

TECHNICAL STANDARDS (MIFIR TRANSPARENCY) (EU EXIT) 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 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 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. Any reference in this instrument to any EU Regulation or EU tertiary legislation (within the meaning of section 20 of the European Union (Withdrawal) Act 2018) 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 European Union (Withdrawal) Act 2018.

Modifications

- F. The FCA thereafter amends the following EU Regulations in accordance with Annexes A - D of this instrument.

(1)	(2)
Commission Delegated Regulation (EU) 2017/587 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 shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments	Annex A

and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic internaliser	
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	Annex B
Commission Delegated Regulation (EU) 2017/577 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 volume cap mechanism and the provision of information for the purposes of transparency and other calculations	Annex C
Commission Delegated Regulation (EU) 2017/588 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on the tick size regime for shares, depositary receipts and exchange-traded funds	Annex D

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 (MiFIR Transparency) (EU Exit) Instrument 2019.

By order of the Board
28 March 2019

In this instrument, underlining indicates new text and striking through indicates deleted text.

Annex A

COMMISSION DELEGATED REGULATION (EU) 2017/587 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 shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic internaliser

~~(Text with EEA relevance)~~

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CHAPTER I GENERAL

Article -3

Definitions

1. In this Regulation, ‘exit day’ has the meaning given in the European Union (Withdrawal) Act 2018.

Article -2

Application

This Regulation applies to:

- (1) those persons described in Article 1(2) of Regulation 600/2014/EU; and
- (2) the Financial Conduct Authority as a competent authority.

Article -1

Interpretation

1. Where a term is defined in Directive 2014/65/EU (as that directive applied in the European Union immediately before exit day) that definition shall apply for the purposes of this Regulation except where it is defined in article 2 of Regulation No

- 600/2014/EU in which case that definition shall apply for the purposes of this Regulation.
2. The definition of all other terms defined in article 2 of Regulation 600/2014/EU shall apply for the purposes of this Regulation.
 3. Article 2(1)(62) of Regulation 600/2014/EU applies for the purposes of this Regulation unless otherwise stated.
 4. Any reference in these Regulations to a sourcebook is to a sourcebook in the Handbook of Rules and Guidance published by the FCA containing rules made by the FCA under FSMA, as the sourcebook has effect on exit day.
 5. The ‘relevant area’ in relation to a financial instrument means the United Kingdom and such other countries or regions as have been specified by the FCA by direction for the purposes of Article 5 or Article 14 of Regulation (EU) No 600/2014, as the context requires.
 6. References to the date of application of Regulation (EU) No 600/2014 mean the date of application of that Regulation in the European Union.

Article 1

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) ‘portfolio trade’ means transactions in five or more different financial instruments where those transactions are traded at the same time by the same client and as a single lot against a specific reference price;
- (2) ‘give-up transaction’ or ‘give-in transaction’ means a transaction where an investment firm passes a client trade to, or receives a client trade from, another investment firm for the purpose of post-trade processing;
- (3) ‘securities financing transaction’ means a securities financing transaction as defined in Article 3(6) of Delegated Regulation (EU) 2017/577;
- ~~(4) ‘systematic internaliser’ means an investment firm as defined in Article 4(1)(20) of Directive 2014/65/EU of the European Parliament and of the Council;~~
- (5) ‘the Recognition Requirements Regulations’ means the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges, Clearing Houses and Central Securities Depositories) Regulations 2001 (SI 2001/995);
- (6) ‘the AIFM Regulations’ means the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773).

Article 2

Transactions not contributing to the price discovery process

(Article 23(1) of Regulation (EU) No 600/2014)

A transaction in shares does not contribute to the price discovery process where any of the following circumstances apply:

- (a) the transaction is executed by reference to a price that is calculated over multiple time instances according to a given benchmark, including transactions executed by reference to a volume-weighted average price or a time-weighted average price;
- (b) the transaction is part of a portfolio trade;
- (c) the transaction is contingent on the purchase, sale, creation or redemption of a derivative contract or other financial instrument where all the components of the trade are to be executed only as a single lot;
- (d) the transaction is executed by a management company as defined in ~~Article 2(1)(b) of Directive 2009/65/EC of the European Parliament and of the Council~~ section 237(2) of FSMA, or an ~~alternative investment fund manager~~ a UK AIFM as defined in ~~Article 4(1)(b) of Directive 2011/61/EU of the European Parliament and of the Council~~ the AIFM Regulations, which transfers the beneficial ownership of shares from one collective investment undertaking to another and where no investment firm is a party to the transaction;
- (e) the transaction is a give-up transaction or a give-in transaction;
- (f) the purpose of the transaction is to transfer shares as collateral in bilateral transactions or in the context of central counterparty (CCP) margin or collateral requirements or as part of the default management process of a CCP;
- (g) the transaction results in the delivery of shares in the context of the exercise of convertible bonds, options, covered warrants or other similar derivatives;
- (h) the transaction is a securities financing transaction;
- (i) the transaction is carried out under the rules or procedures of a trading venue, a CCP or a central securities depository to effect a buy-in of unsettled transactions in accordance with Regulation (EU) No 909/2014 (or a similar third country law for the same type of transactions, where applicable).

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Article 4

Most relevant market in terms of liquidity

(Article 4(1)(a) of Regulation (EU) No 600/2014)

- 1. For the purposes of this Article, Article 2(1)(62) of Regulation 600/2014/EU shall not apply.

1. For the purposes of Article 4(1)(a) of Regulation (EU) No 600/2014, the most relevant market in terms of liquidity for a share, depositary receipt, ETF, certificate or other similar financial instrument shall be considered to be the trading venue with the highest turnover within the Union relevant area for that financial instrument.
2. For the purpose of determining the most relevant markets in terms of liquidity in accordance with paragraph 1, ~~competent authorities~~ the FCA shall calculate the turnover in accordance with the methodology set out in Article 17(4) in respect of each financial instrument ~~for which they are the competent authority that is traded on a UK trading venue~~ and for each trading venue in the relevant area where that financial instrument is traded.
3. The calculation referred to in paragraph 2 shall have the following characteristics:
 - (a) it shall include, for each trading venue in the relevant area, transactions executed under the rules of that trading venue excluding:
 - (i) in the case of UK trading venues, reference price and negotiated transactions flagged as set out in Table 4 of Annex I and transactions executed on the basis of at least one order that has benefitted from a large-in-scale waiver and where the transaction size is above the applicable large-in-scale threshold as determined in accordance with Article 7; and
 - (ii) in the case of non-UK trading venues, transactions benefitting from any similar relief in the form of transparency waivers or otherwise;
 - (b) it shall cover either the preceding calendar year or, where applicable, the period of the preceding calendar year during which the financial instrument was admitted to trading or traded on a UK trading venue and was not suspended from trading.
4. Until the most relevant market in terms of liquidity for a specific financial instrument is determined in accordance with the procedure specified in paragraphs 1 to 3, the most relevant market in terms of liquidity shall be the trading venue in the relevant area where that financial instrument is first admitted to trading or first traded.
5. Paragraphs 2 and 3 shall not apply to shares, depositary receipts, ETFs, certificates and other similar financial instruments which were first admitted to trading or first traded on a UK trading venue four weeks or less before the end of the preceding calendar year.

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Article 6

Negotiated transactions subject to conditions other than the current market price

(Article 4(1)(b) of Regulation (EU) No 600/2014)

A negotiated transaction in shares, depositary receipts, ETFs, certificates and other similar financial instruments shall be subject to conditions other than the current market price of the financial instrument where any of the following circumstances applies:

- (a) the transaction is executed in reference to a price that is calculated over multiple time instances according to a given benchmark, including transactions executed by reference to a volume-weighted average price or a time-weighted average price;
- (b) the transaction is part of a portfolio trade;
- (c) the transaction is contingent on the purchase, sale, creation or redemption of a derivative contract or other financial instrument where all the components of the trade are meant to be executed as a single lot;
- (d) the transaction is executed by a management company as defined in ~~Article 2(1)(b) of Directive 2009/65/EC of the European Parliament and of the Council~~ section 237(2) of FSMA, or an alternative investment fund manager a UK AIFM as defined in ~~Article 4(1)(b) of Directive 2011/61/EU of the European Parliament and of the Council~~ the AIFM Regulations, or a third country AIFM as defined in the AIFM Regulations, which transfers the beneficial ownership of shares from one collective investment undertaking to another and where no investment firm is a party to the transaction;
- (e) the transaction is a give-up transaction or a give-in transaction;
- (f) the transaction has as its purpose the transferring of financial instruments as collateral in bilateral transactions or in the context of a CCP margin or collateral requirements or as part of the default management process of a CCP;
- (g) the transaction results in the delivery of financial instruments in the context of the exercise of convertible bonds, options, covered warrants or other similar financial derivative;
- (h) the transaction is a securities financing transaction;
- (i) the transaction is carried out under the rules or procedures of a trading venue, a CCP or a central securities depository to effect buy-in of unsettled transactions in accordance with Regulation (EU) No 909/2014 (or similar third country law for the same type of transactions, where applicable);
- (j) any other transaction equivalent to one of those described in points (a) to (i) in that it is contingent on technical characteristics which are unrelated to the current market valuation of the financial instrument traded.

Article 7

Orders that are large in scale

(Article 4(1)(c) of Regulation (EU) No 600/2014)

1. An order in respect of a share, depositary receipt, certificate or other similar financial instrument shall be considered to be large in scale where the order is equal to or larger than the minimum size of orders set out in Tables 1 and 2 of Annex II.
2. An order in respect of an ETF shall be considered to be large in scale where the order is equal to or larger than EUR 1 000 000.
3. For the purpose of determining orders that are large in scale, ~~competent authorities~~ the FCA shall calculate, in accordance with paragraph 4, the average daily turnover in

respect of shares, depositary receipts, certificates and other similar financial instruments traded on a trading venue.

4. The calculation referred to in paragraph 3 shall have the following characteristics:
 - (a) it shall include transactions executed in the ~~Union~~ relevant area in respect of the financial instrument, whether traded on or outside a trading venue;
 - (b) it shall cover the period beginning on 1 January of the preceding calendar year and ending on 31 December of the preceding calendar year or, where applicable, that part of the calendar year during which the financial instrument was admitted to trading or traded on a trading venue and was not suspended from trading.

Paragraphs 3 and 4 shall not apply to shares, depositary receipts, certificates and other similar financial instruments first admitted to trading or first traded on a trading venue four weeks or less before the end of the preceding calendar year.

5. Unless the price or other relevant conditions for the execution of an order are amended, the waiver referred to in Article 4(1) of Regulation (EU) No 600/2014 shall continue to apply in respect of an order that is large in scale when entered into an order book but that, following partial execution, falls below the threshold applicable for that financial instrument as determined in accordance with paragraphs 1 and 2.
6. Before a share, depositary receipt, certificate or other similar financial instrument is traded for the first time on a trading venue ~~in the Union~~, the ~~competent authority~~ FCA shall estimate the average daily turnover for that financial instrument taking into account any previous trading history of that financial instrument and of other financial instruments that are considered to have similar characteristics, and ensure publication of that estimate.
7. The estimated average daily turnover referred to in paragraph 6 shall be used for the calculation of orders that are large in scale during a six-week period following the date that the share, depositary receipt, certificate or other similar financial instrument was admitted to trading or first traded on a trading venue.
8. The ~~competent authority~~ FCA shall calculate and ensure publication of the average daily turnover based on the first four weeks of trading before the end of the six-week period referred to in paragraph 7.
9. The average daily turnover referred to in paragraph 8 shall be used for the calculation of orders that are large in scale and until an average daily turnover calculated in accordance with paragraph 3 applies.
10. For the purposes of this Article, the average daily turnover shall be calculated by dividing the total turnover for a particular financial instrument as specified in Article 17(4) by the number of trading days in the period considered. The number of trading days in the period considered is the number of trading days on the most relevant market in terms of liquidity for that financial instrument as determined in accordance with Article 4.

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Section 2

Pre-trade transparency for systematic internalisers and investment firms trading outside a trading venue

Article 9

Arrangements for the publication of a firm quote

(Article 14(1) of Regulation (EU) No 600/2014)

Any arrangement that a systematic internaliser adopts in order to comply with the obligation to make public firm quotes shall satisfy the following conditions:

- (a) the arrangement includes all reasonable steps necessary to ensure that the information to be published is reliable, monitored continuously for errors, and corrected as soon as errors are detected;
- (b) the arrangement complies with technical arrangements equivalent to those specified for approved publication arrangements (APAs) in Article 15 of Delegated Regulation (EU) 2017/571 that facilitate the consolidation of the data with similar data from other sources;
- (c) the arrangement makes the information available to the public on a non-discriminatory basis;
- (d) the arrangement includes the publication of the time the quotes have been entered or amended in accordance with ~~Article 50 of Directive 2014/65/EU~~ paragraph 3H of the schedule to the Recognition Requirements Regulations, rule 5.3A.17 or rule 5A.5.17 of the Market Conduct sourcebook (as applicable) as specified in Commission Delegated Regulation (EU) 2017/574.

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Article 11

Standard market size

(Article 14(2) and (4) of Regulation (EU) No 600/2014)

1. The standard market size for shares, depositary receipts, ETFs, certificates and other similar financial instruments for which there is a liquid market shall be determined on the basis of the average value of transactions for each financial instrument calculated in accordance with paragraphs 2 and 3 and in accordance with Table 3 of Annex II.
2. For the purpose of determining the standard market size which is applicable to a specific financial instrument as set out in paragraph 1, ~~competent authorities~~ the FCA shall calculate the average value of transactions in respect of all the shares, depositary receipts, ETFs, certificates and other similar financial instruments traded on a trading venue for which there is a liquid market ~~and for which they are the competent authority~~.
3. The calculation referred to in paragraph 2 shall have the following characteristics:

- (a) it shall take into account the transactions executed in the ~~Union~~ relevant area in respect of the financial instrument concerned whether executed on or outside a trading venue;
- (b) it shall cover either the preceding calendar year or, where applicable, the period of the preceding calendar year during which the financial instrument was admitted to trading or traded on a trading venue and was not suspended from trading;
- (c) it shall exclude post-trade large-in-scale transactions as set out in Table 4 of Annex I and any transactions benefitting from any similar relief under a third country regime in the form of a transparency waiver or otherwise.

Paragraphs 2 and 3 shall not apply to shares, depositary receipts, ETFs, certificates and other similar financial instruments first admitted to trading or first traded on a trading venue four weeks or less before the end of the preceding calendar year.

4. Before a share, depositary receipt, ETF, certificate or other similar financial instrument is traded for the first time on a trading venue ~~in the Union~~, the ~~competent authority~~ FCA shall estimate the average daily turnover for that financial instrument taking into account any previous trading history of that financial instrument and of other financial instruments that are considered to have similar characteristics, and ensure publication of that estimate.
5. The estimated average value of transactions laid down in paragraph 4 shall be used as the standard market size for a share, depositary receipt, ETF, certificate or other similar financial instrument during a six-week period following the date that the share, depositary receipt, ETF, certificate or other similar financial instrument was first admitted to trading or first traded on a trading venue.
6. The ~~competent authority~~ FCA shall calculate and ensure publication of the average value of transactions based on the first four weeks of trading before the end of the six-week period referred to in paragraph 5.
7. The average value of transactions in paragraph 6 shall apply immediately after its publication and until a new average value of transactions calculated in accordance with paragraphs 2 and 3 applies.
8. For the purposes of this Article, the average value of transactions shall be calculated by dividing the total turnover for a particular financial instrument as set out in Article 17(4) by the total number of transactions executed for that financial instrument in the period considered.

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Article 13

Application of post-trade transparency to certain types of transactions executed outside a trading venue

(Article 20(1) of Regulation (EU) No 600/2014)

The obligation in Article 20(1) of Regulation (EU) No 600/2014 shall not apply to the following:

- (a) excluded transactions listed under Article 2(5) of Commission Delegated Regulation (EU) 2017/590 where applicable;
- (b) transactions executed by a management company as defined in ~~Article 2(1)(b) of Directive 2009/65/EC section 237(2) of FSMA, or an alternative investment fund manager~~ a UK AIFM as defined in Article 4(1)(b) of Directive 2011/61/EU the AIFM Regulations, or a third country AIFM as defined in the AIFM Regulations, which transfers the beneficial ownership of financial instruments from one collective investment undertaking to another and where no investment firm is a party to the transaction;
- (c) give-up transactions and give-in transactions;
- (d) transfers of financial instruments as collateral in bilateral transactions or in the context of a CCP margin or collateral requirements or as part of the default management process of a CCP.

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Article 15

Deferred publication of transactions

(Article 7(1) and 20(1) and (2) of Regulation (EU) No 600/2014)

1. Where ~~a competent authority~~ the FCA authorises the deferred publication of the details of transactions pursuant to Article 7(1) of Regulation (EU) No 600/2014, market operators and investment firms operating a trading venue and investment firms trading outside a trading venue shall make public each transaction no later than at the end of the relevant period set out in Tables 4, 5 and 6 of Annex II provided that the following criteria are satisfied:
 - (a) the transaction is between an investment firm dealing on own account other than through matched principal trading and another counterparty;
 - (b) the size of the transaction is equal to or exceeds the relevant minimum qualifying size specified in Tables 4, 5 or 6 of Annex II, as appropriate.
2. The relevant minimum qualifying size for the purposes of point (b) in paragraph 1 shall be determined in accordance with the average daily turnover calculated as set out in Article 7.

3. For transactions for which deferred publication is permitted until the end of the trading day as specified in Tables 4, 5 and 6 of Annex II, investment firms trading outside a trading venue and market operators and investment firms operating a trading venue shall make public the details of those transactions either:
 - (a) as close to real-time as possible after the end of the trading day which includes the closing auction, where applicable, for transactions executed more than two hours before the end of the trading day;
 - (b) no later than noon local time on the next trading day for transactions not covered in point (a).

For transactions that take place outside a trading venue, references to trading days and closing auctions shall be those of the most relevant market in terms of liquidity as determined in accordance with Article 4.

4. ~~Where a transaction between two investment firms is executed outside the rules of a trading venue, the competent authority for the purpose of determining the applicable deferral regime shall be the competent authority of the investment firm responsible for making the trade public through an APA in accordance with paragraphs 5 and 6 of Article 12.~~

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Article 17

Methodology, date of publication and date of application of the transparency calculations

(Article 22(1) of Regulation (EU) No 600/2014)

1. At the latest 14 months after the date of the entry into application of Regulation (EU) No 600/2014 and by 1 March of each year thereafter, ~~competent authorities~~ the FCA shall, in relation to each financial instrument ~~for which they are the competent authority that is traded on a trading venue~~, collect the data, calculate and ensure publication of the following information:
 - (a) the trading venue which is the most relevant market in terms of liquidity as set out in Article 4(2);
 - (b) the average daily turnover for the purpose of identifying the size of orders that are large in scale as set out in Article 7(3);
 - (c) the average value of transactions for the purpose of determining the standard market size as set out in Article 11(2).
2. ~~Competent authorities~~ The FCA, market operators and investment firms including investment firms operating a trading venue shall use the information published in accordance with paragraph 1 for the purposes of points (a) and (c) of Article 4(1) and paragraphs 2 and 4 of Article 14 of Regulation (EU) No 600/2014, for a period of 12 months from 1 April of the year in which the information is published.

Where the information referred to in the first subparagraph is replaced by new information pursuant to paragraph 3 during the 12-month period referred to therein,

competent authorities, market operators and investment firms including investment firms operating a trading venue shall use that new information for the purposes of points (a) and (c) of Article 4(1) and paragraphs 2 and 4 of Article 14 of Regulation (EU) No 600/2014.

3. ~~Competent authorities~~ The FCA shall ensure that the information to be made public pursuant to paragraph 1 is updated on a regular basis for the purposes of Regulation (EU) No 600/2014 and that all changes to a specific share, depositary receipt, ETF, certificate or other similar financial instrument which significantly affects the previous calculations and the published information are included in such updates.
4. For the purposes of the calculations referred to in paragraph 1, the turnover in relation to a financial instrument shall be calculated by summing the results of multiplying, for each transaction executed during a defined period of time, the number of units of that instrument exchanged between the buyers and sellers by the unit price applicable to such transaction.
5. After the end of the trading day, but before the end of the day, trading venues shall submit to ~~Competent authorities~~ the FCA the details set out in Tables 1 and 2 of Annex III whenever the financial instrument is admitted to trading or first traded on that trading venue or whenever those previously submitted details have changed.

Article 17A

Transitional period for publication of transparency calculations

1. Article 2(1)(62) of Regulation 600/2014/EU does not apply to this Article.
2. For the purposes of this Article, the term ‘transitional period’ has the same meaning as under Article 5(3A) of Regulation 600/2014/EU.
3. During the transitional period and until the FCA makes a publication under Articles 4, 7, 11 or 17 in relation to the financial instrument in question, the most relevant market, average daily turnover and average value of transactions in respect of a share, depositary receipt, ETF, certificate or other similar financial instrument for the purposes of retained EU law relating to markets in financial instruments shall be as follows in (a) or (b), subject to (c):
 - (a) that stated in the most recent information published before exit day under Article 7(6), 7(8), 11(4), 11(6) or 19 (whichever is the most recent) by the competent authority in the European Union for the relevant instrument under Article 18 as it applied in the European Union before exit day (including the FCA); or
 - (b) if no such information was published by that competent authority in the European Union in respect of a financial instrument under those provisions before exit day:
 - (i) the most relevant market for that financial instrument shall be the trading venue in the relevant area where that financial instrument is first admitted to trading; and
 - (ii) the average daily turnover and average value of transactions for that financial instrument shall be that estimated by the FCA, taking into

account any previous trading history of that financial instrument and of other financial instruments that are considered to have similar characteristics, and published on exit day; and

- (c) if information was published before exit day under Article 17(1) or 17(3) by the competent authority in the European Union for the relevant instrument under Article 18 as it applied in the European Union before exit day (including the FCA), but the information was not required to be used under Article 17(2) before exit day, then the most relevant market, average daily turnover and average value of transactions shall become that stated in such information from the point at which it would have been required to be used under Article 17(2) as it applied in the European Union before exit day, provided that the calculations used to produce that information did not exclude trading in the UK for the relevant period.

4. From exit day and during the transitional period, the FCA's obligations to perform calculations and publish information under Articles 4, 7, 11, and 17 are modified as follows:

- (a) where the FCA publishes information under Article 17(1) or 17(3):
- (i) it shall publish what appears to it to be the most relevant market in terms of liquidity, the average daily turnover and the average value of transactions as applicable;
- (ii) it is not required to follow the relevant methodology in Article 4(2), Article 7(3) or Article 11(2) (as applicable), but where it does not:
- it must have regard to the relevant methodology; and
 - it may take into account any information available in relation to trading of the financial instrument in question in the United Kingdom or in any other country; and
- (iii) in the case of a publication under Article 17(1), it shall ensure publication by five working days after 1 March;
- (b) where the FCA publishes information under Article 7(8) or 11(6) it shall publish what appears to it to be the average daily turnover and the average value of transactions as applicable, and it may take into account any information available in relation to trading of the financial instrument in question in the United Kingdom or in any other country.

Article 18

Reference to competent authorities

(Article 22(1) of Regulation (EU) No 600/2014)

~~The competent authority for a specific financial instrument responsible for performing the calculations and ensuring the publication of the information referred to in Articles 4, 7, 11 and 17 shall be the competent authority of the most relevant market in terms of liquidity in Article 26 of Regulation (EU) No 600/2014 and specified in Article 16 of Delegated Regulation (EU) 2017/571.~~

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Article 20

Entry into force and application

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

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ANNEX I

Information to be made public

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Table 3

List of details for the purpose of post-trade transparency

Field identifier	Description and details to be published	Type of execution or publication venue Format to be populated as defined in Table 2	Format to be populated as defined in Table 2
...			
Venue of execution	Identification of the venue where the transaction was executed. Use the ISO 10383 segment MIC for transactions executed on a trading venue. Where the segment MIC does not exist, use the operating MIC. Use MIC code 'XOFF' for financial instruments admitted to trading or traded on a trading venue, where the transaction on that financial instrument is not executed on a trading venue, systematic internaliser or	RM, MTF APA CTP	trading venues: {MIC} Systematic internalisers: 'SINT'

	organised trading platform outside of the Union <u>UK</u> .		
	Use SINT for financial instruments admitted to trading or traded on a trading venue, where the transaction on that financial instrument is executed on a Systematic Internaliser.		
...			
Venue of Publication	Code used to identify the trading venue or APA publishing the transaction	CTP	trading venue: {MIC} APA: ISO 10383 segment MIC (4 characters) where available. Otherwise, 4-character code as published in the list of data reporting services providers on <u>ESMA's the FCA</u> website.
...			

Table 4

List of flags for the purpose of post-trade transparency

Flag	Name	Type of execution or publication venue	Description
...			
ALGO	Algorithmic transaction flag	RM, MTF CTP	Transactions executed as a result of an investment firm engaging in

			algorithmic trading as defined in <u>Article 4(1)(39) of Directive 2014/65/EU Regulation 2(1) of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701).</u>
...			

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ANNEX III

Reference data to be provided for the purpose of transparency calculations

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Table 2

Details of the reference data to be provided for the purpose of transparency calculations

#	Field	Details to be reported	Format and standards for reporting
...			
4	MiFIR identifier	Identification of equity financial instruments <u>Shares</u> as referred to in <u>Article 4(44)(a) of Directive 2014/65/EU Article 2(1)(24)(a)</u>	Equity financial instruments: SHRS = shares ETFs = ETFs DPRS = depositary receipts CRFT = certificates OTHR = other equity-like financial instruments

		<p><u>of Regulation (EU) No 600/2014;</u></p> <p>Depository receipts as defined in Article 4(45) of Directive 2014/65/EU Article 2(1)(25) of <u>Regulation (EU) No 600/2014;</u></p> <p>ETF as defined in Article 4(46) of Directive 2014/65/EU Article 2(1)(26) of <u>Regulation (EU) No 600/2014;</u></p> <p>Certificates as defined in Article 2(1)(27) of Regulation (EU) No 600/2014;</p> <p>Other equity-like financial instrument is a transferable security which is an equity instrument similar to a share, ETF, depository receipt or certificate but other than a share, ETF, depository receipt or certificate.</p>	
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Annex B

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

~~(Text with EEA relevance)~~

CHAPTER I

GENERAL

Article -3**Definitions**

1. In this Regulation, ‘exit day’ has the meaning given in the European Union (Withdrawal) Act 2018.

Article -2**Application**

This Regulation applies to:

1. those persons described in Article 1(2) of Regulation 600/2014/EU; and
2. the Financial Conduct Authority as a competent authority.

Article -1**Interpretation**

1. Where a term is defined in Directive 2014/65/EU (as that directive applied in the European Union immediately before exit day) that definition shall apply for the purposes of this Regulation except where it is defined in article 2 of Regulation 600/2014/EU in which case that definition shall apply for the purposes of this Regulation.
2. The definition of all other terms defined in article 2 of Regulation 600/2014/EU shall apply for the purposes of this Regulation save where the context otherwise requires.
3. Article 2(1)(62) of Regulation 600/2014/EU applies for the purposes of this Regulation unless otherwise stated.

4. The ‘relevant area’ in relation to a financial instrument means the United Kingdom and such other countries or regions as have been specified by the FCA by direction for the purposes of Article 5 or Article 14 of Regulation (EU) No 600/2014, as the context requires.
5. References to the date of application of Regulation (EU) No 600/2014 mean the date of application of that Regulation in the European Union.

Article 1

Definitions

For the purposes of this Regulation, the following definitions shall apply:

1. ‘package transaction’ means either of the following:
 - (a) a transaction in a derivative contract or other financial instrument contingent on the simultaneous execution of a transaction in an equivalent quantity of an underlying physical asset (Exchange for Physical or EFP);
 - (b) a transaction which involves the execution of two or more component transactions in financial instruments; and:
 - (i) which is executed between two or more counterparties;
 - (ii) where each component of the transaction bears meaningful economic or financial risk related to all the other components;
 - (iii) where the execution of each component is simultaneous and contingent upon the execution of all the other components;
2. ‘request-for-quote system’ means a trading system where the following conditions are met:
 - (a) a quote or quotes by a member or participant are provided in response to a request for a quote submitted by one or more other members or participants;
 - (b) the quote is executable exclusively by the requesting member or participant;
 - (c) the requesting member or market participant may conclude a transaction by accepting the quote or quotes provided to it on request;
3. ‘voice trading system’ means a trading system where transactions between members are arranged through voice negotiation;
4. ‘the AIFM Regulations’ means the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773).

...

Article 7

Post-trade transparency obligations

(Article 10(1) and Article 21(1) and (5) of Regulation (EU) No 600/2014)

...

4. Post-trade information shall be made available as close to real time as is technically possible and in any case:
- (a) for the first three years from the date of application of Regulation (EU) No 600/2014, within 15 minutes after the execution of the relevant transaction;
 - (b) thereafter, within 5 minutes after the execution of the relevant transaction.

...

Article 8

Deferred publication of transactions

(Article 11(1) and (3) and Article 21(4) of Regulation (EU) No 600/2014)

1. Where ~~a competent authority~~ the FCA authorises the deferred publication of the details of transactions pursuant to Article 11(1) of Regulation (EU) No 600/2014, investment firms trading outside a trading venue and market operators and investment firms operating a trading venue shall make public each transaction no later than 19.00 local time on the second working day after the date of the transaction, provided one of the following conditions is satisfied:
- (a) the transaction is large in scale compared with the normal market size as specified in Article 9;
 - (b) the transaction is in a financial instrument or a class of financial instruments for which there is not a liquid market as specified in accordance with the methodology set out in Article 13;
 - (c) the transaction is executed between an investment firm dealing on own account other than on a matched principal basis ~~(as per Article 4(1)(38) of Directive 2014/65/EU of the European Parliament and of the Council defined in accordance with the definition in effect on exit day for ‘matched principal trading’ in the Glossary to the Handbook of Rules and Guidance published by the FCA)~~ and another counterparty and is above a size specific to the instrument as specified in Article 10;
 - (d) the transaction is a package transaction which meets one of the following criteria:
 - (i) one or more of its components are transactions in financial instruments which do not have a liquid market;

- (ii) one or more of its components are transactions in financial instruments that are large in scale compared with the normal market size as determined by Article 9;
 - (iii) the transaction is executed between an investment firm dealing on own account other than on a matched principal basis (as ~~per Article 4(1)(38)~~ of Directive 2014/65/EU and another counterparty defined in accordance with the definition in effect on exit day for 'matched principal trading' in the Glossary to the Handbook of Rules and Guidance published by the Financial Conduct Authority), and one or more of its components are transactions in financial instruments that are above the size specific to the instrument as determined by Article 10.
2. When the time limit of deferral set out in paragraph 1 has lapsed, all the details of the transaction shall be published unless an extended or an indefinite time period of deferral is granted in accordance with Article 11.
 3. ~~Where a transaction between two investment firms, either on own account or on behalf of clients, is executed outside the rules of a trading venue, the relevant competent authority for the purposes of determining the applicable deferral regime shall be the competent authority of the investment firm responsible for making the trade public through an APA in accordance with paragraphs 5, 6 and 7 of Article 7.~~
- ...

Article 11

Transparency requirements in conjunction with deferred publication at the discretion of the competent authorities

(Article 11(3) of Regulation (EU) No 600/2014)

1. Where ~~competent authorities~~ the FCA exercises ~~their~~ its powers in conjunction with an authorisation of deferred publication pursuant to Article 11(3) of Regulation (EU) No 600/2014, the following shall apply:
 - (a) where Article 11(3)(a) of Regulation (EU) No 600/2014 applies, ~~competent authorities~~ the FCA shall request the publication of either of the following information during the full period of deferral as set out in Article 8:
 - (i) all the details of a transaction laid down in Tables 1 and 2 of Annex II with the exception of details relating to volume;
 - (ii) transactions in a daily aggregated form for a minimum number of 5 transactions executed on the same day, to be made public the following working day before 9.00 local time;
 - (b) where Article 11(3)(b) of Regulation (EU) No 600/2014 applies, ~~competent authorities~~ the FCA shall allow the omission of the publication of the volume of an individual transaction for an extended time period of four weeks;

- (c) in respect of non-equity instruments that are not sovereign debt and where Article 11(3)(c) of Regulation (EU) No 600/2014 applies, the ~~competent authority~~ FCA shall allow, for an extended time period of deferral of four weeks, the publication of the aggregation of several transactions executed over the course of one calendar week on the following Tuesday before 9.00 local time;
 - (d) in respect of sovereign debt instruments and where Article 11(3)(d) of Regulation (EU) No 600/2014 applies, ~~competent authorities~~ the FCA shall allow, for an indefinite period of time, the publication of the aggregation of several transactions executed over the course of one calendar week on the following Tuesday before 9.00 local time.
2. Where the extended period of deferral set out in paragraph 1(b) has lapsed, the following requirements shall apply:
- (a) in respect of all instruments that are not sovereign debt, the publication of the full details of all individual transactions, on the next working day before 9.00 local time;
 - (b) in respect of sovereign debt instruments where ~~competent authorities decide~~ the FCA decides not to use the options provided for in Article 11(3)(b) and (d) of Regulation (EU) No 600/2014 consecutively, pursuant to the second subparagraph of Article 11(3) of Regulation (EU) No 600/2014, the publication of the full details of all individual transactions on the next working day before 9.00 local time;
 - (c) in respect of sovereign debt instruments, where ~~competent authorities apply~~ the FCA applies the options provided for in Article 11(3)(b) and (d) of Regulation (EU) No 600/2014 consecutively pursuant to the second subparagraph of Article 11(3) of Regulation (EU) No 600/2014, the publication of several transactions executed in the same calendar week in an aggregated form on the Tuesday following the expiry of the extended period of deferral of four weeks counting from the last day of that calendar week before 9.00 local time.

...

Article 12

Application of post-trade transparency to certain transactions executed outside a trading venue

(Article 21(1) of Regulation (EU) No 600/2014)

The obligation to make public the volume and price of transactions and the time at which they were concluded as set out in Article 21(1) of Regulation (EU) No 600/2014 shall not apply to any of the following:

- (a) transactions listed in Article 2(5) of Commission Delegated Regulation (EU) 2017/590;

- (b) transactions executed by a management company as defined in ~~Article 2(1)(b) of Directive 2009/65/EC of the European Parliament and of the Council~~ section 237(2) of FSMA or an alternative investment fund manager, a UK AIFM as defined in ~~Article 4(1)(b) of Directive 2011/61/EU of the European Parliament and of the Council~~ the AIFM Regulations, or a third country AIFM as defined in the AIFM Regulations which transfer the beneficial ownership of financial instruments from one collective investment undertaking to another and where no investment firm is a party to the transaction;
- (c) ‘give-up transaction’ or ‘give-in transaction’ which is a transaction where an investment firm passes a client trade to, or receives a client trade from, another investment firm for the purpose of post-trade processing;
- (d) transfers of financial instruments such as collateral in bilateral transactions or in the context of a central counterparty (CCP) margin or collateral requirements or as part of the default management process of a CCP.

CHAPTER IV

PROVISIONS COMMON TO PRE-TRADE AND POST-TRADE TRANSPARENCY

Article 13

Methodology to perform the transparency calculations

(Article 9(1) and (2), Article 11(1) and Article 22(1) of Regulation (EU) No 600/2014)

...

- 5. In accordance with Delegated Regulations (EU) 2017/590 and (EU) 2017/577 ~~competent authorities~~ the FCA shall collect on a daily basis the data from trading venues, APAs and CTPs which is necessary to perform the calculations to determine:
 - (a) the financial instruments and classes of financial instruments not having a liquid market as set out in paragraph 1;
 - (b) the sizes large in scale compared to normal market size and the size specific to the instrument as set out in paragraphs 2 and 3.
- ~~6. Competent authorities performing the calculations for a class of financial instruments shall establish cooperation arrangements between each other as to ensure the aggregation of the data across the Union necessary for the calculations.~~
- 7. For the purpose of paragraph 1(b) and (d), paragraph 2(b) and paragraph 3(b), (c) and (d), ~~competent authorities~~ the FCA shall take into account transactions executed in the ~~Union~~ relevant area between 1 January and 31 December of the preceding year.

...

- 16. After the end of the trading day but before the end of that day, trading venues shall submit to ~~competent authorities~~ the FCA the details included in Annex IV for

performing the calculations referred to in paragraph 5 whenever the financial instrument is admitted to trading or first traded on that trading venue or whenever the details previously provided have changed.

17. ~~Competent authorities~~ The FCA shall ensure the publication of the results of the calculations referred to under paragraph 5 for each financial instrument and class of financial instrument by 30 April of the year following the date of application of Regulation (EU) No 600/2014 and by 30 April of each year thereafter. The results of the calculations shall apply from 1 June each year following publication.
18. For the purposes of the calculations in paragraph 1(b)(i) and by way of derogation from paragraphs 7, 15 and 17, ~~competent authorities~~ the FCA shall, in respect of bonds except ETCs and ETNs, ensure the publication of the calculations referred to under paragraph 5(a) on a quarterly basis, on the first day of February, May, August and November following the date of application of Regulation (EU) No 600/2014 and on the first day of February, May, August and November each year thereafter. The calculations shall include transactions executed in the ~~Union~~ relevant area during the preceding calendar quarter and shall apply for the 3 month period beginning on the sixteenth day of February, May, August and November each year.

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Article 13A

Transitional period for publication of transparency calculations

1. Article 2(1)(62) of Regulation 600/2014/EU does not apply to this Article.
2. For the purposes of this Article, the term ‘transitional period’ has the same meaning as under Article 5(3A) of Regulation 600/2014/EU.
3. During the transitional period, and until the FCA makes a publication under Article 13 in relation to the financial instrument in question, the determination of whether or not it is liquid, the minimum order and transaction size of the size specific to the financial instrument and the minimum sizes of orders and transactions that are large in scale (as appropriate) in respect of a bond, structured finance product, emission allowance or derivative shall be as follows:
 - (a) that stated in the most recent information published before exit day under Article 13 or 18 (whichever is the most recent) by a competent authority in the European Union (including the FCA), provided the calculations used to produce that information did not exclude trading in the UK for the relevant period; or
 - (b) if no such information was published by a competent authority in the European Union in respect of a financial instrument under those provisions before exit day:
 - (i) the financial instrument shall be considered not to have a liquid market;
 - (ii) the minimum order and transaction size of the size specific to the financial instrument and the minimum sizes of orders and transactions

that are large in scale (as appropriate) shall be that estimated by the FCA, taking into account any previous trading history of that financial instrument and of other financial instruments that are considered to have similar characteristics, and published on exit day.

4. From exit day and during the transitional period the FCA's obligations to perform calculations and publish information under Articles 13(17) and 13(18) are modified as follows:
- (a) it shall publish whether or not the relevant instrument appears to it to be liquid, what appears to it to be the minimum order and transaction size of the size specific to the financial instrument, and the minimum sizes of orders and transactions that are large in scale (as appropriate);
 - (b) it is not required to follow the relevant methodology in Article 3, 5, 6, 9, 10, 13 or 17 (as applicable) but where it does not:
 - it must have regard to the relevant methodology; and
 - it may take into account any information available in relation to trading of the financial instrument in question in the United Kingdom or in any other country; and
 - (c) in the case of a publication under Article 13(17), it shall ensure publication by five working days after 30 April; and
 - (d) in the case of a publication under Article 13(18), it shall ensure publication by five working days after the first day of February, May, August and November.

Article 14

Transactions to which the exemption in Article 1(6) of Regulation (EU) No 600/2014 applies

(Article 1(6) of Regulation (EU) No 600/2014)

A transaction shall be considered to be entered into by a member of the European System of Central Banks (ESCB), the Treasury or the Bank of England in performance of monetary, foreign exchange and financial stability policy where that transaction meets any of the following requirements:

- (a) ~~the transaction is carried out for the purposes of monetary policy, including an operation carried out in accordance with Articles 18 and 20 of the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on European Union or an operation carried out under equivalent national provisions for members of the ESCB in Member States whose currency is not the euro;~~
- (b) ~~the transaction is a foreign-exchange operation, including operations carried out to hold or manage official foreign reserves of the Member States or the reserve management service provided by a member of the ESCB to central banks in other countries to which the exemption has been extended in accordance with Article 1(9) of Regulation (EU) No 600/2014;~~

...

Article 15

Transactions to which the exemption in Article 1(6) of Regulation (EU) No 600/2014 does not apply

(Article 1(7) of Regulation (EU) No 600/2014)

Article 1(6) of Regulation (EU) No 600/2014 shall not apply to the following types of transactions entered into by a member of the ESCB, the Treasury or the Bank of England for the performance of an investment operation that is unconnected with that member's performance of one of the tasks referred to in Article 14:

- (a) transactions entered into for the management of its own funds;
- (b) transactions entered into for administrative purposes or for the staff of the member of the ESCB the Treasury or the Bank of England which include transactions conducted in the capacity as administrator of a pension scheme for its staff;
- (c) transactions entered into for its investment portfolio pursuant to obligations under national law.

Article 16

Temporary suspension of transparency obligations

(Article 9(5)(a) of Regulation (EU) No 600/2014)

-1. This Article does not apply in relation to a temporary suspension of obligations under Article 9(4A) or Article 11(2A) of Regulation (EU) No 600/2014.

1. For financial instruments for which there is a liquid market in accordance with the methodology set out in Article 13, ~~a competent authority~~ the FCA may temporarily suspend the obligations set out in Articles 8 and 10 Regulation (EU) No 600/2014 where for a class of bonds, structured finance products, emission allowances or derivatives, the total volume as defined in Table 4 of Annex II calculated for the previous 30 calendar days represents less than 40 % of the average monthly volume calculated for the 12 full calendar months preceding those 30 calendar days.
2. For financial instruments for which there is not a liquid market in accordance with the methodology set out in Article 13, a competent authority may temporarily suspend the obligations referred to in Articles 8 and 10 of Regulation (EU) No 600/2014 when for a class of bonds, structured finance products, emission allowances or derivatives, the total volume as defined in Table 4 of Annex II calculated for the previous 30 calendar days represents less than 20 % of the average monthly volume calculated for the 12 full calendar months preceding those 30 calendar days.
3. ~~Competent authorities~~ The FCA shall take into account the transactions executed on all venues in the ~~Union~~ relevant area for the class of bonds, structured finance products, emission allowances or derivatives concerned when performing the calculations referred to in paragraphs 1 and 2. The calculations shall be performed at

the level of the class of financial instruments to which the liquidity test set out in Article 13 is applied.

4. Before ~~competent authorities decide~~ the FCA decides to suspend transparency obligations, they shall ensure that the significant decline in liquidity across all venues is not the result of seasonal effects of the relevant class of financial instruments on liquidity.

Article 17

Provisions for the liquidity assessment for bonds and for the determination of the pre-trade size specific to the instrument thresholds based on trade percentiles

...

4. ~~ESMA~~ The FCA shall, by 30 July of the year following the date of application of Regulation (EU) No 600/2014 and by 30 July of each year thereafter, submit to the ~~Commission~~ Treasury 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 size specific to the financial instruments ~~covered by paragraph 8. The obligation to submit the assessment of the operation of the thresholds for the liquidity criterion for bonds ceases once S4 in the sequence of paragraph 6 is reached. The obligation to submit the assessment of the trade percentiles ceases once S4 in the sequence of paragraph 8 is reached.~~
5. The assessment referred to in paragraph 4 shall take into account:
 - (a) the evolution of trading volumes in non-equity instruments covered by the pre-trade transparency obligations pursuant to Article 8 and 9 of Regulation (EU) No 600/2014;
 - (b) the impact on liquidity providers of the percentile thresholds used to determine the size specific to the financial instrument; and
 - (c) any other relevant factors.
6. ~~ESMA~~ The FCA shall, in light of the assessment undertaken in accordance with paragraphs 4 and 5, consider its use of the powers to amend this Regulation at regulation 3 of the Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (SI 2018/1115) and section 138P of FSMA. ~~submit to the Commission an amended version of the regulatory technical standard adjusting the threshold for the liquidity criterion 'average daily number of trades' for bonds according to the following sequence:~~
 - (a) ~~S2 (10 daily trades) by 30 July of the year following the date of application of Regulation (EU) No 600/2014;~~
 - (b) ~~S3 (7 daily trades) by 30 July of the year thereafter; and~~
 - (c) ~~S4 (2 daily trades) by 30 July of the year thereafter.~~
7. ~~Where ESMA does not submit an amended regulatory technical standard adjusting the threshold to the next stage according to the sequence referred to in paragraph 6, the ESMA assessment undertaken in accordance with paragraphs 4 and 5 shall explain~~

~~why adjusting the threshold to the relevant next stage is not warranted. In this instance, the move to the next stage will be postponed by one year.~~

8. ~~ESMA shall, in light of the assessment undertaken in accordance with paragraphs 4 and 5, submit to the Commission an amended version of the regulatory technical standard adjusting the threshold for trade percentiles according to the following sequence:~~
- ~~(a) S2 (40th percentile) by 30 July of the year following the date of application of Regulation (EU) No 600/2014;~~
 - ~~(b) S3 (50th percentile) by 30 July of the year thereafter; and~~
 - ~~(c) S4 (60th percentile) by 30 July of the year thereafter.~~
9. ~~Where ESMA does not submit an amended regulatory technical standard adjusting the threshold to the next stage according to the sequence referred to in paragraph 8, the ESMA assessment undertaken in accordance with paragraphs 4 and 5 shall explain why adjusting the threshold to the relevant next stage is not warranted. In this instance, the move to the next stage will be postponed by one year.~~

Article 19

Entry into force and application

...

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

...

ANNEX II

Details of transactions to be made available to the public

...

Table 2

List of details for the purpose of post-trade transparency

Details	Financial Instruments	Description/Details to be published	Type of execution / publication	Format to be populated as defined in Table 1
...				
Venue of execution	For all financial instruments	<p>Identification of the venue where the transaction was executed.</p> <p>Use the ISO 10383 segment MIC for transactions executed on a trading venue. Where the segment MIC does not exist, use the operating MIC.</p> <p>Use MIC code 'XOFF' for financial instruments admitted to trading or traded on a trading venue, where the transaction on that financial instrument is not executed on a trading venue or systematic internaliser or organised trading platform outside of the Union UK.</p> <p>Use SINT for financial instrument submitted to trading or traded on a trading</p>	RM, MTF, OTF APA CTP	{MIC} –trading venues 'SINT' — systematic internaliser

		venue, where the transaction on that financial instrument is executed on a Systematic Internaliser.		
...				
Venue of publication	For all financial instruments	Code used to identify the trading venue and APA publishing the trans- action.	CTP	Trading venue: {MIC} APA: {MIC} where avail- able. Otherwise, 4 character code as published in the list of data reporting services providers on ESMA's website <u>the FCA's</u> website.
...				

...

ANNEX III

Liquidity assessment, LIS and SSTI thresholds for non-equity financial instruments

...

Table 2.2

Bonds (all bond types except ETCs and ETNs) — classes not having a liquid market

Asset class — Bonds (all bond types except ETCs and ETNs)	
Each individual bond shall be determined not to have a liquid market as per Article 13(18) if it is characterised by a specific combination of bond type and issuance size as specified in each row of the table.	
Bond Type	Issuance size

Sovereign Bond	<p>means a bond issued by a sovereign issuer which is either:</p> <p>(a) the <u>European Union</u>;</p> <p>(b) a Member State <u>the United Kingdom</u> including a government department, an agency or a special purpose vehicle of a Member State <u>the United Kingdom</u>;</p> <p>(ba) <u>a State other than the United Kingdom, including a government department, an agency or a special purpose vehicle of the State</u>;</p> <p>(c) a sovereign entity which is not listed under points (a) and (b) <u>to (ba)</u>.</p>	smaller than (in EUR)	1 000 000 000
Other Public Bond	<p>means a bond issued by any of the following public issuers:</p> <p>(a) in the case of a federal Member State, a member of that federation;</p> <p>(b) a special purpose vehicle for several Member States; an international financial institution established by two or more Member States which have the purpose of mobilising funding and providing financial assistance to the benefit of its members that are experiencing or are threatened by severe financial problems;</p> <p>(c) an international financial institution established by two or more Member States which have the purpose of mobilising funding and providing financial assistance to the benefit of its members that are experiencing or are threatened by severe financial problems;</p> <p>(d) the European Investment Bank;</p> <p><u>(da) the International Finance Corporation;</u></p>	smaller than (in EUR)	500 000 000

	(db) the International Monetary Fund; (e) a public entity which is not an issuer of a sovereign bond as specified in the previous row.		
Convertible Bond	means an instrument consisting of a bond or a securitised debt instrument with an embedded derivative, such as an option to buy the underlying equity	smaller than (in EUR)	500 000 000
Covered Bond	means bonds as referred to in Article 52(4) of Directive 2009/65/EC <u>Article 4(1)(128A) of Regulation (EU) No 575/2013 of the European Parliament and of the Council</u>	during stages S1 and S2	during stages S3 and S4
		smaller than (in EUR)	1 000 000 000 ...
Corporate Bond	means a bond that is issued by a (i) <u>Societas Europaea established before exit day</u> in accordance with Council Regulation (EC) No 2157/2001; or (ii) a UK Societas or a type of company listed in Article 1 of Directive 2009/101/EC of the European Parliament and of the Council <u>incorporated in the UK with limited liability</u> or equivalent in third countries	during stages S1 and S2	during stages S3 and S4
		smaller than (in EUR)	1 000 000 000 ...
...			

...

Table 4.1

Securitised derivatives — classes not having a liquid market

Asset class — Securitised Derivatives

means a transferable security as defined in ~~Article 4(1)(44)(e) of Directive 2014/65/EU~~ Article (2)(1)(24)(c) of Regulation 600/2014/EU different from structured finance products and should include at least:

...

Table 5.1

Interest rate derivatives — classes not having a liquid market

Asset class — Interest Rate Derivatives
any contract as defined in Annex I, Section C(4) of Directive 2014/65/EU <u>paragraph 4 of Part 1 of Schedule 2 to the Regulated Activities Order</u> whose ultimate underlying is an interest rate, a bond, a loan, any basket, portfolio or index including an interest rate, a bond, a loan or any other product representing the performance of an interest rate, a bond, a loan.
...

...

Table 6.1

Equity derivatives — classes not having a liquid market

Asset class — Equity Derivatives
any contract as defined Annex I, Section C(4) of Directive 2014/65/EU <u>paragraph 4 of Part 1 of Schedule 2 to the Regulated Activities Order</u> related to:
(a) one or more shares, depositary receipts, ETFs, certificates, other similar financial instruments, cash-flows or other products related to the performance of one or more shares, depositary receipts, ETFs, certificates, or other similar financial instruments;
(b) an index of shares, depositary receipts, ETFs, certificates, other similar financial instruments, cash-flows or other products related to the performance of one or more shares, depositary receipts, ETFs, certificates, or other similar financial instruments
...

...

Table 8.1

Foreign exchange derivatives — classes not having a liquid market

Asset class — Foreign Exchange Derivatives
a financial instrument relating to currencies as defined in Section C(4) of Annex I of Directive 2014/65/EU <u>paragraph 4 of Part 1 of Schedule 2 to the Regulated Activities Order</u>
...

...

Table 9.1

Credit derivatives — classes not having a liquid market

Asset class — Credit Derivatives				
...				
<p>Single name credit default swap (CDS)</p> <p>a swap whose exchange of cash flows is linked to the creditworthiness of one issuer of financial instruments and the occurrence of credit events</p>	<p>a single name credit default swap sub-class is defined by the following segmentation criteria:</p> <p>Segmentation criterion 1 — underlying reference entity</p> <p>Segmentation criterion 2 — underlying reference entity type defined as follows:</p> <p>‘Issuer of sovereign and public type’ means an issuer entity which is either:</p> <p>(a) the <u>European Union</u>;</p> <p>(b) a Member State <u>the United Kingdom</u></p>	EUR 10 000 000	10	

	<p>including a government department, an agency or a special purpose vehicle of a Member State <u>the United Kingdom</u>;</p> <p><u>(ba) a State other than the United Kingdom, including a government department, an agency or a special purpose vehicle of the State;</u></p> <p>(c) a sovereign entity which is not listed under points (a) and (b) <u>to (ba)</u>;</p> <p>(d) in the case of a federal Member State, a member of that federation;</p> <p>(e) a special purpose vehicle for several Member States;</p> <p>(f) an international financial institution established by two or more Member States which have the purpose of mobilising funding and providing financial assistance to the benefit of its members that are experiencing or are threatened by severe financial problems;</p> <p>(g) the European Investment Bank;</p> <p><u>(ga) the International Finance Corporation;</u></p> <p><u>(gb) the International Monetary Fund;</u></p>			
--	--	--	--	--

	...			
...				

...

Table 10.1
C10 derivatives — classes not having a liquid market

Asset class — C10 Derivatives			
Sub-asset class	For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b), each sub-asset class shall be further segmented into sub-classes as defined below	Each sub-class shall be determined not to have a liquid market as per Articles 6 and 8(1)(b) if it does not meet one or all of the following thresholds of the quantitative liquidity criteria	
		Average daily notional amount (ADNA) [quantitative liquidity criterion 1]	...
Freight derivatives a financial instrument relating to freight rates as defined in Section C(10) of Annex I of Directive 2014/65/EU paragraph 10 of Part 1 of Schedule 2 to the Regulated Activities Order	...	EUR 10 000 000	10
Asset class — C10 Derivatives			

Sub-asset class	For the purpose of the determination of the classes of financial instruments considered not to have a liquid market as per Articles 6 and 8(1)(b) the following methodology shall be applied
Other C10 derivatives	
a financial instrument as defined in Section C(10) of Annex I of Directive 2014/65/EU paragraph 10 of Part 1 of Schedule 2 to the Regulated Activities Order which is not a 'Freight derivative', any of the following interest rate derivatives sub- asset classes: 'Inflation multi-currency swap or cross-currency swap', a 'Future/forward on inflation multi-currency swaps or cross-currency ...	any other C10 derivatives is within the meaning of considered not to have a liquid market

...

Table 12.1

Emission allowances — classes not having a liquid market

...

Table 13.1

Emission allowance derivatives — classes not having a liquid market

...		
Emission allowance derivatives whose underlying is of the type European Union Allowances (EUA) a financial instrument relating to emission allowances of the type European Union Allowances (EUA) as defined in Section C(4) of Annex I of Directive 2014/65/EU paragraph 4 of	150 000 tons of Carbon Dioxide Equivalent	5

Part 1 of Schedule 2 to the Regulated Activities Order		
<p>Emission allowance derivatives whose underlying is of the type European Union Aviation Allowances (EUAA)</p> <p>a financial instrument relating to emission allowances of the type European Union Aviation Allowances (EUAA) as defined in Section C(4) of Annex I of Directive 2014/65/EU paragraph 4 of Part 1 of Schedule 2 to the Regulated Activities Order</p>	150 000 tons of Carbon Dioxide Equivalent	5
<p>Emission allowance derivatives whose underlying is of the type Certified Emission Reductions (CER)</p> <p>a financial instrument relating to emission allowances of the type Certified Emission Reductions (CER) as defined in Section C(4) of Annex I of Directive 2014/65/EU paragraph 4 of Part 1 of Schedule 2 to the Regulated Activities Order</p>	150 000 tons of Carbon Dioxide Equivalent	5
<p>Emission allowance derivatives whose underlying is of the type Emission Reduction Units (ERU)</p> <p>a financial instrument relating to emission allowances of the type Emission Reduction Units (ERU) as defined in Section C(4) of Annex I of Directive 2014/65/EU paragraph 4 of Part 1 of Schedule 2 to the Regulated Activities Order</p>	150 000 tons of Carbon Dioxide Equivalent	5
...		

...

ANNEX IV

Reference data to be provided for the purpose of transparency calculations

...

Table 2

Details of the reference data to be provided for the purpose of transparency calculations

#	FIELD	DETAILS TO BE REPORTED	FORMAT FOR REPORTING
1	Instrument identification code	Code used to identify the financial instrument	{ISIN}
2	Instrument full name	Full name of the financial instrument	{ALPHANUM-350}
3	MiFIR identifier	<p>Identification of non-equity financial instruments: Securitised derivatives as defined in Table 4.1 in Section 4 of Annex III</p> <p>Structured Finance Products (SFPs) as defined in Article 2(1)(28) of Regulation (EU) No 600/2014</p> <p>Bonds (for all bonds except ETCs and ETNs) as defined in Article 4(1)(44)(b) of Directive 2014/65/EU <u>Article (2)(1)(24)(b) of Regulation 600/2014/EU</u></p> <p>ETCs as defined in Article 4(1)(44)(b) of Directive 2014/65/EU <u>Article (2)(1)(24)(b) of Regulation 600/2014/EU</u></p> <p>and further specified in Table 2.4 of Section 2 of Annex III ETNs as defined in Article 4(1)(44)(b) of Directive 2014/65/EU <u>Article (2)(1)(24)(b) of Regulation 600/2014/EU</u></p> <p>and further specified in Table 2.4 of Section 2 of Annex III</p> <p>Emission allowances as defined in Table 12.1 of Section 12 of Annex III</p> <p>Derivative as defined in Annex I, Section C (4) to (10) of Directive 2014/65/EU <u>paragraphs 4 to 10 of Part 1 of Schedule 2 to the Regulated Activities Order</u></p>	<p>Non-equity financial instruments:</p> <p>‘SDRV’ — Securitised derivatives</p> <p>‘SFPS’ — Structured Finance Products (SFPs)</p> <p>‘BOND’ — Bonds</p> <p>‘ETCS’ — ETCs</p> <p>‘ETNS’ — ETNs</p> <p>‘EMAL’ — Emission Allowances</p> <p>‘DERV’ — Derivative</p>

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Annex C

COMMISSION DELEGATED REGULATION (EU) 2017/577 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 volume cap mechanism and the provision of information for the purposes of transparency and other calculations

~~(Text with EEA relevance)~~

...

Article -3

Definitions

1. In this Regulation, 'exit day' has the meaning given in the European Union (Withdrawal) Act 2018.

Article -2

Application

This Regulation applies to:

1. those persons described in Article 1(2) of Regulation 600/2014/EU;
2. approved publication arrangements (APAs) as defined in Article (2)(1)(34) of Regulation 600/2014/EU and consolidated tape providers (CTPs) as defined in Article (2)(1)(35) of Regulation 600/2014/EU;
3. the Financial Conduct Authority as a competent authority.

Article -1

Interpretation

1. Where a term is defined in Directive 2014/65/EU (as that directive applied in the European Union immediately before exit day) that definition shall apply for the purposes of this Regulation except where it is defined in article 2 of Regulation 600/2014/EU in which case that definition shall apply for the purposes of this Regulation.
2. The definition of all other terms defined in article 2 of Regulation 600/2014/EU shall apply for the purposes of this Regulation.

3. Article 2(1)(62) of Regulation 600/2014/EU applies for the purposes of this Regulation.
4. References to the day of entry into application of Regulation (EU) No 600/2014 mean the date of application of that Regulation in the European Union.

Article 1

Subject matter and scope

1. This Regulation sets out, the details of the data requests to be sent by ~~competent authorities~~ the FCA and the details of the reply to those requests to be sent by trading venues, approved publication arrangements (APAs) and consolidated tape providers (CTPs), for the purposes of calculating and adjusting the pre-trade and post-trade transparency and trading obligation regimes and in particular for the purposes of determining the following factors:

...

- (g) for equity and equity-like instruments, the total volume of trading for the previous 12 months and of the percentages of trading carried out under both the negotiated trade and reference price waivers across the ~~Union~~ UK and on each trading venue in the previous 12 months;

...

Article 2

Content of the data requests and information to be reported

1. For the purpose of carrying out calculations that occur at pre-set dates or in pre-defined frequencies, trading venues, APAs and CTPs shall provide ~~their competent authorities~~ the FCA with all the data required to perform the calculations set out in the following Regulations:
 - (a) Delegated Regulation (EU) 2017/587;
 - (b) Delegated Regulation (EU) 2017/583;
 - (c) Delegated Regulation (EU) 2017/567;
 - (d) Delegated Regulation (EU) 2017/565.
2. ~~Competent authorities~~ The FCA may request, where necessary, additional information for the purpose of monitoring and adjusting the thresholds and parameters referred to in points (a) to (f) and (h) of Article 1 from trading venues, APAs and CTPs.

3. ~~Competent authorities~~ The FCA may request all the data ~~ESMA~~ it is required to take into consideration in accordance with Delegated Regulation (EU) 2016/2020 for non-equity financial instruments, including data on the following:

...

...

Article 6

Reporting requirements for trading venues and CTPs for the purpose of the volume cap mechanism

1. For each financial instrument subject to the transparency requirements in Article 3 of Regulation (EU) No 600/2014, trading venues shall submit the following data to the ~~competent authority~~ FCA:
 - (a) the total volume of trading in the financial instrument executed on that trading venue;
 - (b) the total volumes of trading in the financial instrument executed on that trading venue falling under the waivers of Article 4(1)(a) or Article 4(1)(b)(i) of Regulation (EU) No 600/2014, respectively, with total volumes reported separately for each waiver.
2. For each financial instrument subject to the transparency requirements in Article 3 of Regulation (EU) No 600/2014 and where requested by the ~~competent authority~~ FCA, CTPs shall submit to the ~~competent authority~~ FCA the following data:
 - (a) the total volumes of trading in the financial instrument executed on all trading venues in the ~~Union~~ UK with total volumes reported separately for each trading venue;
 - (b) the total volumes of trading executed on all trading venues in the ~~Union~~ UK falling under the waivers of Article 4(1)(a) or Article 4(1)(b)(i) of Regulation (EU) No 600/2014, respectively, with total volumes reported separately for each waiver and for each trading venue.
3. Trading venues and CTPs shall report the data set out in paragraphs 1 and 2 to the competent authority using the formats provided in the Annex. They shall, in particular, ensure that the trading venue identifiers they provide are sufficiently granular to enable the ~~competent authority~~ FCA and ~~ESMA~~ to identify the volumes of trading executed under the reference price waiver and, for liquid financial instruments, under the negotiated trade waiver of each trading venue and allow for the calculation of the ratio set out under Article 5(1)(a) of Regulation (EU) No 600/2014.

...

6. Trading venues shall submit the data referred to in paragraphs 1 to 5 to the ~~competent authority~~ FCA on the first and the sixteenth day of each calendar month by 13:00 CET. Where the first or the sixteenth day of the calendar month is a non-working day for the trading venue, the trading venue shall report the data to the ~~competent authority~~ FCA by 13:00 CET on the following working day.
7. Trading venues shall submit to the ~~competent authority~~ FCA the total volumes of trading determined in accordance with paragraphs 1 to 5 in respect of the following time periods:
 - (a) for the reports to be submitted on the sixteenth day of each calendar month, the execution period is from the first day to the fifteenth day of the same calendar month;
 - (b) for the reports to be submitted on the first day of each calendar month, the execution period is from the sixteenth day to the last day of the previous calendar month.

...

9. Trading venues and CTPs shall respond to any ad hoc request from ~~competent authorities~~ the FCA on the volume of trading in relation to the calculation to be performed for monitoring the use of the reference price or negotiated trade waivers by close of business on the next working day following the request.

~~Article 7~~

~~Reporting requirements for competent authorities to ESMA for the purposes of the volume cap mechanism and the trading obligation for derivatives~~

- ~~1. Competent authorities shall provide ESMA with the data received from a trading venue or a CTP in accordance with Article 6 by 13:00 CET on the next working day following its receipt.~~
- ~~2. The Competent authorities shall provide ESMA with the data received from a trading venue, APA or CTP for the purpose of determining whether derivatives are sufficiently liquid as referred to in Article 1(h) without undue delay and no later than three working days following the receipt of the relevant data.~~

Article 8

Reporting requirements for ESMA for the purpose of the volume cap mechanism

- 1. For the purposes of this Article:
 - (a) the term ‘transitional period’ has the same meaning as under Article 5(3A) of Regulation 600/2014/EU); and

(b) the ‘relevant area’ in relation to a financial instrument means the United Kingdom and such other countries or regions as have been specified by the FCA by direction for the purposes of Article 5 of Regulation (EU) 600/2014.

1. ~~ESMA~~ After the transitional period, the FCA shall publish the measurements of the total volume of trading for each financial instrument that is traded on a trading venue in the previous 12 months and of the percentages of trading under both the negotiated trade and reference price waivers across the ~~Union~~ relevant area and on each trading venue in the previous 12 months, in accordance with paragraphs 4, 5 and 6 of Article 5 of Regulation (EU) No 600/2014, no later than 22.00 CET on the ~~fifth~~ tenth working day following the end of the reporting periods set out in Article 6(6) of this Regulation.
2. The publication referred to in paragraph 1 shall be free of charge and in a machine-readable and human-readable format as defined in Article 14 of Commission Delegated Regulation (EU) 2017/571 and in paragraphs 4 and 5 of Article 13 of Delegated Regulation (EU) 2017/567.
3. Where a financial instrument is traded in more than one currency across the ~~Union~~ relevant area, ~~ESMA~~ the FCA shall convert all volumes into euros using average exchange rates calculated on the basis of the daily euro foreign exchange reference rates published by the European Central Bank on its website in the previous 12 months. Those converted volumes shall be used for the calculation and publication of the total volume of trading and of the percentages of trading under both the negotiated trade and reference price waivers across the ~~Union~~ relevant area and on each trading venue as referred to in paragraph 1.

Article 9

Entry into force and application

...

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

...

Annex D

COMMISSION DELEGATED REGULATION (EU) 2017/588 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on the tick size regime for shares, depositary receipts and exchange-traded funds

~~(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:

1. those persons described in Article 1(2) of Regulation 600/2014/EU; and
2. the Financial Conduct Authority as a competent authority.

Article -1

Interpretation

1. Where a term is defined in Directive 2014/65/EU (as that directive applied in the European Union immediately before exit day) that definition shall apply for the purposes of this Regulation except where it is defined in article 2 of Regulation 600/2014/EU in which case that definition shall apply for the purposes of this Regulation.
2. The definition of all other terms defined in article 2 of Regulation 600/2014/EU shall apply for the purposes of this Regulation.
3. Article 2(1)(62) of Regulation 600/2014/EU applies for the purposes of this Regulation.

4. References to the date of application of Regulation (EU) No 600/2014 mean the date of application of that Regulation in the European Union.

Article 1

Most relevant market in terms of liquidity

For the purposes of this Regulation, the most relevant market in terms of liquidity for a share or a depositary receipt shall be considered to be the most relevant market in terms of liquidity as referred to in Article 4(1)(a) of Regulation (EU) No 600/2014 and specified in Article 4 or in accordance with Article 17A of Commission Delegated Regulation (EU) 2017/587.

...

Article 3

Average daily number of transactions for shares and depositary receipts

(Article 49(1) and (2) of Directive 2014/65/EU)

1. By 1 March of the year following the date of application of Regulation (EU) No 600/2014 and by 1 March of each year thereafter, the ~~competent authority for a specific share or depositary receipt~~ FCA shall, when determining the most relevant market in terms of liquidity for ~~that~~ each share or depositary receipt that is traded on a trading venue calculate the average daily number of transactions for that financial instrument in that market and ensure the publication of that information.

~~The competent authority referred to in subparagraph 1 shall be the competent authority of the most relevant market in terms of liquidity as specified in Article 16 of Commission Delegated Regulation (EU) 2017/590.~~

...

5. Before the first admission to trading or before the first day of trading of a share or depositary receipt on a trading venue, the ~~competent authority of the trading venue where that financial instrument is to be first admitted to trading or is to be first traded~~ FCA shall estimate the average daily number of transactions for that trading venue, taking into account the previous trading history of that financial instrument, where applicable, as well as the previous trading history of financial instruments that are considered to have similar characteristics, and publish that estimation.

The tick sizes of the liquidity band corresponding to that published estimate average daily number of transactions shall apply from the publication of that estimate until the publication of the average daily number of transactions for that instrument in accordance with paragraph 6.

6. No later than six weeks after the first day of trading of the share or depositary receipt, the ~~competent authority of the trading venue where the financial instrument was first admitted to trading or was first traded on a trading venue~~ FCA shall calculate and ensure the publication of the average daily number of transactions in that financial instrument for that trading venue, using the data relating to the first four weeks of trading of that financial instrument.

The tick sizes of the liquidity band corresponding to that published average daily number of transactions shall apply from the publication until a new average daily number of transactions for that instrument has been calculated and published in accordance with the procedure set out in paragraphs 1 to 4.

...

Article 3A

Transitional period for publication of average daily number of transactions

1. For the purposes of this Article, the term ‘transitional period’ has the same meaning as under Article 5(3A) of Regulation 600/2014/EU).
2. During the transitional period and until the FCA makes a publication under Articles 3, 4 or 5(3) in relation to the financial instrument in question, the average daily number of transactions in respect of a share or depositary receipt for the purposes of retained EU law relating to markets in financial instruments shall be as follows in (a) or (b), subject to (c):
 - (a) that stated in the most recent information published before exit day under Article 4 or 5 (whichever is the most recent) by the competent authority in the European Union (including the FCA) for the relevant instrument under Article 3(1) as it applied in the European Union before exit day (including the FCA);
or
 - (b) if no such information was published by that competent authority in the European Union in respect of a financial instrument under those provisions before exit day, the average daily number of transactions for that financial instrument shall be that estimated by the FCA, taking into account any previous trading history of that financial instrument and of other financial instruments that are considered to have similar characteristics, and published on exit day; and
 - (c) if information was published before exit day under Article 3(1) by the competent authority in the European Union (including the FCA) for the relevant instrument under Article 3(1) as it applied in the European Union before exit day, but the information was not required to be used under Article 3(4) before exit day, then the average daily number of transactions shall become that stated in such information from the point at which it would have been required to be used under Article 3(4) as it applied in the European Union before exit day, provided that the calculations used to produce that information did not exclude trading in the UK for the relevant period.

3. From exit day and during the transitional period, the FCA's obligations to perform calculations and publish information under Article 3 are modified as follows:
- (a) where the FCA publishes information under Article 3(1):
- (i) it shall publish what appears to it to be the average daily number of transactions;
- (ii) it is not required to follow the relevant methodology in Article 3, but where it does not:
- it must have regard to the relevant methodology; and
 - it may take into account any information available in relation to trading of the financial instrument in question in the United Kingdom or in any other country; and
- (iii) it shall ensure publication by five working days after 1 March; and
- (b) where the FCA publishes information under Article 3(6) it shall publish what appears to it to be the average daily number of transactions, and it may take into account any information available in relation to trading of the financial instrument in question in the United Kingdom or in any other country.

Article 4

Corporate actions

(Article 49(1) and (2) of Directive 2014/65/EU)

Where ~~a competent authority~~ the FCA considers that a corporate action may modify the average daily number of transactions of a particular financial instrument thereby causing this financial instrument to fall within a different liquidity band, the ~~competent authority~~ FCA shall determine and ensure publication of a new applicable liquidity band for that financial instrument treating it as if it were first admitted to trading or first traded on a trading venue and apply the procedure set out in Article 3(5) and (6).

Article 5

Transitional provisions

...

3. The tick sizes of the liquidity band corresponding to the published average daily number of transactions referred to in paragraph 1 shall be applied until 1 April of the year following the date of application of Regulation (EU) No 600/2014. During that period, ~~competent authorities~~ the FCA shall ensure that the tick sizes for financial instruments referred to under points (b) and (c) of paragraph 2 ~~and for which they are the competent authority~~, do not contribute to disorderly trading conditions. Where ~~a competent authority~~ the FCA identifies a risk for the orderly functioning of the markets due to such tick sizes, it shall determine and publish an

updated average daily number of transactions for the relevant financial instruments to address that risk. It shall do so on the basis of longer and more comprehensive trading history data of those instruments. Trading venues shall immediately apply the liquidity band corresponding to that updated average daily number of transactions. They shall do so until 1 April of the year following the date of application of Regulation (EU) No 600/2014 or until any further publication by the competent authority FCA in accordance with this paragraph.

Article 6

Entry into force and application

...

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

...