



Council of the
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COVER NOTE

From:	Ms Anneli TUOMINEN, Interim Chair, European Securities and Markets Authority (ESMA)
date of receipt:	23 July 2021
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

Subject:	MiFiD II/MiFIR annual review report under Commission Delegated Regulation (EU) 2017/583 (RTS 2)
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Delegations are informed that ESMA's MiFID II/MiFIR annual review report for 2021 under Commission Delegated Regulation (EU) 2017/583 (RTS 2) has been published.

The report can be consulted and/or downloaded from ESMA's website:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-mifid-ii-mifir-annual-review-report-rts-2>

Encl.: Letter from ESMA to the European Commission



European Securities and
Markets Authority

EMAIL

ESMA REGULAR USE

The Interim Chair
23 July 2021
ESMA70-156-4700

IN 007883 2021
23.07.2021

Mairead McGuinness
Commissioner in charge of Financial
Stability, Financial Services and
Capital Markets Union
European Commission
Rue de la Loi 200
1049 Brussels
Belgium

Ref: MiFID II/ MiFIR annual review report under Commission Delegated Regulation (EU) 2017/583 (RTS 2)

Dear Commissioner McGuinness,

Article 17(4) of Commission Delegated Regulation (EU) 2017/583¹ (RTS 2) requires ESMA to submit to the Commission an assessment of the operation of the thresholds for the liquidity criterion 'average daily number of trades' for bonds, as well as the trade percentiles that determine the sizes specific to the financial instrument for bonds and other non-equity financial instruments by 30 July of each year. These thresholds are important for the overall level of transparency available in trading bonds and other non-equity instruments.

ESMA is delivering this MiFID II/ MiFIR Annual RTS 2 Review for the year 2021 in the attached report suggesting the following:

- to move to the third stage for the criterion 'average daily number of trades' used for the quarterly liquidity assessment of bonds;
- to move to the third stage for the trade percentiles that determine the pre-trade sizes specific to the financial instrument for bonds; and,
- not to move to the next stage for the trade percentiles that determine the pre-trade sizes specific to the financial instrument for other non-equity financial instruments.

¹ Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives (OJ L 87, 31.3.2017, p. 229–349).



Should you or your staff want to discuss further the subject matter of the report or require any further detailed information please do not hesitate to contact me or Fabrizio Planta (fabrizio.planta@esma.europa.eu), Head of the Markets and Data Reporting Department.

Yours sincerely

Tuominen Anneli

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Anneli Tuominen

cc.: Irene Tinagli MEP, Chair of the Committee on Economic and Monetary Affairs, European Parliament

Andrej Šircel, President of the ECOFIN Council, Council of the European Union

Jeppe Tranholm-Mikkelsen, Secretary-General of the Council of the European Union

John Berrigan, Director-General, DG Financial Stability, Financial Services and Capital Markets Union, European Commission

MiFID II/MiFIR Annual Report

under Commission Delegated Regulation (EU) 2017/583 (RTS 2)

