions carried out by them and the need to avoid conflicts of interest between members of the management body and users of the APA, CTP or ARM.	5. ESMA shall develop draft regulatory technical standards by 1 January 2021 for the assessment of the suitability of the members of the management body described in paragraph 1, taking into account different roles and functions carried out by them and the need to avoid conflicts of interest between members of the management body and users of the APA, CTP or ARM
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.	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.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Changes to paragraph 1 in order to guarantee a proper supervision by ESMA of the conditions of authorisation, a clarification is needed that this paragraph only applies to DRSPs that are subject to the national supervision.Changes to paragraph 4 to include the possibility of the withdrawal of the authorisation for two reasons: later in the paragraph the article refers to changes in the management body, meaning that the DRSP is already authorised. Secondly, it is in line with the supervision of TRs and given the fact that DRSPs under ESMA supervision are already authorised it would create a double standard of enforcement. Article 27e 1(c) already provides for this possibilityInsertion of 5a and 5b to reflect that having access to an APA and to an ARM is a necessary condition for counterparties to fulfil MiFIR transparency obligations. Considering that the data reporting market is small, not very competitive and prone to consolidation, there is a risk for the establishment of an oligopoly. Subjecting access to APAs and ARMs to "FRAND" conditions is therefore necessariy, as it is already foreseen for TRs.

Amendment 79

Proposal for a regulation
Article 1 – paragraph 16
Regulation (EU) No 600/2014
Article 27h – paragraph 1 – point c

Text proposed by the Commission	*Amendment*
(c) in the case of market data concerning shares, redistribute part of their revenues for the purposes of covering the cost related to mandatory contribution ***and of ensuring a fair level of participation for regulated markets, and in particular smaller regulated markets, in the revenue generated by the consolidated tape***, in accordance with Article 27da(4);	(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, in accordance with Article 27da(4)***. The level of revenue redistributed to each market data contributor shall be proportional to the contribution to the price formation process of the data provided to the CTP by that market data contributor. Revenue generated from the pre-trade and post-trade consolidated data streams shall be redistributed exclusively to the contributors to a given data stream***;

Or. en

Justification

Aligning provision with contribution mechanism detailed in Art. 27da(4), and ensuring that pre-trade transparent data are assigned a higher value in the revenue redistribution mechanism, to better reflect the (higher) value of their contribution to the price formation

process. This should lead to proportionally redistributing more revenues to lit venues. Contrary to the COM proposal however, the redistribution mechanism should only cover the costs faced by market data contributors.

Amendment 80

Proposal for a regulation
Article 1 – paragraph 16
Regulation (EU) No 600/2014
Article 27h – paragraph 1 – point c a (new)

Text proposed by the Commission	*Amendment*
	(ca) in case of market data concerning asset classes other than shares and ETFs, be allowed to redistribute part of the revenue to reward the quality and timeliness of data contributions;

Or. en

Justification

Introducing the possibility - on a non-mandatory basis - for CTPs in non-equities to redistribute part of their revenues to create a 'virtuous' mechanism in relation to the market data they receive. This, together with amendments related to transaction reporting, SI regime and data quality, is expected to contribute to improvements in the non-equity space, where the data are reportedly opaque and difficult to navigate.

Amendment 81

Proposal for a regulation
Article 1 – paragraph 16
Regulation (EU) No 600/2014
Article 27h – paragraph 1– point e

Text proposed by the Commission	*Amendment*
(e) ensure that the publication of the core market data complies with the applicable waivers and deferrals in Articles 4, 7, 11, 14, 20 and 21;	***deleted***

Or. en

Justification

The responsibility to apply waivers and deferrals should not be given to the CTP, but remain with trading venues, APAs and SIs according to the Articles of this Regulation . However, once the CTPs are fully operational, an expansion in the scope of their responsibility to include the application of waivers and deferrals could be considered.

Amendment 82

Proposal for a regulation
Article 1 – paragraph 16
Regulation (EU) No 600/2014
Article 27h – paragraph 1 – point f a (new)

Text proposed by the Commission	*Amendment*
	(fa) 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.

Or. en

Justification

Requirement added to ensure consistency with the analogous APA requirement.

Amendment 83

Proposal for a regulation
Article 1 – paragraph 16
Regulation (EU) No 600/2014
Article 27h – paragraph 1 – subparagraph 2

Text proposed by the Commission	*Amendment*
For the purpose of establishing the ***participation*** in point (c), the revenue of the CTP ***shall be allocated among regulated markets*** according to a formula that reflects the proportion of pre-trade transparent liquidity in shares displayed by ***a*** regulated market relative to the average daily turnover in these shares in the Union.	For the purpose of establishing the ***revenue redistribution*** in point (c) of this paragraph, ***smaller regulated markets opting in to the mandatory contribution of market data to the CTP, in accordance with Article 22a(2b), shall be allocated a higher share of*** the revenue of the CTP***,*** according to a formula that reflects the proportion of pre-trade transparent

liquidity in shares displayed by ***that*** regulated market relative to the average daily turnover in these shares in the Union.

Or. en

Justification

Share of revenue redistributed to small regulated markets that decide to opt-in the CT should be higher than that allocated to other market data contributors (i.e. should not only be covering the costs for producing and 'sending' the market data, but also a little extra). The goal of this provision is to create an incentive for smaller regulated markets to be included in the CT. Smaller regulated markets would benefit from an inclusion in the CT, i.e. increase in their relative market share, overall attractiveness for investor, bigger flow of capitals - in line with the CMU objectives.

Amendment 84

Proposal for a regulation
Article 1 – paragraph 16
Regulation (EU) No 600/2014
Article 27h – paragraph 4

Text proposed by the Commission	*Amendment*
4. After ***12*** months of full operation of the CTP for shares, ESMA shall provide the Commission with a motivated opinion on the effectiveness and fairness of the level of participation of regulated markets 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.	4. After ***24*** months of full operation of the CTP for shares ***and ETF***, ESMA shall provide the Commission with a motivated opinion on the effectiveness and fairness of the level of participation of ***smaller*** regulated markets ***that decided to opt in the mandatory contribution of market data, in accordance with Article 22a(2b),*** in the revenues generated by the CTP as set out in accordance with the second subparagraph of paragraph 1 ***of this Article***. 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.

Or. en

Justification

The CT should be operation for more than a year in porder for ESMA to be able to provide a first reliable assessment of the marekt impact of the CT. ESMA shoud in partocular assess whether the revenue redistribution scheme has proved effective in pulling smaller regulated markets towards the CT and whether for those that opted-in there were tanhible benefits. Sghould it be demonstrated that the overall effect of the inclusion of smaller regulated markets were positive, the COM may want to consider removing the exemptions provided under Article 22b(2ab)

Amendment 85

Proposal for a regulation
Article 1 – paragraph 17 a (new)
Regulation (EU) No 600/2014
Article 27i – paragraphs 4a and 4b (new)

Text proposed by the Commission	*Amendment*
	(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 subject to the reporting obligation set out in Article 26.
	An ARM shall publicly disclose the prices and fees related to the 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.';

Or. en

Justification

FRAND and record keeping requirements for ARMs - in line with previous amendments on 27f

Amendment 86

Proposal for a regulation
Article 1 – paragraph 19 – introductory part
Regulation (EU) No 600/2014
Article 32

Text proposed by the Commission	*Amendment*
(19) in Article 32, the following paragraphs 7, 8 and 9 are added:	(19) in Article 32, the following paragraphs 7, ***7a,*** 8 and 9 are added:

Or. en

Amendment 87

Proposal for a regulation
Article 1 – paragraph 19
Regulation (EU) No 600/2014
Article 32 – paragraph 7 a (new)

Text proposed by the Commission	*Amendment*
	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) of this Regulation 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 10. It 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.

Or. en

Justification

Adding a stand-alone suspension option for the DTO, i.e. independent of a suspension of the clearing obligation, in order for ESMA to have the necessary tool at hand in scenarios where it may be necessary to suspend the DTO but not the clearing obligation.This mechanism would allow to suspend, independently from the CO, the DTO for certain or all derivatives and based on criteria which would be more flexible than what currently feature in Article 32a. This proposal was strongly supported by market stakeholders.

Amendment 88

Proposal for a regulation
Article 1 – paragraph 19
Regulation (EU) No 600/2014
Article 32 – paragraph 8

Text proposed by the Commission	*Amendment*
8. The request referred to in ***paragraph*** 7 shall not be made public.	8. The request referred to in ***paragraphs*** 7 ***and 7a*** shall not be made public.

Or. en

Amendment 89

Proposal for a regulation
Article 1 – paragraph 19
Regulation (EU) No 600/2014
Article 32 – paragraph 9

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

Or. en

Amendment 90

Proposal for a regulation
Article 1 – paragraph 20
Regulation (EU) No 600/2014
Article 32a (new) – title

Text proposed by the Commission	*Amendment*
Article 32a	Article 32a
Stand-alone suspension of the trading obligation	Suspension of the trading obligation

Or. en

Amendment 91

Proposal for a regulation
Article 1 – paragraph 20
Regulation (EU) No 600/2014
Article 32a – paragraph 1 – point c a (new)

Text proposed by the Commission	*Amendment*
	(ca) regularly trades derivatives subject to the derivatives trading obligation with non-EEA market makers which have no active membership on a Union-based organised trading facility that offers trading between investment firms that act as market makers in the derivative subject to the trading obligation.

Or. en

Justification

The COM proposal addresses the impact of the dealer-to-customer market by allowing for the temporary suspension when receiving client quotes from counterparties with no active

membership on an EU trading venue. However, this solution does not address the dealer-to-dealer market for CDS in Europe. Introducing the possibility of suspensions for dealer-to-dealer platforms ensures that EU firms can easily use EU clearing services on the CDS markets, directly supporting the EU agenda to support the competitiveness of EU CCPs and clearing in the EU.

Amendment 92

Proposal for a regulation
Article 1 – paragraph 20
Regulation (EU) No 600/2014
Article 32a – paragraph 2

Text proposed by the Commission	*Amendment*
2. When assessing whether to suspend the trading obligation in accordance with paragraph ***1***, the Commission 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.	2. When assessing whether to suspend the ***derivatives*** trading obligation in accordance with paragraph ***1(a) to (c) of this Article***, the Commission 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.
	When assessing whether to suspend the derivatives trading obligation in accordance with paragraph 1(d) of this Article, the Commission shall ensure that investment firms benefitting from the suspension clear these derivatives in a central counterparty authorised in accordance with Regulation (EU) 2012/648.
	The Commission shall also contact 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 or States. Member States that did not file a request pursuant to paragraph 1 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 of States are

added to the implementing act. The competent authority of the Member State or States making that request shall indicate and demonstrate why it considers that the conditions for a suspension are also met.

Or. en

Justification

Ensuring alignment with the clearing obligation and taking into account the wish expressed by several market participants to allow for a European mechanism ensuring that, once a MS requests a suspension of the DTO, all EU firms in a similar situation can also benefit from the exemption. The proposed amendment will avoid introducing unequal treatment between investment firms affected by a potential targeted suspension of the DTO while maintaining a thorough review process by relevant public authorities.

Amendment 93

Proposal for a regulation
Article 1 – paragraph 20
Regulation (EU) No 600/2014
Article 32a – paragraph 5

Text proposed by the Commission	*Amendment*
5. The Commission shall regularly review whether the grounds for the suspension of the trading obligation continue to apply.’;	5. The Commission shall regularly review whether the grounds for the suspension of the ***derivatives*** trading obligation continue to apply.’;

Or. en

Amendment 94

Proposal for a regulation
Article 1 – paragraph 21 – point b a (new)
Regulation (EU) 600/2014
Article 35 – paragraph 4

Present text	*Amendment*
	(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*:*

‘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.***

(a) would not require an interoperability arrangement, in the case of derivatives that are not OTC derivatives pursuant to Article 2(7) of Regulation (EU) No 648/2012; or

(b) would not threaten the smooth and orderly functioning of the markets, in particular due to liquidity fragmentation, or would not adversely affect systemic risk.

Nothing in point (a) of the first subparagraph shall prevent access being granted where the request referred to in paragraph 2 requires interoperability and the trading venue and all CCPs party to the proposed interoperability arrangement have consented to the arrangement and the risks to which the incumbent CCP is exposed to arising from inter-CCP positions are collateralised at a third party.

Where the need for an interoperability arrangement is the reason or is part of the reason for denying a request, the trading venue will advise the CCP and inform ESMA which other CCPs have access to the trading venue and ESMA will publish that information so that investment firms may choose to exercise their rights under Article 37 of Directive 2014/65/EU in respect of those CCPs in order to facilitate alternative access arrangements.

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

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.	on which the decision is based.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Deleted parts of paragraph 4 since ETDs would no longer be covered and the provisions would then no longer be relevant. Also outlining a more explicit process for granting access by NCAs. Currently, the absence of a refusal of access is used as a basis for granting access, but this is rather implicit and created quite a lot of uncertainty.

Amendment 95

Proposal for a regulation
Article 1 – paragraph 22 – point b a (new)
Regulation (EU) No 600/2014
Article 36 – paragraph 4

Present text	*Amendment*
	(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***:***	'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 the trading venue has put in place adequate mechanisms to prevent such fragmentation, or would not adversely affect systemic risk.***
(a) would not require an interoperability arrangement, in the case of derivatives that are not OTC derivatives pursuant to Article 2(7) of Regulation (EU) No 648/2012; or	
(b) would not threaten the smooth and orderly functioning of the markets, in particular due to liquidity fragmentation and the trading venue has put in place adequate mechanisms to prevent such fragmentation, or would not adversely affect systemic risk.	

Nothing in point (a) of the first subparagraph shall prevent access being granted where the request referred to in paragraph 2 requires interoperability and the trading venue and all CCPs party to the proposed interoperability arrangement have consented to the arrangement and the risks to which the incumbent CCP is exposed to arising from inter-CCP positions are collateralised at a third party.	
Where the need for an interoperability arrangement is the reason or is part of the reason for denying a request, the trading venue will advise the CCP and inform ESMA which other CCPs have access to the trading venue and ESMA will publish that information so that investment firms may choose to exercise their rights under Article 37 of Directive 2014/65/EU in respect of those CCPs in order to facilitate alternative access arrangements.	
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.	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.***';***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0600-20220101)

Justification

Same as previous amendment.

Amendment 96

Proposal for a regulation
Article 1 – paragraph 24
Regulation (EU) No 600/2014
Article 38g – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
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 22a, ***Article*** 22b, or Title IVa, it shall take one or more of the following actions:	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, 22b ***or 26***, or Title IVa, it shall take one or more of the following actions:

Or. en

Justification

The reference to Title IVa only allows sanctioning violations of DRSP's organisational requirements, and leaves outside some other provisions, such as Articles 20, 21 and 22 setting forth the APA publication and reporting requirements.Amendment includes reference to any of the requirements laid down in this regulation.It should be considered in the negotiations that the lack of an explicit definition of infringements may expose ESMA to legal challenges when imposing sanctions. For this reason, the insertion of a lost of infringements may be warranted.

Amendment 97

Proposal for a regulation
Article 1 – paragraph 25
Regulation (EU) No 600/2014
Article 38h – paragraph 1 – subparagraph 1

Text proposed by the Commission	*Amendment*
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 22a, ***Article*** 22b, or in Title IVa, it shall adopt a decision imposing a fine in accordance with paragraph 2 of this Article.	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, 22b ***or 26,*** or in Title IVa, it shall adopt a decision imposing a fine in accordance with paragraph 2 of this Article.

Or. en

Justification

Same as previous amendment.

Amendment 98

Proposal for a regulation
Article 1 – paragraph 26
Regulation (EU) No 600/2014
Article 39a – title

Text proposed by the Commission	*Amendment*
Article 39a	Article 39a
Ban on payment for forwarding client orders ***for execution***	***Rules on execution and*** forwarding ***of retail*** client orders

Or. en

Amendment 99

Proposal for a regulation
Article 1 – paragraph 26
Regulation (EU) No 600/2014
Article 39a – paragraph 1

Text proposed by the Commission	*Amendment*
	-1. Investment firms executing orders on behalf of a retail client shall take all necessary steps to obtain the best possible price for their clients, net of costs relating to execution, which shall include all expenses directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
1. 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 ***such*** third party for their execution.***;***	***1.*** 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.
	1a. The Commission shall adopt a delegated act in accordance with Article 50 by ... [12 months after the date of entry into force of this amending Regulation] to specify the market practices falling under

	the provision of the first subparagraph of this Article. The Commission shall regularly update that delegated act to account for the development of new market practices.

Or. en

Justification

The discussions around PFOF stem out of largely divergent interpretation of best execution rues, at the expense of end-investors, particularly retail ones, and a level playing field across companies in the EU. Moving the best-execution requirements for retail clients to MiFIR and formulating them clearly, i.e. price minus costs, together with a ban on PFOF, would strengthen investor protection, redirect retail trading to lit venues and align the Union with other major jurisdictions which ban or are considering to ban PFOF.

Amendment 100

Proposal for a regulation
Article 1 – paragraph 28 – point a
Regulation (EU) No 600/2014
Article 52 – paragraph 12

Text proposed by the Commission	*Amendment*
12. If by [OP insert date 1 year as of entry into force], no consolidated tape has emerged through the selection procedure organised by ESMA as referred to in Article 27da, the Commission shall review the framework and may accompany that review, where appropriate and after having consulted ESMA, with a legislative proposal setting out how ESMA should provide a consolidated tape.;	***deleted***

Or. en

Justification

Removal of the fall-back clause for ESMA. Should no CTP emerge, the COM should assess the reasons for the failure and address them in subsequent legislation.A different option could be for ESMA to become the CTP for a less-ambitious CT (for example, a 15 minutes post-trade tape for shares. In that case, however, consolidated data should be provided to market participants for free given their very limited value).

Amendment 101

Proposal for a regulation
Article 1 – paragraph 28 – point b
Regulation (EU) No 600/2014
Article 52 – paragraphs 13 and 14

Text proposed by the Commission	*Amendment*
(b) ***paragraph*** 14 ***is*** deleted;	(b) ***paragraphs 13 and*** 14 ***are*** deleted;

Or. en

EXPLANATORY STATEMENT

The rapporteur welcomes the Commission's proposal for the review of the Markets in Financial Instruments Regulation and Directive (MiFIR/D). The review is timely: Europe needs effective, understandable and deliverable changes to the current framework to reduce the fragmentation and increase the size, competitiveness and attractiveness, of EU capital markets.

Nonetheless, the rapporteur has identified certain areas for improvement. The amendments included in the report are informed by the desire to establish a regulatory framework conducive to an environment where all market participants benefit from trading. The amendments are guided by four main principles:

a. reducing fragmentation and cross-border barriers;

b. levelling the playing field, supporting a healthy degree of competition between different execution venues and methods;

c. allowing EU firms to be competitive internationally and more attractive for EU and third-countries investors;

d. encouraging retail participation and strengthening investor protection.

It is clear that the changes require careful calibrations, in the spirit of an overall balanced approach and to the long-term benefit of EU market participants. The rapporteur has extensively engaged with market participants and national competent authorities, and has elaborated what is intended to be an ambitious yet balanced text, whose main changes classified into three areas: consolidated tape (CT), market structure and transparency, forwarding and execution of client orders.

Consolidated Tape

In its proposal, the Commission seeks to establish the conditions for the emergence of a CT in Europe across all asset classes. The rapporteur shares this objective: a CT displaying real-time prices for financial instruments across the Union is a fundamental tool to reduce fragmentation and improve the attractiveness of EU capital markets, and will provide great benefits to end investors.

The different CTs should be introduced in a phased approach - starting with bonds, then equities/ETFs and derivatives - and with no longer than six months between the initiation of the process for appointing the CTP in each asset class. To ensure an effective oversight of the tape by EU public authorities, ESMA should be granted sufficient time to run the selection and authorisation processes and address outstanding data issues. With respect to the latter, ESMA should consider industry's prevailing standards and practices, to maximise the value of the CT for its users.

The efficiency of the CT will be proportionate to the value it provides to its users - in this

sense, it is essential that the equity tape contains real-time, pre-trade information, necessary to inform investors' trading decisions. While the biggest players in the market will continue to seek access to the data stream that they currently use, a pre-trade CT in equity will be a great addition for players such as small and medium-size asset managers, or foreign investors seeking to access the EU markets. The CT should also be a tool for retail investors, and for them it should be intelligible easy to access and free or, at most, only requiring the payment of a symbolic amount.

The rapporteur recognises that the introduction of a CT for equities may impact regulated markets, which derive a significant share of their revenues from market data. Hence, the amendments introduce an exemption from mandatory contributions for markets that either (i) represent less than 1% of the total EU average daily trading volume, or (ii) do not contribute significantly to the fragmentation of EU markets as they mostly trade shares for which they are also the venue of primary admission.

Nonetheless, the rapporteur believes that the inclusion of all EU regulated markets in the CT would be beneficial for end investors, increase the attractiveness of the Union markets lead to an increase in trading volumes and visibility for smaller regulated markets - in line with the objectives of the Capital Markets Union action plan. The amendments therefore includes an opt-in option to the mandatory contribution scheme for those exemptible regulated markets. In those cases, a higher share of the CT revenues should be re-allocated to them.

Market structure and transparency

a. Waivers, DVC and SIs quoting and execution rules

Today market participants must adhere to highly complex transparency rules, including the application of waivers, deferrals and the cap mechanism. The amendments seek to simplify these rules to the benefit of the EU market structure and to increase the competitiveness and attractiveness of EU markets as a whole.

There is also a recognition of the necessity to increase pre-trade transparency and thereby reinforce the price formation process, while ensuring that market quality, overall liquidity on EU trading venues and the domestic and international competitiveness and attractiveness of EU markets and firms are fostered.

As such, the rapporteur proposes a rebalancing of the rules governing capital markets by limiting the use of the waivers to pre-trade transparency obligations under Article 4 of MiFIR. The threshold for the use of those waivers should be determined by ESMA, and not be higher than twice the standard market size. This proposal introduces greater flexibility than the Commission's proposed fixed threshold, allowing ESMA to factor in different elements when determining the threshold.

At the same time, the cap mechanism limiting dark trading under these waivers should be suspended. These caps were set arbitrarily and proved to be of limited utility, and their removal would reduce complexity and align the Union with international practices.

SIs quoting and executions rules are also reviewed, applying the same threshold as that under Article 4 of MiFIR.

The increase of the threshold for the use of waivers, the limits to SIs quoting and execution, and the suspension of the cap mechanism should achieve the dual objective of strengthening trading in lit venues while simplifying the rules, maintaining the competitiveness of EU firms and the number of trading choices available to end-investors. ESMA should be monitoring the impact of these changes on the functioning of markets, and intervene if the price formation process is undermined.

b. Non-equities deferrals

To simplify the current regime and ensure end-investors transparency, the rapporteur believes that the deferral regime for non-equities should be harmonised at Union level. 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. Evidence from other jurisdictions indicate that shorter deferrals are beneficial for end-investors and - for certain categories of transactions - do not affect negatively the liquidity available in the markets. At the same time, in recognition of the need for liquidity providers not to be exposed to undue risks, the amendments allow for the masking of the price and volume of very large transactions for a maximum of four weeks. The exact calibration of the various buckets for the deferrals should be left to ESMA, but the proposed approach should ensure greater transparency while accounting for the different necessities of market participants.

c. SIs definition and reporting requirements

The existing reporting regime for investment firms created uncertainty about who should report the trade and lead to duplicative reporting. Besides, the link between the reporting obligation and the status of a SI led to an inflated number of SIs in the Union, distorting the picture of market participants. The amendments thus seek to decouple the SI status and the reporting requirements, introducing the possibility for market participants to register as a 'designated reporting entity' (DRE).

ESMA should establish a register of all SIs and DREs, specifying their identity and the instruments or classes of instruments for which they are either an SI or a DRE. This would remove uncertainty and would reduce the regulatory burden for investment firms, particularly smaller ones. The rapporteur believes that under this approach, firms qualifying or opting in as SIs will only be those firms acting as liquidity providers, providing further clarity to the overall equity market structure.

d. DTO suspension

The rapporteur shares the Commission's aim to enhance the Union's clearing capacity by

introducing a targeted suspension of the derivatives trading obligations (DTO). The COM proposal addresses the impact of the dealer-to-customer market by allowing for the temporary suspension when receiving client quotes from counterparties with no active membership on an EU trading venue. However, this solution does not address the dealer-to-dealer market for CDS in Europe. The amendment introduces the possibility for DTO suspensions in favour of dealer-to-dealer platforms that have established links to CCPs established in the Union, directly supporting the EU agenda to support the competitiveness of EU CCPs and clearing in the EU.

Forwarding and execution of client orders

The rapporteur believes that the problems identified by the Commission with the practices related to the so-called payments for order flows (PFOF) are symptomatic of a broader issue related to the best-execution regime. In particular, the way in which the best-execution requirements under Art. 27 of MiFID are worded has led to widely divergent supervisory interpretations, of which PFOF is the starkest example. This has led to increasing opportunities for regulatory arbitrage across borders, contrary to the objectives of a CMU.

In light of this, while the rapporteur maintains the initial proposal regarding PFOF, the amendments seek to implement changes to the best execution requirements with a view to ensure a harmonised approach to best execution, more transparency and a level playing field across Europe, to the benefits of end-investors. Art. 27 therefore mandates to develop clearer RTS for professional investors, while best-execution requirements for retail investors are brought under MiFIR, Art. 39a.

Finally, the transparency requirements should be effective and add value for market participants. Measures that in the name of transparency increase the regulatory burden faced by venues and investments firms without providing value to the investors should be removed - as it is the case for the so-called RTS 27 and 28 reports under Art. 27(3) and (6) of MiFID.