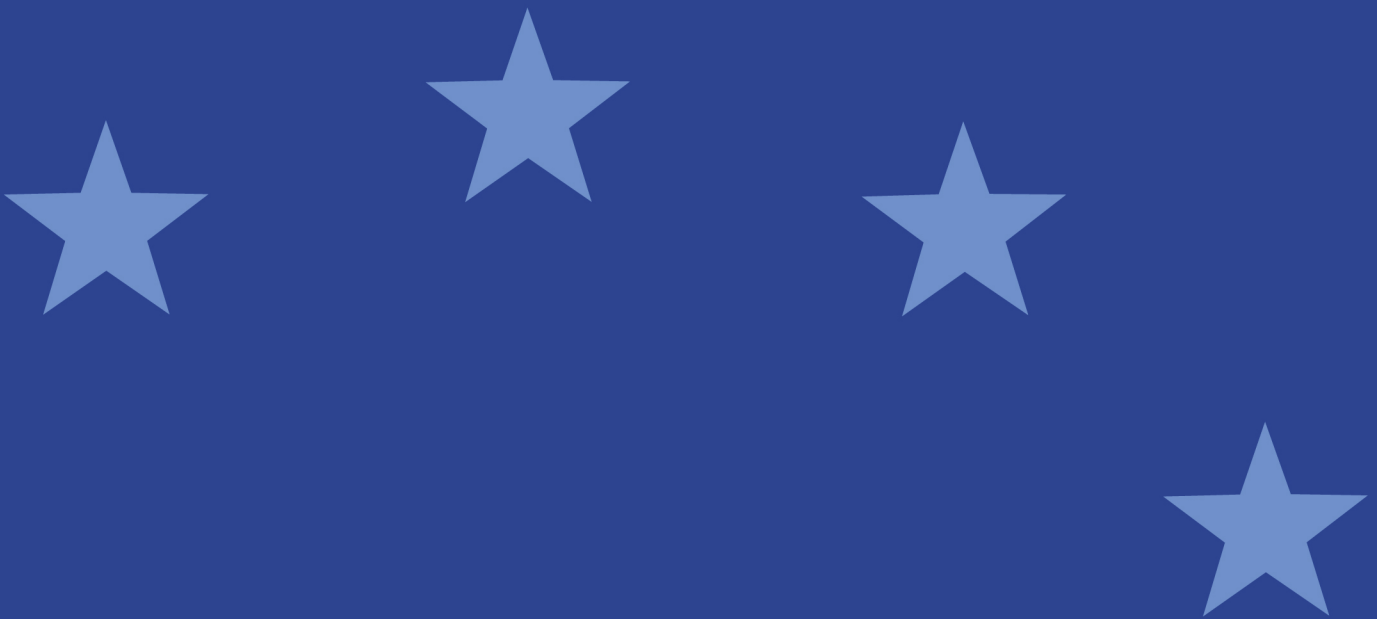




European Securities and
Markets Authority

Reply form for the Consultation Paper on the RTS 1 and RTS 2 Review



9 July 2021



Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in the Consultation Paper on the RTS 1 and RTS 2 review published on the ESMA website.

Instructions

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, ESMA will only be able to consider responses which follow the instructions described below:

- use this form and send your responses in Word format (pdf documents will not be considered except for annexes);
- do not remove the tags of type <ESMA_QUESTION_RVEW_0> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
- if you do not have a response to a question, do not delete it and leave the text “TYPE YOUR TEXT HERE” between the tags.

Responses are most helpful:

- if they respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

Naming protocol

In order to facilitate the handling of stakeholders' responses please save your document using the following format:

ESMA_CP_RVEW_NAMEOFCOMPANY_NAMEOFDOCUMENT.

e.g. if the respondent were ESMA, the name of the reply form would be:

ESMA_CP_RVEW_ESMA_REPLYFORM or

ESMA_CP_RVEW_ANNEX1

Deadline

Responses must reach us by 1 October 2021.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.



Publication of responses

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that a confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the headings 'Legal notice' and 'Data protection'.



General information about respondent

Name of the company / organisation	GFMA's Global FX Division
Activity	Banking sector
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	International

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_CP_RVIEW_1>
TYPE YOUR TEXT HERE
<ESMA_COMMENT_CP_RVIEW_1>



Q1 : Do you agree with the proposed amendment to Article 7(2) of RTS 1? If not, please explain your concerns about the proposed increase of the threshold.

<ESMA_QUESTION_RVIEW_1>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_1>

Q2 : Do you agree with the proposed amendment to Table 5 of Annex II of RTS 1? If not, please explain why you are concerned about the proposed increase of the thresholds.

<ESMA_QUESTION_RVIEW_2>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_2>

Q3 : Do you agree with ESMA's amendments to Articles 2, 6 and 13 of RTS 1 described above? If not, please explain why.

<ESMA_QUESTION_RVIEW_3>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_3>

Q4 : Do you agree with the proposed description of FBA trading systems and the updated description of periodic auction trading systems? If not, please explain why and which elements should be added to the description and/or removed.

<ESMA_QUESTION_RVIEW_4>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_4>

Q5 : Which of the two options for the pre-trade transparency requirements for FBA trading systems do you prefer? Please explain in case you are supportive of a different approach than the two options presented.

<ESMA_QUESTION_RVIEW_5>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_5>

Q6 : Do you agree with ESMA's proposals for 'hybrid systems'? If not, please explain why and which elements should be added and/or removed.

<ESMA_QUESTION_RVIEW_6>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_6>

Q7 : Do you agree with aligning both Table 1, Annex I of RTS 1 and Table describing the type of system and the related information to be made public in accordance with Article 2, of Annex I of RTS 2, to describe the same systems (with the exception of voice trading systems) and pre-trade transparency requirements? If not, please explain why.

<ESMA_QUESTION_RVIEW_7>
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<ESMA_QUESTION_RVIEW_7>



Q8 : Do you agree with ESMA's proposals to require a specific format and standardise further the pre-trade information to be disclosed? If not, please explain why. If yes, please clarify which elements should be amended, added and/or removed, if any.

<ESMA_QUESTION_RVIEW_8>
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<ESMA_QUESTION_RVIEW_8>

Q9 : Do you agree with the changes proposed by ESMA to amend Article 15 (3) of RTS 1? If not, please explain your rationale.

<ESMA_QUESTION_RVIEW_9>
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<ESMA_QUESTION_RVIEW_9>

Q10 : Do you agree with the proposed amendments to Article 17? If not, please explain.

<ESMA_QUESTION_RVIEW_10>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_10>

Q11 : Do you agree with the proposed amendment of Article 11(3)(c) of RTS 1? Please explain.

<ESMA_QUESTION_RVIEW_11>
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<ESMA_QUESTION_RVIEW_11>

Q12 : Do you agree with the changes proposed to Table 3 of Annex I of RTS 1 (List of details for the purpose of post-trade transparency) presented above? If not, please explain and provide any alternative proposal you might have. Are there other issues to be addressed and how?

<ESMA_QUESTION_RVIEW_12>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_12>

Q13 : Do you agree with ESMA's proposal not to change Tables 1 and 2 of Annex III of RTS 1? If not, and you consider that certain modifications shall be made, please explain.

<ESMA_QUESTION_RVIEW_13>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_13>

Q14 : Do you agree with ESMA's proposal on the new Tables 1 and 2 of Annex IV of RTS 1? If not, please explain and provide any alternative proposal you might have.

<ESMA_QUESTION_RVIEW_14>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_14>

Q15 : Please provide concrete examples or scenarios when the price cannot be determined as described or cases of the need to set a zero price for the different types of instruments: shares, ETFs, depositary receipts, certificates, other equity-like financial instruments.



<ESMA_QUESTION_RVIEW_15>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_15>

Q16 : Do you agree with the deletion of the SI flags 'SIZE', 'ILQD' and 'RPRI'? If not, please explain what you consider to be their added value.

<ESMA_QUESTION_RVIEW_16>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_16>

Q17 : Do you agree with the deletion of the ACTX flag? If not, please explain what you consider to be its added value.

<ESMA_QUESTION_RVIEW_17>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_17>

Q18 : Do you agree with the approach suggested for non-price forming transactions? If not, please explain.

<ESMA_QUESTION_RVIEW_18>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_18>

Q19 : Do you agree with ESMA's proposal to introduce a pre-trade LIS waiver flag for on-book transactions? If not, please explain. Should it be limited to completely filled LIS orders?

<ESMA_QUESTION_RVIEW_19>
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<ESMA_QUESTION_RVIEW_19>

Q20 : Do you agree with ESMA's proposal to introduce a pre-trade LIS waiver for off-book transactions? If not, please explain.

<ESMA_QUESTION_RVIEW_20>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_20>

Q21 : Do you agree with the proposal not to add such additional flags? If not, please explain why those flags are needed in your view.

<ESMA_QUESTION_RVIEW_21>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_21>

Q22 : Do you recommend adding/deleting/amending any other flags? If yes, please explain.

<ESMA_QUESTION_RVIEW_22>
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<ESMA_QUESTION_RVIEW_22>



Q23 : Do you agree with the proposal to prescribe the order of the population of flags? If not, please explain and provide an alternative proposal.

<ESMA_QUESTION_RVIEW_23>
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<ESMA_QUESTION_RVIEW_23>

Q24 : Do you agree with the proposed amendments above? If not, please do not reiterate the arguments made under the previous question asked for equity instruments and please rather explain why those amendments are not suitable for non-equity financial instruments.

<ESMA_QUESTION_RVIEW_24>

The Global Foreign Exchange Division ('GFXD') of the Global Financial Markets Association ('GFMA') welcomes the opportunity to provide comments to ESMA on its consultation paper '*On the review of RTS1 (equity transparency) and RTS 2 (non-equity transparency)*' published on 9 July 2021.

The GFXD was formed in cooperation with the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA) and the Asia Securities Industry and Financial Markets Association (ASIFMA). Its members comprise 23 global Foreign Exchange (FX) market participants¹, collectively representing the majority of the FX inter-dealer market². Both the GFXD and its members are committed to ensuring a robust, open and fair marketplace and welcome the opportunity for continued dialogue with global regulators.

For FX, we agree with the proposed amendments.

¹Bank of America, Bank of New York Mellon, Barclays, BNP Paribas, Citi, Credit Agricole, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Lloyds, Mizuho, Morgan Stanley, MUFG Bank, NatWest Markets, Nomura, Northern Trust, RBC, Standard Chartered Bank, State Street, UBS and Wells Fargo.

²According to Euromoney League Tables

<ESMA_QUESTION_RVIEW_24>

Q25 : Do you agree with the proposal to specify the fields to be populated for pre-trade transparency purposes? If not, please explain. In case you support the proposal, please comment on the fields proposed, in particular whether you would consider them necessary and/or whether additional information is required.

<ESMA_QUESTION_RVIEW_25>

Due to the current illiquid nature of the FX asset class (and we welcome the opportunity to engage further on this topic as and when appropriate), pre-trade transparency requirements do not apply and as such it is difficult to comment on the implications should these fields be required to be reported.

However, if such new proposals were put into practice, we believe that some of these fields would be duplicated with data reported in other reporting obligations, such as RTS2 post-trade obligations. We therefore recommend that ESMA considers this duplication in its analysis and addresses accordingly. Should ESMA disagree and require data to be duplicated across multiple reporting obligations, then we strongly suggest that any new reporting obligations are harmonised with respect to field identifier, the description/details to be published, and format.

In relation to the specific fields, FX transactions are typically different to other non-equity products in that there is usually an exchange of two currencies. Each counterparty will therefore be both a buyer and a

seller and there will be two notionals (one in each currency). Market convention dictates that the counterparty wishing to execute the trade can trade on either currency in the currency pair (e.g. buy EUR or sell USD), which may result in inverting the typical numerator and denominator in the quoted currency pair.

We have produced several papers for market participants in which we discuss such considerations – each paper concluding with proposals to help harmonise reporting requirements. Published examples include our 2017 Post-trade Best Practices for reporting FX Forwards, NDF and Options³ and we recommend that ESMA leverages these proposals in their assessments. Such an approach will avoid any additional confusion, will provide clarity and thus improve the quality of any reportable data.

The following two tables have been extracted for ease and illustrate how such bookings could be reported.

FX Forwards and NDFs:

Relevant fields	GFXD proposed standard	EURCHF Forward booked on notional of 10 million EUR	EURCHF Forward booked on notional of 10 million CHF	USDBRL NDF booked on notional of 10 million USD	USDBRL NDF booked on notional of 10 million BRL
Price	Exchange rate	1.0727	0.93206	3.15692	0.31647
Price notation	Monetary value	MONE	MONE	MONE	MONE
Price currency	Numerator currency	CHF	EUR	BRL	USD
Quantity	Number of contracts	1	1	1	1
Notional amount	Denominator currency notional	10000000	10000000	10000000	10000000
Notional currency	Denominator currency	EUR	CHF	USD	BRL

FX Options:

Relevant fields	GFXD proposed standard	USDJPY Vanilla Option booked on notional of 10 million USD, strike 114.84, premium 2000 USD	EURCHF Vanilla Option booked on notional of 10 million CHF, strike 0.93206, premium 4000 USD
Price	Premium	2000	4000
Price notation	Monetary value	MONE	MONE
Price currency	Premium currency	USD	USD
Quantity	Number of contracts	1	1
Notional amount	Denominator currency notional	10000000	10000000
Notional currency	Denominator currency of strike price	USD	CHF

Specifically in relation to the fields included in Table 7, we have the following comments, noting that ESMA should specifically refer to the CPMI-IOSCO CDE as appropriate:

- Field 2 'Instrument Identification Code': ISINs are generally obtained as part of the trading process and incorporated into the trade lifecycle once a trade has been executed. The inclusion of ISINs in any pre-trade obligations would likely require firms to request and cache ISINs at the start of day and then use these during the day when quoting – whilst of course checking to see if an ISIN already exists and using that if available. Whilst the impact of this proposed change is unclear, it can be expected to impact all asset-classes. We also believe that the use of ISINs for pre-trade would create duplication with post-trade requirements and request that ESMA considers this in its analysis.
- Field 3 'Side': we do not agree with the inclusion of 'bid/ask' in determining the buyer/seller. Instead, we suggest that if this field is required that the 'Buy/Sell' indicator is used (for example as per EMIR) and that for FX that this is complemented by the widely adopted Cash Rule⁴. The FX Cash Rule states that the payer (or sell side, or short position) would be determined by the party that is selling

risk in the currency which is first when sorted alphabetically by ISO code. For example, in a USD-EUR FX forward trade, it would be each party's position relevant to the EUR that will determine the payer (buy) or receiver (sell) position. We also note that further guidance will be needed on how to report when 2-way quotes are provided.

- Field 5 'Price Currency': for FX Forwards and NDFs, it is unclear in the table whether this should be considered as the numerator or denominator currency. We recommend this should be the numerator currency for FX Forwards and NDFs.
- Field 7 'Strike price': we disagree with the text 'Strike price of the option expressed in the same currency as the price'. For FX, the Strike price will be an exchange rate rather than a single currency, and the Price will be the premium. Instead, we suggest either the following text, leveraging the Exchange Rate text from EMIR 'Strike price of the option expressed as the exchange rate as of the date and time at when the contract was concluded' or that used for Strike price in the CDE.

³GFXD 2017 Paper on Forwards and NDFs [https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_\(FX\)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf](https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_(FX)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf)

GFXD 2017 paper on Vanilla Options [https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_\(FX\)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf](https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_(FX)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf)

⁴ [https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_\(FX\)/FX%20Trade%20Side%20201209%20v0%201.pdf](https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_(FX)/FX%20Trade%20Side%20201209%20v0%201.pdf)

<ESMA_QUESTION_RVIEW_25>

Q26 : Please indicate, if applicable, which medium-term targeted improvements you would like to see to the threshold calibrations in RTS 2.

<ESMA_QUESTION_RVIEW_26>

FX is currently illiquid and as such it is difficult to comment on the impact of any proposed changes to threshold calibrations.

Given the cross-border nature of the global FX market, for FX we recommend that ESMA considers the approaches adopted/discussed in other jurisdictions (e.g. US, UK) for calibrating and managing such thresholds and we welcome the opportunity to engage with ESMA on any future reviews.

<ESMA_QUESTION_RVIEW_26>

Q27 : Do you agree with the proposed changes to Article 13? If not, please explain.

<ESMA_QUESTION_RVIEW_27>

For FX, we support the proposal of having changes coming into effect on a Monday.

<ESMA_QUESTION_RVIEW_27>

Q28 : Do you agree with the proposed changes to Article 4? If not, please explain.

<ESMA_QUESTION_RVIEW_28>

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<ESMA_QUESTION_RVIEW_28>

Q29 : Do you agree with the proposed changes to Article 12? If not, please explain. Please do not reiterate the general comments made in the equity section and try to focus on arguments that are specific to non-equity financial instruments.

<ESMA_QUESTION_RVIEW_29>



For FX, we agree with the proposed amendments, noting however that as the market is familiar with the use of the 'give up' and 'give in' terminology there may be benefit in ensuring that these are referenced in the updated text too.

<ESMA_QUESTION_RVEW_29>

Q30 : Please provide your comments on the analysis and proposals related to the liquidity framework applicable to commodity derivatives, EA and DEA detailed in Section 4.2 and summarised in Section 4.2.5. Please list the proposals with their ID (#1 to #9) for ease of reference.

<ESMA_QUESTION_RVEW_30>

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<ESMA_QUESTION_RVEW_30>

Q31 : Do you agree with the changes proposed to Table 2 of Annex II of RTS 2 (List of details for the purpose of post-trade transparency) presented above? If not, please explain and provide any alternative proposal you might have. Are there other issues to be addressed and how?

<ESMA_QUESTION_RVEW_31>

As noted in our response to Question 25 on pre-trade transparency, for FX we strongly support that any duplication in the reporting of data should be avoided and request that ESMA considers this in its analysis (and we welcome the opportunity to engage further on this topic as and when appropriate).

Should ESMA disagree and require data to be duplicated across multiple reporting obligations, then we strongly suggest that any new reporting obligations are harmonised with respect to field identifier, description/details to be published and format.

In relation to the specific fields, FX transactions are typically different to other non-equity products in that there is usually an exchange of two currencies. Each counterparty will therefore be both a buyer and a seller and there will be two notionals (one in each currency). Market convention dictates that the counterparty wishing to execute the trade can trade on either currency in the currency pair (e.g. buy EUR or sell USD), which may result in inverting the typical numerator and denominator in the quoted currency pair.

We have produced several papers for market participants in which we discuss such considerations – each paper concluding with proposals to help harmonise reporting requirements. Published examples include our 2017 Post-trade Best Practices for reporting FX Forwards, NDF and Options¹⁵ and we recommend that ESMA leverages these proposals in their assessments. Such an approach will avoid any additional confusion, will provide clarity and thus improve the quality of any reportable data.

The following two tables have been extracted for ease and illustrate how such bookings could be reported.

FX Forwards and NDFs:

Relevant fields	GFXD proposed standard	EURCHF Forward booked on notional of 10 million EUR	EURCHF Forward booked on notional of 10 million CHF	USDBRL NDF booked on notional of 10 million USD	USDBRL NDF booked on notional of 10 million BRL
Price	Exchange rate	1.0727	0.93206	3.15692	0.31647
Price notation	Monetary value	MONE	MONE	MONE	MONE
Price currency	Numerator currency	CHF	EUR	BRL	USD
Quantity	Number of contracts	1	1	1	1
Notional amount	Denominator currency notional	10000000	10000000	10000000	10000000
Notional currency	Denominator currency	EUR	CHF	USD	BRL

FX Options:

Relevant fields	GFXD proposed standard	USDJPY Vanilla Option booked on notional of 10 million USD, strike 114.84, premium 2000 USD	EURCHF Vanilla Option booked on notional of 10 million CHF, strike 0.93206, premium 4000 USD
Price	Premium	2000	4000
Price notation	Monetary value	MONE	MONE
Price currency	Premium currency	USD	USD
Quantity	Number of contracts	1	1
Notional amount	Denominator currency notional	10000000	10000000
Notional currency	Denominator currency of strike price	USD	CHF

Specifically in relation to Table 2 of the Annex II of RTS 2 (page 212 of the Consultation), we have the following comments noting that ESMA should specifically refer to the CPMI-IOSCO CDE as appropriate:

- Field 4 'Price Currency': for FX Forwards and NDFs, it is unclear in the table whether this should be considered as the numerator or denominator currency. We recommend this should be the numerator currency for FX Forwards and NDFs.
- Field 6 'Strike price': we disagree with the text 'Strike price of the option expressed in the same currency as the price'. For FX, the Strike price will be an exchange rate rather than a single currency, and the Price will be the premium. Instead, we suggest either the following text, leveraging the Exchange Rate text from EMIR 'Strike price of the option expressed as the exchange rate as of the date and time at when the contract was concluded' or that used for Strike price in the CDE.

⁵GFXD 2017 Paper on Forwards and NDFs [https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_\(FX\)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf](https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_(FX)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf)

GFXD 2017 paper on Vanilla Options [https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_\(FX\)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf](https://www.gfma.org/wp-content/uploads/uploadedFiles/Initiatives/Foreign_Exchange_(FX)/GFXD%20MiFID%20RTS%202%20and%2022%20Standardisation%20Fwd%20NDF%20May%202017%20Update.pdf)

<ESMA_QUESTION_RVIEW_31>

Q32 : Do you agree with the changes proposed to Table 4 of Annex II of RTS 2 (Measure of volume) presented above? Do you think that it now provides more clarity? If not, please explain and provide any alternative proposal you might have.

<ESMA_QUESTION_RVIEW_32>

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<ESMA_QUESTION_RVIEW_32>

Q33 : Do you agree with ESMA's proposals on Table 1 (Symbol) and Table 2 of Annex IV of RTS 2? If not, please explain and provide any alternative proposal you might have.

<ESMA_QUESTION_RVIEW_33>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RVIEW_33>

Q34 : Do you agree with ESMA's proposals on the segmentation criteria for bonds (Table 2.2), securitised derivatives (Table 4.1), interest rate derivatives (Table 5.1), equity derivatives (Table 6.1), credit derivatives (Table 9.2 and 9.3) and emission allowances (Table 12.1) of Annex III of RTS 2? If not, please explain and provide any alternative proposal you might have.



<ESMA_QUESTION_RVIEW_34>
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<ESMA_QUESTION_RVIEW_34>

Q35 : Please provide your comments in relation to the proposals related to the segmentation criteria applicable to commodity derivatives summarised in Table 11. Please list the proposals with their ID for ease of reference. Do you have other proposals related to the segmentation criteria applicable to commodity derivatives and C10 derivatives?

<ESMA_QUESTION_RVIEW_35>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_35>

Q36 : Do you agree with ESMA's proposal on the new Table of Annex V of RTS 2 (Details of the data to be provided for the purpose of determining a liquid market, the LIS and SSTI thresholds for non-equity financial instruments)? If not, please explain and provide any alternative proposal you might have.

<ESMA_QUESTION_RVIEW_36>

FX is currently illiquid and as such it is difficult to comment on the impact of any proposed changes. However, we recommend the following:

Table 2 Field 7 'Total Volume': Given that there will need to be conversion should the currency pairs that are traded are not in euros, we suggest that ESMA leverages a similar procedure to that identified in MiFIR RTS2 Article 13.8, namely:

8. ...Where the trade size defined for the purpose of paragraphs 2 and 3 is expressed in monetary value and the financial instrument is not denominated in euros, the trade size shall be converted to the currency in which that financial instrument is denominated by applying the European Central Bank euro foreign exchange reference rate as of 31 December of the preceding year.

However, given that this calculation will be required more frequently, we suggest that ESMA considers providing clarity, such as the market using the European Central Bank (ECB) euro foreign exchange reference rate as of the preceding business day. Should the ECB not publish rates for a particular currency pair, then we recommend that firms use internally generated rates.

Table 3 'Bin Sizes': Given the notional sizes for FX are considerable we suggest that the bin sizes are amended from the current proposal. We suggest that for trades with notionals between 50 and 100 million euros that the bin sizes are set at 10 million intervals, and then for notionals above 100 million euros that bin sizes are set at 100 million intervals.

<ESMA_QUESTION_RVIEW_36>

Q37 : Do you agree with ESMA's proposal to delete the ACTX flag? Please explain.

<ESMA_QUESTION_RVIEW_37>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RVIEW_37>

Q38 : Do you agree with ESMA's proposal to merge the current non-equity deferral flags into one general flag?

<ESMA_QUESTION_RVIEW_38>

For FX, we question the benefits of merging the deferral flags into one and would welcome further dialogue to discuss.

<ESMA_QUESTION_RVIEW_38>



Q39 : Do you agree with ESMA's proposal not to change the existing flags regarding non-price forming transactions in non-equity financial instruments? If not, please explain.

<ESMA_QUESTION_RVIEW_39>

For FX, we agree with ESMA's proposal.

<ESMA_QUESTION_RVIEW_39>

Q40 : Do stakeholders agree with ESMA's proposal to introduce a general waiver flag for non-equity transactions benefitting from a waiver? For LIS, should it be limited to completely filled LIS orders?

<ESMA_QUESTION_RVIEW_40>

For FX, we agree with ESMA's proposal.

<ESMA_QUESTION_RVIEW_40>

Q41 : Do you agree with ESMA's proposal to introduce a flag for pre-arranged non-equity transactions?

<ESMA_QUESTION_RVIEW_41>

For FX, we do not believe that this flag would add any extra value and do not support its inclusion.

<ESMA_QUESTION_RVIEW_41>

Q42 : Do you agree with the proposal on the delayed implementation of certain provisions of the amended RTS 1 & 2 ? Do you have proposals to minimize the delay?

<ESMA_QUESTION_RVIEW_42>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RVIEW_42>

Q43 (CBA) : Can you identify any other costs and benefits not covered in the CBA below? Please elaborate.

<ESMA_QUESTION_RVIEW_43>

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<ESMA_QUESTION_RVIEW_43>