

MiFID II one year on

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Transparency - issues

- **Data** quality and completeness issues for transparency calculations (DVC, liquid bonds, SI)
- **Liquid bonds:** limited number (470, November 2018)
- **Market data:** provision of post-trade data by trading venues and APAs – reasonable commercial basis (RCB) and free of charge after 15 minutes, lack of a CTP
- **Lit versus dark:** alternative ways of trading, to circumvent transparency requirements?
- **Overall:** level of transparency falling short of expectations?

Transparency - remedies

- **Efforts to improve data**, e.g. publication by ESMA of data completeness indicators of trading venues for DVC and bond liquidity data
- **Ensuring level playing field:**
 - a. amendment of RTS 1, tick size regime applies to SI
 - b. call for evidence on periodic auctions
- **Post-trade data availability supervision**, e.g. questionnaire on compliance with RCB disclosure
- **MiFID II review clauses** (art. 52 MiFIR, on transparency obligations e.g. CTP, DVC, application of pre-trade waivers)

Research

- **Effects of research requirements**
 - **Positive:** lower costs and more transparency of costs
 - **Negative:** research provision from smaller, specialized providers under pressure
- **Supervision**
 - AFM looked into research as part of our investigations into cost transparency
 - Our impression is that firms in NL are compliant
 - Several other NCAs are looking into research
 - ESMA considering further guidance like Q+A on cost transparency

Brexit uncertainty: how to prepare?

- **ESMA**: analysis of cliff edge effects and assessment of impact of Brexit on transparency requirements (DVC, TO shares and TO derivatives)
- **AFM**: applications for authorisation from platforms, proprietary traders, DRSPs, AIFMs, other investment firms and benchmark providers
- **Impact on AFM supervision**: more equity and bond platform trading under supervision, new categories (DRSPs and benchmarks), significant rise in number of prop traders, waiver (pre-trade) requests from new venues
- **Leads to**: scenario's for increase in staff and more IT costs