TECHNICAL STANDARDS (MARKETS IN FINANCIAL INSTRUMENTS REGULATION) (EU EXIT) (No 1) INSTRUMENT 2019

Powers exercised

A. The Financial Conduct Authority (“the FCA”), being the appropriate regulator within the meaning of the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (“the Regulations”), with the approval of the Treasury, makes this instrument in the exercise of the power conferred by regulation 3 of the Regulations.

Pre-conditions to making

B. The FCA is the appropriate regulator for the EU Regulations as specified in Part 1 of the Schedule to the Regulations.

C. The FCA has consulted the Prudential Regulation Authority and the Bank of England as appropriate in accordance with regulation 5 of the Regulations.

D. A draft of this instrument has been approved by the Treasury, the Minister considering that it makes appropriate provision to prevent, remedy or mitigate any failure of retained EU law to operate effectively, or any other deficiency in retained EU law, arising from the withdrawal of the United Kingdom from the European Union.

Interpretation

E. In this instrument:

“the Act” means the European Union (Withdrawal) Act 2018; and

“Exit Day” has the meaning given in the Act.

Any reference in this instrument to any EU Regulation or EU tertiary legislation (within the meaning of the Act) is, unless the contrary intention appears, to be treated as a reference to that EU regulation or EU tertiary legislation which is part of UK law by virtue of the Act.

Amendments to EU Regulations

F. The following EU Regulations are amended in accordance with Annexes A–I of this instrument.

<table>
<thead>
<tr>
<th>(1)</th>
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<tr>
<td>supplementing Regulation (EU) 600/2014 of the European Parliament</td>
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<td>and of the Council on markets in financial instruments with regard</td>
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<td>to regulatory technical standards on criteria for determining</td>
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derivatives subject to the clearing obligation should be subject to the trading obligation.


**Commencement**

G. This instrument comes into force on exit day as defined in the European Union (Withdrawal) Act 2018.
Citation

H. This instrument may be cited as the Technical Standards (Markets in Financial Instruments Regulation) (EU Exit) (No 1) Instrument 2019.

By order of the Board
28 March 2019
Annex A

COMMISSION DELEGATED REGULATION (EU) 2016/2020 of 26 May 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 criteria for determining whether derivatives subject to the clearing obligation should be subject to the trading obligation

(Text with EEA relevance)

…

Article -3
Application

This Regulation applies to the Financial Conduct Authority as a competent authority.

Article -2
Interpretation

1. References in this Regulation to Regulation 600/2014/EU shall mean Regulation 600/2014/EU as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018.

2. For the purposes of this Regulation, where a term is defined in Article 2 of Regulation 600/2014/EU the same definition applies.

3. Paragraph 2 is subject to the specific definition set out in Article -1.

Article -1
Definitions

For the purposes of this Regulation, the following definition applies:

'trading venue’ means any of the venues referred to in article 28(1)(a) to (d) of Regulation 600/2014/EU.
Article 1

**Sufficient third party buying and selling interest**

When establishing whether a class of derivatives or relevant subset thereof has sufficient third-party buying and selling interest to be considered sufficiently liquid for the trading obligation, ESMA the competent authority shall apply the criteria in Article 32(3) of Regulation (EU) No 600/2014, as further specified in Articles 2 to 5 below.

Article 2

**Average frequency of trades**

1. In relation to the average frequency of trades, ESMA the competent authority shall take into consideration the following elements:
   
   (a) the number of days on which trading took place;
   
   (b) the number of trades.

2. ESMA’s The competent authority’s analysis of the criteria in paragraph 1 shall take into account the distribution of trading executed on trading venues and executed OTC. ESMA The competent authority shall assess these criteria over a period of time of sufficient length to determine whether the liquidity of each class of derivatives or a relevant subset thereof is subject to seasonal or structural factors. ESMA The competent authority shall also consider whether trades are concentrated at certain points in time and over certain sizes over the period assessed and determine to what extent such concentration constitutes predictable patterns.

Article 3

**Average size of trades**

1. In relation to the average size of trades, ESMA the competent authority shall take into consideration the following elements:
   
   (a) the average daily turnover whereby the notional size of all trades combined shall be divided by the number of trading days;
   
   (b) the average value of trades whereby the notional size of all trades combined shall be divided by the number of trades.

2. ESMA The competent authority’s analysis of the criteria in paragraph 1 shall take into account the factors specified in Article 2(2).
Article 4

Number and type of active market participants

1. In relation to the number and type of active market participants, ESMA the competent authority shall take into consideration the following elements:
   (a) the total number of market participants trading in that class of derivatives or relevant subset thereof is not lower than two;
   (b) the number of trading venues that have admitted to trading or are trading the class of derivatives or a relevant subset thereof;
   (c) the number of market makers and other market participants under a binding written agreement or an obligation to provide liquidity.

2. ESMA The competent authority’s analysis shall compare the ratio of market participants to the findings in the data obtained for the analyses of average size of trades and the average frequency of trades.

Article 5

Average size of spreads

1. In relation to the average size of spreads, ESMA the competent authority shall take into consideration the following elements:
   (a) the size of weighted spreads, including volume weighted spreads, over different periods of time;
   (b) spreads at different points in time of trading sessions.

2. Where information on spreads is not available, ESMA the competent authority shall take into consideration a proxy for the assessment of this criterion.

Article 6

Entry into force and application

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Annex B

COMMISSION DELEGATED REGULATION (EU) 2016/2022 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards concerning the information for registration of third-country firms and the format of information to be provided to the clients

(Text with EEA relevance)

…

Article 1

Information necessary for the registration

A third-country firm applying for the provision of investment services or performance of activities throughout the Union in the United Kingdom in accordance with the second subparagraph of Article 46(4) of Regulation (EU) No 600/2014 shall submit the following information to ESMA the Financial Conduct Authority:

(a) full name of the firm, including its legal name and any other trading name to be used by the firm;
(b) contact details of the firm, including the head office address, telephone number and email address;
(c) contact details of the person in charge of the application, including telephone number and email address;
(d) website, where available;
(e) national identification number of the firm, where available;
(f) legal entity identifier (LEI) of the firm, where available;
(g) Business Identifier Code (BIC) of the firm, where available;
(h) name and address of the competent authority of the third country that is responsible for the supervision of the firm; where more than one authority is responsible for supervision, the details of the respective areas of competence shall be provided;
(i) the link to the register of each competent authority of the third country, where available;
(j) information on which investment services, activities, and ancillary services it is authorised to provide in the country where the firm is established;
(k) the investment services to be provided and activities to be performed in the Union United Kingdom, together with any ancillary services.

Article 2

Information submission requirements

1. The third-country firm shall inform ESMA the Financial Conduct Authority, within 30 days, of any change of the information provided under Article 1(a) to (g), (j) and (k).
2. Information provided to ESMA the Financial Conduct Authority under Article 1(j) shall be provided through a written declaration issued by a competent authority of the third country.
3. The information provided to ESMA the Financial Conduct Authority under Article 1 shall be in English, using the Latin alphabet. Any accompanying documents provided to ESMA the Financial Conduct Authority under Article 1 and in paragraph 2 of this Article shall be in English or, where they have been written in a different language, a certified English translation shall also be provided.

Article 3

Information concerning type of clients in the Union United Kingdom

1. A third-country firm shall provide the information referred to in Article 46(5) of Regulation (EU) No 600/2014 to the clients in a durable medium.
2. The information referred to in Article 46(5) of Regulation (EU) No 600/2014, shall be:
(a) provided in English or in the official language, or one of the official languages, of the Member State where the services are to be provided,
(b) presented and laid out in a way that is easy to read, using characters of readable size;

(c) without using colours that may diminish the comprehensibility of the information.

Article 4

Entry into force and application

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Annex C

COMMISSION DELEGATED REGULATION (EU) 2017/572 of 2 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the specification of the offering of pre-and post-trade data and the level of disaggregation of data

(Text with EEA-relevance)

…

Article -2

Application

This Regulation applies to operators of UK trading venues as defined by article 2(1)(16A) of Regulation 600/2014/EU.

Article -1

Interpretation

1. Where a term is defined in article 2 Regulation 600/2014/EU, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, the same definition applies for the purposes of this Regulation.

2. Article 2(1)(62) of Regulation 600/2014/EU shall apply for the purposes of this Regulation.

…

This Regulation shall be binding in its entirety and directly applicable in all Member States.

…
Annex D

COMMISSION DELEGATED REGULATION (EU) 2017/579 of 13 June 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 the direct, substantial and foreseeable effect of derivative contracts within the Union and the prevention of the evasion of rules and obligations

(Text with EEA relevance)

…

Article 1

Interpretation

1. For the purposes of this Regulation, where a term is defined in Article 2 of Regulation 600/2014/EU that definition applies.

2. Article 2(1)(62) of Regulation 600/2014/EU applies for the purposes of this Regulation.

Article 1

Definitions

For the purposes of this Regulation the following definition shall apply:

‘guarantee’ means an explicitly documented legal obligation by a guarantor to cover payments of the amounts due or that may become due pursuant to the OTC derivative contracts covered by that guarantee and entered into by the guaranteed entity in favour of the beneficiary where there is a default as defined in the guarantee or where no payment has been effected by the guaranteed entity.

Article 2

Contracts with a direct, substantial and foreseeable effect within the Union United Kingdom

1. An OTC derivative contract shall be considered as having a direct, substantial and foreseeable effect within the Union United Kingdom when at least one third country entity benefits from a guarantee provided by a financial counterparty established in the Union United Kingdom which covers all or part of its liability resulting from that OTC derivative contract, to the extent that the guarantee meets both following
conditions:

(a) it covers the entire liability of a third country entity resulting from one or more OTC derivative contracts for an aggregated notional amount of at least EUR 8 billion or the equivalent amount in the relevant foreign currency, or it covers only a part of the liability of a third country entity resulting from one or more OTC derivative contracts for an aggregated notional amount of at least EUR 8 billion or the equivalent amount in the relevant foreign currency divided by the percentage of the liability covered;

(b) it is at least equal to 5 per cent of the sum of current exposures, as defined in Article 272(17) of Regulation (EU) No 575/2013 of the European Parliament and of the Council (1), in OTC derivative contracts of the financial counterparty established in the Union United Kingdom issuing the guarantee.

2. When the guarantee is issued for a maximum amount which is below the threshold set out in paragraph 1(a), the contracts covered by that guarantee shall not be considered to have a direct, substantial and foreseeable effect within the Union United Kingdom unless the amount of the guarantee is increased, in which case the direct, substantial and foreseeable effect of the contracts within the Union United Kingdom shall be reassessed by the guarantor against the conditions set out in points (a) and (b) of paragraph 1 on the day of the increase.

3. Where the liability resulting from one or more OTC derivative contracts is below the threshold set out in paragraph 1(a), such contracts shall not be considered to have a direct, substantial and foreseeable effect within the Union United Kingdom even where the maximum amount of the guarantee covering such liability is equal to or above the threshold set out in paragraph 1(a) and even where the condition set out in paragraph 1(b) has been met.

4. In the event of an increase in the liability resulting from the OTC derivative contracts or of a decrease of the current exposure, the guarantor shall re-assess whether the conditions set out in paragraph 1 are met. Such assessment shall be done respectively on the day of the increase of liability for the condition set out in paragraph 1(a), and on a monthly basis for the condition set out in paragraph 1(b).

5. OTC derivative contracts for an aggregate notional amount of at least EUR 8 billion or the equivalent amount in the relevant foreign currency concluded before a guarantee is issued or increased, and subsequently covered by a guarantee that meets the conditions set out in paragraph 1, shall be considered as having a direct, substantial and foreseeable effect within the Union United Kingdom.

6. An OTC derivative contract shall be considered as having a direct, substantial and foreseeable effect within the Union United Kingdom where the two entities established in a third country enter into the OTC derivative contract through their branches in the Union United Kingdom and would qualify as financial counterparties if they were established in the Union United Kingdom.
This Regulation shall be binding in its entirety and directly applicable in all Member States.
Annex E


(Text with EEA relevance)

...  

Article -3

Definition

In this Regulation, ‘Exit Day’ has the meaning given in the European Union (Withdrawal) Act 2018.

Article -2

Application

This Regulation applies to operators of UK trading venues as defined by article 2(1)(16A) of Regulation 600/2014/EU.

Article -1

Interpretation

1. Where a term is defined in article 2 of Regulation 600/2014/EU, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, that definition shall apply for the purposes of this Regulation.

2. Article 2(1)(62) of Regulation 600/2014/EU shall apply for the purposes of this Regulation.

3. References to UK law corresponding to EU legislation include any primary or secondary legislation or regulators’ requirements which were relied upon by the United Kingdom immediately before Exit Day to give effect to that EU legislation.
Article 1

Scope, standards and format of relevant order data

1. Operators of trading venues shall keep at the disposal of the competent authority the details of each order advertised through their systems set out in Articles 2 to 13 as specified in the second and third columns of Table 2 of the Annex insofar as they pertain to the order concerned.

2. Where the competent authorities request any of the details referred to in paragraph 1 in accordance with Article 25(2) of Regulation (EU) No 600/2014, the operators of trading venues shall provide such details using the standards and formats prescribed in the fourth columns of Table 2 of the Annex to this Regulation.

Article 2

Identification of the relevant parties

1. For all orders, operators of trading venues shall maintain the records on the following:
   (a) the member or participant of the trading venue who submitted the order to the trading venue, identified as specified in field 1 of Table 2 of the Annex;
   (b) the person or computer algorithm within the member or participant of the trading venue to which an order is submitted that is responsible for the investment decision in relation to the order, identified as specified in field 4 of the Table 2 of the Annex;
   (c) the person or computer algorithm within the member or participant of the trading venue that is responsible for the execution of the order, identified as specified in field 5 of Table 2 of the Annex;
   (d) the member or participant of the trading venue who routed the order on behalf of and in the name of another member or participant of the trading venue, identified as a non-executing broker as specified in field 6 of Table 2 of the Annex;
   (e) the client on whose behalf the member or participant of the trading venue submitted the order to the trading venue, identified as specified in field 3 of Table 2 of the Annex.

2. Where a member or participant or client of the trading venue is authorised under the UK legislation of a Member State to allocate an order to its client following submission of the order to the trading venue and has not yet allocated the order to its client at the time of the submission of the order, that order shall be identified as specified in field 3 of Table 2 of the Annex.

3. Where several orders are submitted to the trading venue together as an aggregated
order, the aggregated order shall be identified as specified in field 3 of Table 2 of the Annex.

... 

Article 13

Trading phases and indicative auction price and volume

1. Operators of trading venues shall maintain a record of the order details as specified in Section K of Table 2 of the Annex.

2. Where the competent authorities request details referred to in Section K pursuant to Article 1, the details referred to in fields 9 and 15 to 18 of Table 2 of the Annex shall also be considered as details pertaining to the order concerned by that request.

... 

This Regulation shall be binding in its entirety and directly applicable in all Member States.

...
ANNEX

Table 2
Details of orders

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<td>7</td>
<td>Trading capacity</td>
<td>Indicates whether the order submission results from the member or, participant of the trading venue is carrying out matched principal trading under Article 4(1)(38) of Directive 2014/65/EU, or dealing on its own account under Article 4(6) of Directive 2014/65/EU Article 2(1)(5) of Regulation 600/2014/EU. Where the order submission does not result from the member or participant of the trading venue carrying out matched principal trading or dealing on its own account, the field shall indicate that the transaction was carried out under any other capacity.</td>
</tr>
<tr>
<td></td>
<td>‘DEAL’ — Dealing on own account</td>
<td>‘MTCH’ — Matched principal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>‘AOTC’ — Any other capacity</td>
</tr>
<tr>
<td>8</td>
<td>Liquidity provision activity</td>
<td>Indicates whether an order is submitted to a trading venue as part of a market-making strategy pursuant to Articles 17 and 48 of Directive 2014/65/EU or UK law corresponding to these provisions, or is submitted as part of another activity in accordance with Article 3 of this Regulation.</td>
</tr>
<tr>
<td></td>
<td>‘true’</td>
<td>‘false’</td>
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Annex F

COMMISSION DELEGATED REGULATION (EU) 2017/585 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the data standards and formats for financial instrument reference data and technical measures in relation to arrangements to be made by the European Securities and Markets Authority and competent authorities

(Text with EEA relevance)

…

Article -3
Definitions

In this Regulation, ‘Exit Day’ has the meaning given in the European Union (Withdrawal) Act 2018.

Article -2
Application

This Regulation applies to:

a MiFID investment firm (other than a collective portfolio management investment firm) and a UK RIE.

Article -1
Interpretation

In this technical standard, unless the contrary intention appears:

(1) words and expressions used have the same meaning as in Regulation 600/2014/EU, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018;

(2) in accordance with article 2(1)(62) of Regulation 600/2014/EU, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, all references in this technical standard to a ‘trading venue’ are to a ‘UK trading venue’;
Article 1
Content, standards, form and format of reference data

Trading venues and systematic internalisers shall provide the competent authority with all details of financial instrument reference data (‘reference data’) referred to in Table 3 of the Annex that pertain to the financial instrument concerned. All details provided shall be submitted in accordance with the standards and formats specified in Table 3 of the Annex, in an electronic and machine-readable form and in a common XML template in accordance with the ISO 20022 methodology.

Article 2
Timing for provision of reference data to the competent authorities authority

Trading venues and systematic internalisers shall provide the competent authority by 21.00 CET each day they are open for trading with the reference data for all financial instruments that are admitted to trading or that are traded, including where orders or quotes are placed through their system, before 18.00 CET on that day.

...
3. ESMA shall monitor and assess the completeness of reference data it receives from competent authorities, and compliance of the data with the standards and formats specified in Table 3 of the Annex.

4. Following receipt of reference data from competent authorities, ESMA shall notify them of any incompleteness in that data and of any failure to deliver reference data by the deadlines set out in Article 7(1).

Article 5
Arrangements to ensure the quality of the reference data

Competent authorities The competent authority shall conduct quality assessments regarding the content and accuracy of the reference data received pursuant to Article 27(1) of Regulation (EU) No 600/2014 on at least a quarterly basis.

Article 6
Methods and arrangements for supplying reference data

1. Trading venues and systematic internalisers shall ensure that they provide complete and accurate reference data to their competent authorities pursuant to Articles 1 and 3.

2. Trading venues and systematic internalisers shall put methods and arrangements in place that enable them to identify incomplete or inaccurate reference data previously submitted. A trading venue or systematic internaliser detecting that submitted reference data is incomplete or inaccurate shall promptly notify its competent authority and transmit to the competent authority complete and correct relevant reference data without undue delay.

Article 7
Arrangements for efficient exchange and publication of reference data

1. Competent authorities shall transmit complete and accurate reference data to ESMA each day no later than 23.59 CET using the secure electronic communication channel established for that purpose between competent authorities and ESMA.

2. On the day following receipt of reference data in accordance with paragraph 1, ESMA the competent authority shall consolidate the data received from each competent
authority trading venue and systematic internaliser.

3. ESMA shall make the consolidated data available to all competent authorities by 8.00 CET on the day following its receipt using the secure electronic communication channels referred to in paragraph 1.

4. Competent authorities The competent authority shall use the consolidated data in respect of a given day and other available relevant data it considers necessary to validate the transaction reports in respect of transactions executed on that given day and reported pursuant to Article 26 of Regulation (EU) No 600/2014.

5. Each competent authority shall use the consolidated data for a given day to exchange transaction reports submitted on that given day in accordance with the second subparagraph of Article 26(1) of Regulation (EU) No 600/2014.

6. ESMA The competent authority shall publish the consolidated reference data from trading venues and systematic internalisers in an electronic, downloadable and machine-readable form.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

ANNEX

Table 3

Details to be reported as financial instrument reference data

|   |   |   |
| 4 | Commodities or emission allowance derivative indicator | Indication as to whether the financial instrument falls within the definition of commodities derivative under Article 2(1)(30) of Regulation (EU) No 600/2014 or is a derivative relating to emission allowances referred to in Section C(4) of Annex I to Directive 2014/65/EU, paragraph 4 of Part 1 of Schedule 2 to the Regulated Activities Order. | ‘true’ – Yes ‘false’ – No |
Annex G


(Text with EEA-relevance)

…

Article -3
Definitions

In this Regulation, ‘Exit Day’ has the meaning given in the European Union (Withdrawal) Act 2018.

Article -2
Application

This Regulation applies to:
a MiFID investment firm (other than a collective portfolio management investment firm) and a UK RIE.

Article -1
Interpretation

In this technical standard, unless the contrary intention appears:

(1) words and expressions used have the same meaning as in Regulation 600/2014/EU, (as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018);

(2) in accordance with article 2(1)(62) of Regulation 600/2014/EU, all references in this technical standard to a ‘trading venue’ are to a ‘UK trading venue’;

(3) references to ‘UK or Union trading venues’ include ‘UK trading venues’ as defined in article 2(16A) of Regulation 600/2014/EU and ‘trading venues’ as defined by article 4(1)(24) of Directive 2014/65/EU and operated by a person authorised under
Directive 2014/65/EU; and

(4) references to a ‘MiFID investment firm’ ‘collective portfolio management investment firm’ and ‘UK RIE’ are to the terms as defined in accordance with the Glossary to the Handbook of rules and guidance published by the Financial Conduct Authority, immediately after Exit Day.

...  

Article 2  
Meaning of transaction  

For the purposes of Article 26 of Regulation (EU) No 600/2014, the conclusion of an acquisition or disposal of a financial instrument referred to in Article 26(2) of Regulation (EU) No 600/2014 shall constitute a transaction.

...

5. A transaction for the purposes of Article 26 of Regulation (EU) No 600/2014 shall not include the following:

(a) securities financing transactions as defined in Article 3(11) of Regulation (EU) 2015/2365 of the European Parliament and of the Council;

...

The exclusion provided for in point (a) of the first subparagraph shall not apply to the securities financing transactions to which a member of the European System of Central Banks or Bank of England is a counterparty.

...

Article 4  
Transmission of an order

1. An investment firm transmitting an order pursuant to Article 26(4) of Regulation (EU) No 600/2014 (transmitting firm) shall be deemed to have transmitted that order only if
the following conditions are met:

(a) the order was received from its client or results from its decision to acquire or dispose of a specific financial instrument in accordance with a discretionary mandate provided to it by one or more clients;

(b) the transmitting firm has transmitted the order details referred to in paragraph 2 to another investment firm (receiving firm);

(c) the receiving firm is a MiFID investment firm and is subject to Article 26(1) of Regulation (EU) No 600/2014 and agrees either to report the transaction resulting from the order concerned or to transmit the order details in accordance with this Article to another MiFID investment firm.

For the purposes of point (c) of the first subparagraph the agreement shall specify the time limit for the provision of the order details by the transmitting firm to the receiving firm and provide that the receiving firm shall verify whether the order details received contain obvious errors or omissions before submitting a transaction report or transmitting the order in accordance with this Article;

2. The following order details shall be transmitted in accordance with paragraph 1, insofar as pertinent to a given order:

(a) the identification code of the financial instrument;

(b) whether the order is for the acquisition or disposal of the financial instrument;

(c) the price and quantity indicated in the order;

(d) the designation and details of the client of the transmitting firm for the purposes of the order;

(e) the designation and details of the decision maker for the client where the investment decision is made under a power of representation;

(f) a designation to identify a short sale;

(g) a designation to identify a person or algorithm responsible for the investment decision within the transmitting firm;

(h) country of the branch of the investment firm supervising the person responsible for the investment decision and country of the investment firm's branch that received the order from the client or made an investment decision for a client in accordance with a discretionary mandate given to it by the client;

(i) for an order in commodity derivatives, an indication whether the transaction is to reduce risk in an objectively measurable way in accordance with Article 52 of Directive 2014/65/EU regulation 17 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017;

(j) the code identifying the transmitting firm.

For the purposes of point (d) of the first subparagraph, where the client is a natural
person, the client shall be designated in accordance with Article 6.

For the purposes of point (j) of the first subparagraph, where the order transmitted was received from a prior firm that did not transmit the order in accordance with the conditions set out in this Article, the code shall be the code identifying the transmitting firm. Where the order transmitted was received from a prior transmitting firm in accordance with the conditions set out in this Article, the code provided pursuant to point (j) referred to in the first subparagraph shall be the code identifying the prior transmitting firm.

3. Where there is more than one transmitting firm in relation to a given order, the order details referred to in points (d) to (i) of the first subparagraph of paragraph 2 shall be transmitted in respect of the client of the first transmitting firm.

4. Where the order is aggregated for several clients, information referred to in paragraph 2 shall be transmitted for each client.

…

Article 6

Designation to identify natural persons

1. A natural person shall be identified in a transaction report using the designation resulting from the concatenation of the ISO 3166-1 alpha-2 (2 letter country code) of the nationality of the person, followed by the national client identifier listed in Annex II based on the nationality of the person.

2. The national client identifier referred to in paragraph 1 shall be assigned in accordance with the priority levels provided in Annex II using the highest priority identifier that a person has regardless of whether that identifier is already known to the investment firm.

3. Where a natural person is a national of more than one European Economic Area (EEA) country, the country code of the first nationality when sorted alphabetically by its ISO 3166-1 alpha-2 code and the identifier of that nationality assigned in accordance with paragraph 2 shall be used. Where a natural person has a non-EEA nationality, the highest priority identifier in accordance with the field referring to ‘all other countries’ provided in Annex II shall be used. Where a natural person has EEA and non-EEA nationality, the country code of the EEA nationality and the highest priority identifier of that nationality assigned in accordance with paragraph 2 shall be used. For the purposes of this provision, a reference to ‘the EEA’ is to be interpreted as if the United Kingdom continues to be an EEA State.

…
Article 13

Conditions upon which legal entity identifiers are to be developed, attributed and maintained

1. **Member States** The United Kingdom shall ensure that legal entity identifiers are developed, attributed and maintained in accordance with the following principles:
   (a) uniqueness;
   (b) accuracy;
   (c) consistency;
   (d) neutrality;
   (e) reliability;
   (f) open source;
   (g) flexibility;
   (h) scalability;
   (i) accessibility.

**Member States** The United Kingdom shall also ensure that legal entity identifiers are developed, attributed and maintained using uniform global operational standards, are subject to the governance framework of the Legal Entity Identifier Regulatory Oversight Committee and are available at a reasonable cost.

2. An investment firm shall not provide a service triggering the obligation to submit a transaction report for a transaction entered into on behalf of a client who is eligible for the legal entity identifier code, prior to obtaining the legal entity identifier code from that client.

3. The investment firm shall ensure that the length and construction of the code are compliant with the ISO 17442 standard and that the code is included in the Global LEI database maintained by the Central Operating Unit appointed by the Legal Entity Identifier Regulatory Oversight Committee and pertains to the client concerned.

Article 14

Reporting transactions executed by branches

4. An investment firm shall report transactions executed wholly or partly through its branch to the competent authority of the home Member State of the investment firm unless otherwise agreed by the competent authorities of the home and host Member States.

2. Where an investment firm executes a transaction wholly or partly through its branch,
it shall report the transaction only once to the competent authority.

3. Where country code details in respect of an investment firm's branch are required to be included in a transaction report in accordance with fields 8, 17, 37, 58 or 60 of Table 2 of Annex I due to the partial or full execution of a transaction through that branch, the investment firm shall provide in the transaction report the ISO 3166 country code for the relevant branch in all of the following cases:

…

(d) where the transaction was executed on a UK or Union trading venue or an organised trading platform located outside the United Kingdom or the Union using the branch's membership of that trading venue or an organised trading platform.

4. Where one or more of the cases provided in paragraph 3 do not apply to a branch of the investment firm, the relevant fields in Table 2 of Annex I shall be populated with the ISO country code for the home Member State of the investment firm, or, in the case of a third country firm, the country code of the country where the firm has established its head office or registered office.

5. The branch of a third country firm shall submit the transaction report to the competent authority which authorised the branch. The branch of a third country firm shall fill in the relevant fields in Table 2 of Annex I with the ISO country code for the Member State of the authorising competent authority.

Where a third country firm has set up branches in more than one Member State within the Union, those branches shall jointly choose one of the competent authorities from the Member States to whom transaction reports are to be sent pursuant to paragraphs 1 to 3.

Article 15

Methods and arrangements for reporting financial transactions

1. The methods and arrangements by which transaction reports are generated and submitted by trading venues and investment firms shall include:

(a) systems to ensure the security and confidentiality of the data reported;
(b) mechanisms for authenticating the source of the transaction report;
(c) precautionary measures to enable the timely resumption of reporting in the case of a failure of the reporting system;
(d) mechanisms for identifying errors and omissions within transaction reports;
(e) mechanisms to avoid the reporting of duplicate transaction reports, including where an investment firm relies on a trading venue to report the details of transactions executed by the investment firm through the systems of the
trading venue in accordance with Article 26(7) of Regulation (EU) No 600/2014;

(f) mechanisms to ensure that the trading venue only submits reports on behalf of those investment firms that have chosen to rely on the trading venue to send reports on their behalf for transactions completed through systems of the trading venue;

(g) mechanisms to avoid reporting of any transaction where there is no obligation to report under Article 26(1) of Regulation (EU) No 600/2014 either because there is no transaction within the meaning of Article 2 of this Regulation or because the instrument which is the subject of the transaction concerned does not fall within the scope of Article 26(2) of Regulation (EU) No 600/2014;

(h) mechanisms for identifying unreported transactions for which there is an obligation to report under Article 26 of Regulation (EU) No 600/2014, including cases where transaction reports rejected by the competent authority concerned have not been successfully re-submitted.

2. Where the trading venue or investment firm becomes aware of any error or omission within a transaction report submitted to a competent authority, any failure to submit a transaction report including any failure to resubmit a rejected transaction report for transactions that are reportable, or of the reporting of a transaction for which there is no obligation to report, it shall promptly notify the relevant competent authority of this fact.

3. Investment firms shall have arrangements in place to ensure that their transaction reports are complete and accurate. Those arrangements shall include testing of their reporting process and regular reconciliation of their front-office trading records against data samples provided to them by their competent authorities to that effect.

4. Where the competent authorities do not provide data samples, investment firms shall reconcile their front-office trading records against the information contained in the transaction reports that they have submitted to the competent authorities, or in the transaction reports that ARMs or trading venues have submitted on their behalf. The reconciliation shall include checking the timeliness of the report, the accuracy and completeness of the individual data fields and their compliance with the standards and formats specified in Table 2 of Annex I.

5. Investment firms shall have arrangements in place to ensure that their transaction reports, when viewed collectively, reflect all changes in their position and in the position of their clients in the financial instruments concerned at the time transactions in the financial instruments are executed.

6. Where an ARM, in accordance with instructions from the investment firm, cancels or corrects a transaction report submitted on behalf of an investment firm, the investment firm shall retain the details of the corrections and cancellations provided to it by the ARM.
7. The reports referred to in Article 26(5) of Regulation (EU) No 600/2014 shall be sent to the competent authority of the home Member State of the trading venue.

8. Competent authorities shall use secure electronic communication channels when exchanging transaction reports with each other.

Article 16

Determination of the most relevant market in terms of liquidity

1. In the case of a transferable security within the meaning of Article 4(1)(44)(a) of Directive 2014/65/EU, an emission allowance or a unit in a collective investment undertaking, the most relevant market in terms of liquidity for that financial instrument (the most relevant market) shall be determined once each calendar year on the basis of the data of the previous calendar year, provided that the financial instrument was admitted to trading or traded at the beginning of the previous calendar year, as follows:

(a) for instruments admitted to trading on one or more regulated markets, the most relevant market shall be the regulated market where the turnover, as defined in Article 17(4) of Commission Delegated Regulation (EU) 2017/587 (1) for the previous calendar year for that instrument is the highest;

(b) for instruments not admitted to trading on regulated markets, the most relevant market shall be the MTF where the turnover for the previous calendar year for that instrument is the highest;

(c) for the purposes of points (a) and (b), the highest turnover shall be calculated by excluding all transactions that benefit from pre-trade transparency waivers pursuant to Article 4(1)(a), (b) or (c) of Regulation (EU) No 600/2014.

2. By derogation from paragraph 1 of this Article, where a transferable security within the meaning of Article 4(1)(44)(a) of Directive 2014/65/EU, an emission allowance or a unit in a collective investment undertaking was not admitted to trading or traded at the beginning of the previous calendar year or where there is insufficient or non-existent data to calculate the turnover in accordance with point (c) of paragraph 1 of this Article for the purpose of determining the most relevant market for that financial instrument, the most relevant market for the financial instrument shall be the market of the Member State in which a request for admission to trading was first made or where the instrument was first traded.

3. In the case of a transferable security within the meaning of Article 4(1)(44)(b) of Directive 2014/65/EU or a money market instrument whose issuer is established in the Union, the most relevant market shall be the market of the Member State where the registered office of the issuer is situated.

4. In the case of a transferable security within the meaning of Article 4(1)(44)(b) of Directive 2014/65/EU or a money market instrument whose issuer is established outside the Union, the most relevant market shall be the market of the Member State
where the request for admission to trading of that financial instrument was first made or where the financial instrument was first traded on a trading venue.

5. In the case of a financial instrument which is a derivative contract or a contract for difference or a transferable security within the meaning of Article 4(1)(44)(c) of Directive 2014/65/EU, the most relevant market shall be determined as follows:

(a) where the underlying in the financial instrument is a transferable security within the meaning of Article 4(1)(44)(a) of Directive 2014/65/EU or an emission allowance which is admitted to trading on a regulated market or is traded on an MTF, the most relevant market shall be the market deemed to be the most relevant market for the underlying security in accordance with paragraph 1 or 2 of this Article;

(b) where the underlying in a financial instrument is a transferable security within the meaning of Article 4(1)(44)(b) of Directive 2014/65/EU or a money market instrument which is admitted to trading on a regulated market or traded on an MTF or an OTF, the most relevant market shall be the market deemed to be the most relevant market for the underlying financial instrument in accordance with paragraph 3 or 4 of this Article;

(c) where the underlying in a financial instrument is a basket which contains financial instruments, the most relevant market shall be the market of the Member State in which the financial instrument was first admitted to trading or traded on a trading venue;

(d) where the underlying in a financial instrument is an index which contains financial instruments, the most relevant market shall be the market of the Member State in which the financial instrument was first admitted to trading or traded on a trading venue;

(e) where the underlying of the financial instrument is a derivative admitted to trading or traded on a trading venue, the most relevant market shall be the market of the Member State in which that derivative is admitted to trading or traded on a trading venue.

6. For financial instruments that are not covered by paragraphs 1 to 5, the most relevant market shall be the market of the Member State of the trading venue which first admitted the financial instrument to trading or on which the financial instrument was first traded.

…

This Regulation shall be binding in its entirety and directly applicable in all Member States.

…
Table 2

Details to be reported in transaction reports

All fields are mandatory, unless stated otherwise.

<table>
<thead>
<tr>
<th>N</th>
<th>FIELD</th>
<th>CONTENT TO BE REPORTED</th>
<th>FORMAT AND STANDARDS TO BE USED</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
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<td>...</td>
</tr>
<tr>
<td>3</td>
<td>Trading venue transaction identification code</td>
<td>This is a number generated by UK or Union trading venues and disseminated to both the buying and the selling parties in accordance with Article 12 of Commission Delegated Regulation (EU) 2017/580. This field is only required for the market side of a transaction executed on a UK or Union trading venue.</td>
<td>{ALPHANUM-52}</td>
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<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>5</td>
<td>Investment Firm covered by Directive 2014/65/EU</td>
<td>Indicates whether the entity identified in field 4 is an investment firm covered by Article 4(1) of Directive 2014/65/EU a MiFID investment firm</td>
<td>'true’- yes ‘false’- no</td>
</tr>
<tr>
<td>6</td>
<td>Submitting entity identification code</td>
<td>Code used to identify the entity submitting the transaction report to the competent authority in accordance with Article 26(7) of Regulation (EU) No 600/2014. Where the report is submitted by the executing firm directly to the competent authority, it shall be populated with the LEI of the executing firm (where the executing firm is a legal entity). Where the report is submitted by a trading venue, it shall be populated with the LEI of the operator of the trading venue. Where the report is submitted by an ARM, it shall be populated with the LEI of the ARM.</td>
<td>{LEI}</td>
</tr>
</tbody>
</table>
Buyer details

— For joint accounts fields 7-11 shall be repeated for each buyer.

— Where the transaction is for a transmitted order that has met the conditions for transmission set out in Article 4, the information in fields 7-15 shall be populated by the receiving firm in the receiving firm’s report with the information received from the transmitting firm.

— Where the transmission is for a transmitted order that has not met the conditions for transmission set out in Article 4 the receiving firm shall treat the transmitting firm as the buyer

<p>|   | Buyer identification code | Code used to identify the acquirer of the financial instrument. Where the acquirer is a legal entity, the LEI code of the acquirer shall be used. Where the acquirer is a non-legal entity, the identifier specified in Article 6 shall be used. Where the transaction was executed on: a UK or Union trading venue or on an organised trading platform outside of the United Kingdom or the Union that utilises a central counterparty (CCP) and where the identity of the acquirer is not disclosed, the LEI code of the CCP shall be used. Where the transaction was executed on a UK or Union trading venue or on an organised trading platform outside of the United Kingdom or the Union that does not utilise a CCP and where the identity of the acquirer is not disclosed, the MIC code of the trading venue or of the organised trading platform outside of the United Kingdom or the Union shall be used. | [LEI] [MIC] [NATIONAL_ID] ‘INTC’ |
|---|---|---|
|7 | Buyer identification code | Code used to identify the acquirer of the financial instrument. Where the acquirer is a legal entity, the LEI code of the acquirer shall be used. Where the acquirer is a non-legal entity, the identifier specified in Article 6 shall be used. Where the transaction was executed on: a UK or Union trading venue or on an organised trading platform outside of the United Kingdom or the Union that utilises a central counterparty (CCP) and where the identity of the acquirer is not disclosed, the LEI code of the CCP shall be used. Where the transaction was executed on a UK or Union trading venue or on an organised trading platform outside of the United Kingdom or the Union that does not utilise a CCP and where the identity of the acquirer is not disclosed, the MIC code of the trading venue or of the organised trading platform outside of the United Kingdom or the Union shall be used. | [LEI] [MIC] [NATIONAL_ID] ‘INTC’ |
|8 | Country of the branch for the buyer | Where the acquirer is a client, this field shall identify the country of the branch that received the order from the client or made an investment decision for a client in accordance with a discretionary mandate given to it by the client as required by Article 14(3). | [COUNTRYCODE_2] |</p>
<table>
<thead>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Where this activity was not conducted by a branch this shall be populated with the country code of the home Member State of the investment firm or the country code of the country where the investment firm has established its head office or registered office (in the case of third country firms).</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Where the transaction is for a transmitted order that has met the conditions for transmission set out in Article 4, this field shall be populated using the information received from the transmitting firm.</strong></td>
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<td>...</td>
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<tr>
<td><strong>16 Seller identification code</strong></td>
<td>Code used to identify the disposer of the financial instrument. Where the disposer is a legal entity, the LEI code of the disposer shall be used. Where the disposer is a non-legal entity, the identifier specified in Article 6 shall be used. Where the transaction was executed on a UK or Union trading venue or on an organised trading platform outside of the United Kingdom or the Union that utilises a CCP and where the identity of the disposer is not disclosed, the LEI code of the CCP shall be used. Where the transaction was executed on a UK or Union trading venue or on an organised trading platform outside of the United Kingdom or the Union that does not utilise a CCP and where the identity of the disposer is not disclosed, the MIC code of the trading venue or of the organised trading platform outside of the United Kingdom or the Union shall be used.</td>
</tr>
<tr>
<td></td>
<td>[LEI] [MIC] [NATIONAL_ID] ‘INTC’</td>
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<td></td>
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<td>...</td>
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</tr>
<tr>
<td>28</td>
<td><strong>Trading date time</strong></td>
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<tr>
<td>36</td>
<td>Venue</td>
</tr>
<tr>
<td>37</td>
<td>Country of the branch membership</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td>41</td>
<td><strong>Instrument identification code</strong>&lt;br&gt;Code used to identify the financial instrument&lt;br&gt;This field applies to financial instruments for which a request for admission to trading has been made to a UK or Union trading venue, that are admitted to trading or traded on a UK or Union trading venue or on a UK or Union systematic internaliser. It also applies to financial instruments which have an ISIN and are traded on organised trading platform outside of the United Kingdom or the Union where the underlying is a financial instrument traded on a UK or Union trading venue.</td>
</tr>
<tr>
<td></td>
<td><strong>Fields 42-56 are not applicable where:</strong>&lt;br&gt;transactions are executed on a UK or Union trading venue or with an investment firm acting as a UK or Union SI; or&lt;br&gt;field 41 is populated with an ISIN that exists on the reference data list from ESMA</td>
</tr>
<tr>
<td>58</td>
<td><strong>Country of the branch supervising the person responsible for the investment decision</strong>&lt;br&gt;Code used to identify the country of the branch of the investment firm for the person responsible for the investment decision, as set out in Article 14(3)(b). Where the person responsible for the investment decision was not supervised by a branch, this field shall be populated with the country code of the home Member State of the investment firm or the country code of the country where the firm has established its head office or registered office (in the case of third country firms).</td>
</tr>
<tr>
<td>60</td>
<td>Country of the branch supervising the person responsible for the execution</td>
</tr>
</tbody>
</table>

| 64 | Commodity derivative indicator | Indication as to whether the transaction reduces risk in an objectively measurable way in accordance with regulation 17 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 Article 57 of Directive 2014/65/EU. Where the transaction is for a transmitted order that has met the conditions for transmission set out in Article 4, this field shall be populated by the receiving firm in the receiving firm's reports using the information received from the transmitting firm. This field is only applicable for commodity derivative transactions. |

…

…
Annex H


(Text with EEA relevance)

…

Article 2

Application

This technical standard applies in accordance with Regulation 600/2014/EU.

Article 1

Interpretation

Where a term is defined in article 2 Regulation 600/2014/EU, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, the same definition applies for the purposes of this Regulation.

Article 2(1)(62) of Regulation 600/2014/EU shall also apply to references to ‘trading venue’ in this Regulation.

…

This Regulation shall be binding in its entirety and directly applicable in all Member States.

…
Annex I


(Text with EEA relevance)

…

Article 2

Application

This Regulation applies to ‘financial counterparties’ and ‘non-financial counterparties’ subject to article 28 of Regulation 600/2014/EU.

Article 1

Interpretation

In this Regulation, where a term is defined in article 2 of Regulation 600/2014/EU, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, that definition shall apply for the purposes of this Regulation.

Article 1

Derivatives subject to the trading obligation

The derivatives set out in the Annex shall be subject to the trading obligation referred to in Article 28 of Regulation (EU) No 600/2014.

A derivative referred to in Table 1, Table 2 and Table 3 of the Annex shall be deemed to have a tenor of 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 15, 20 or 30 years where the period of time between the date at which the obligations under that contract come into effect and the termination date of that contract equals one of those periods of time, plus or minus 5 days.
Article 2

Dates from which the trading obligation takes effect

The trading obligation referred to in Article 28 of Regulation (EU) No 600/2014 shall, for each category of counter-parties referred to in Article 3 of Delegated Regulation (EU) 2015/2205 and Article 3 of Delegated Regulation (EU) 2016/592, take effect from the later of the following dates:

(a) 3 January 2018;

(b) the date referred to in Article 3 of Delegated Regulation (EU) 2015/2205 or Article 3 of Delegated Regulation (EU) 2016/592 for that category of counterparties (to the extent operative immediately before exit day).

Article 3

Entry into force

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

...